#073 additional information

BEFORE THE FUTURE DEVELOPMENT STRATEGY HEARINGS PANEL

UNDER	the Local Government Act 2002 and the Resource Management Act 1991
IN THE MATTER OF	**OUR SPACE 2018-2048 - Greater Christchurch Settlement Pattern Update**
SUBMITTER	**ROLLESTON INDUSTRIAL HOLDINGS LIMITED (SUBMITTER 73)**

STATEMENT OF EVIDENCE ON BEHALF OF MICHAEL CAMPBELL COPELAND

Dated: 15 February 2019

GREENWOOD ROCHE
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INTRODUCTION

1 My name is Michael Campbell Copeland.

2 I am a consulting economist and managing director of Brown, Copeland and Company Limited, a firm of consulting economists which has undertaken a wide range of studies for public and private sector clients in New Zealand and overseas. During the period 1990 to 1994, I was also a member of the Commerce Commission and during the period 2002 to 2008 l was a lay member of the High Court under the Commerce Act. Prior to establishing Brown, Copeland and Company Limited in 1982, I spent six years at the New Zealand Institute of Economic Research and three years at the Confederation of British industry.

3 I hold a Bachelor of Science degree in mathematics and a Master of Commerce degree in economics. I have over 45 years' experience in the application of economics to various areas of business, including resource management matters.

4 With respect to the Resource Management Act 1991 (RMA), I have prepared evidence for clients covering a number of projects and policies.

5 I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014. I have complied with it in preparing this evidence and I agree to comply with it in presenting evidence at this hearing. The evidence that I give is within my area of expertise except where I state that my evidence is given in reliance on another person's evidence. I have considered all material facts that are known to me that might alter or detract from the opinions that I express in this evidence.

SCOPE OF EVIDENCE

6 My evidence is presented on behalf of Rolleston Industrial Holdings Limited (RIHL). It addresses matters related to the assessment of capacity for industrially zoned land for Rolleston. In particular it addresses the methodology used to determine industrial land capacity and the use of employment growth forecasts to determine industrial land demand in the Rolleston context.

7 The industrial land required at Rolleston will by its nature be space intensive rather than people intensive and influenced significantly by freight-related industry trends. This means the projections relied upon for the Future Development Strategy are likely to result in insufficient industrial land, or at least insufficient land in the right place. Further I consider, even if the rezoning of additional RIHL land adjacent to the inland port results in a greater surplus of industrial land supply over industrial land demand within the Selwyn District and Greater Christchurch over the BDCA Report's planning horizon, such a rezoning will still provide net economic benefits.

INDUSTRIAL DEVELOPMENT CAPACITY ASSESSMENT

8 The methods by which the demand for business land for Greater Christchurch, including the Selwyn District, has been assessed are set out in the Business Development Capacity Assessment Report (BDAC Report)[1]. In the case of industrial land future demand is based upon forecast growth in employment in the manufacturing, transport, postal and warehousing and construction sectors and the historic relationship prior to 2016 between employment and land use in these sectors.[2]

9 The BDAC Report describes the Business 2 land at Rolleston that is zoned for light and heavy industrial developments as follows:

> *"The primary industrial node serving the district and wider region is located in Rolleston across State Highway 1 and the Main Trunk Line west of the town centre and residential environments. This node accommodates some light industrial activities along Jones Road but is dominated by the established I-Zone industrial Park and the more recently zoned I-Port business park that is progressively being developed for industrial activities and includes a defined area for some Large Format Retail. The Port of Lyttelton and Port of Tauranga inland ports are both located within the Rolleston Business 2A zone."*

10 This description highlights that demand for industrial land in this location will be primarily driven not by future industrial employment

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[1] Business Development Capacity Assessment Report; Greater Christchurch Partnership Te Tira Tu Tahi One Group Standing Together; March, 2018.
[2] See BDCA Report Figure 2, page 16, pages 28-38 and pages 59-60.

in Selwyn but the demand for freight logistics space at this location. However, this description of the I-Zone and IPort Industrial Parks fails to point out:

(a) the importance of the two inland ports located on this land and their considerable potential for growth given the interplay of the growing importance of the Port Lyttelton for not just Greater Christchurch but the whole of the Canterbury region and the South Island exports and imports;

(b) the land constraints at the Port of Lyttelton itself; and

(c) the existing and potential role of rail to alleviate congestion on the road network within Greater Christchurch.

11 Elsewhere the BDAC Report highlights the important role the I-Zone and IPort industrial land plays in serving not just the Selwyn District and Greater Christchurch but the wider Canterbury region and the South Island stating:

> *"Christchurch Airport and Lyttelton Port of Christchurch are respectively the principal hubs for international visitors and freight, emphasising the sub-region's importance as a strategic regional centre and economic gateway. This has been boosted in recent years through the creation of inland ports at the I-Zone southern business hub in Rolleston."*

12 Future demand for industrial land in Selwyn therefore will be primarily driven by the economic performance of Greater Christchurch, the Canterbury region and the South Island, especially their exporting and importing industries, and trends in how freight is handled. In this regard I note the following:

(a) Whereas employment in transport, postal and warehousing sectors between 2000 and 2016 fell by 9.6%, the number of containers moved through the Port of Lyttelton has grown rapidly. The Port has experienced a more than 10 fold increase in the number of containers handled in the past 30 years. In the year to 30 June 2015, the port handled 370,000 twenty-foot equivalent units (TEUs) and forecast the number of TEUs handled by the port's container terminal would grow to well over 1 million TEUs by 2041[3]. In the year to June, 2018 the port handled 424,560 TEUs, up 5.7% from 401,711 TEUs in the year to 30 June, 2017[4]. The Greater Christchurch Freight Study forecasts 1.5 million containers by 2041.[5] Using 1 million containers per year in 2041 implies an annualised growth rate over the period 2018 to 2041 of 3.8% per annum; 1.5 million containers per year in 2041 implies an annualised growth rate of 5.6% per annum. In contrast the BDCA Report concludes that the demand for industrial land in Selwyn will not increase significantly reflecting *"the ending of the earthquake rebuild and the reduction in demands for inputs to the rebuild efforts, which has flow on impacts to sectors that tend to locate in industrial zones"*.[6] I consider this to be out of step with trends in freight logistics and the demand for industrial land in Rolleston.

(b) The predicted future growth in containers handled through the port of Lyttelton reflects export and import growth projections and particularly the greater use of larger container ships on New Zealand's trade routes with these ships calling at fewer New Zealand ports. Limited land available at the Port of Lyttelton has seen LPC and shippers of freight making greater use of inland port facilities for the aggregation and breaking down of container freight. In addition because the Greater Christchurch area has good road and rail links to the remainder of the South Island and is the largest centre in the South Island many organisations use either Auckland and Christchurch as import distribution centres, in some cases resulting in the movement of freight between the two cities.[7] These trends are likely to intensify in the future.

(c) The BDCA report itself states:

"Notwithstanding the decline (of employment) *in the Transport, Postal and Warehousing sectors, there may be higher levels of demand for land in the future associated with increased service*

[3] Source: LPC Annual Review. 2015. (page 18).
[4] Source: LPC Annual Review. 2018. (page 3).
[5] Greater Christchurch Freight Study - Freight Management Directions Statement; Auecon; December, 2014; page 8.
[6] BDCA Report page 60.
[7] Greater Christchurch Freight Study - Freight Management Directions Statement; Auecon; December, 2014; page 12.

activities and the emergence of industries reliant on just in time delivery e.g. Amazon. The measure of growth in these sectors is anticipated to be output rather than employment."[8]

In other words, even if future industrial employment is low, there still may be significant growth in the demand for industrial land.

(d) I am informed that the land which RIHL wishes to be zoned for industrial purposes is the only land that can accommodate an extension to the current Midland Inland Port rail siding and that this potential extension would dramatically increase the rail carrying capacity of the Midland Port to Port Lyttelton line, reducing the pressure on the regionally strategic Southern arterial motorway and Brougham Street link to the port. As such the rezoning requested provides a unique opportunity to reduce congestion affecting two pieces of regionally significant infrastructure - the road connection between the port and Midland port and the port itself.

(e) Rail is becoming an increasingly important mode for connecting LPC's Midland Port at Rolleston to the Port of Lyttelton. In the past road was the main mode of transport for containers to and from the port but this is being replaced by rail in conjunction with the use of Midland Port. The BDCA report[9] highlights that future business development and population growth in Greater Christchurch is likely to lead to reductions in levels of service and the capacity of the transport infrastructure.[10] For example, the expected average travel time in the AM peak from Selwyn to the centre of Christchurch is expected to increase from 23.6 minutes in 2013 to 32.8 minutes in 2028 and to between 38.2 and 44.4 minutes in 2048.[11] Already the rail service between Midland Port and Lyttelton Port is estimated to take 700 truck trips off the road network each week resulting in reductions in emissions and cost efficiencies[12]. Despite large volumes of export-related freight being moved by rail there is still spare

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[8] BDCA Report page 31.
[9] Page 10.
[10] Page 10.
[11] BDCA Report page 122.
[12]Source: LPC Annual Review; June 2018 (page 15).

capacity in the rail network,[13] which in conjunction with the inland ports at Rolleston can:

(i) help overcome existing and future constraints in the road network and available ship-side land at the port of Lyttelton;

(ii) reduce the negative effects of road congestion;

(iii) reduce costs and increase productivity for Greater Christchurch, Canterbury and South Island businesses; and

(iv) improve amenity values in Greater Christchurch.

13 In 2014, the Greater Christchurch Freight Study[14] recommended the development of an inland port and associated freight precinct at Rolleston to improve Lyttelton Port's overall capacity. The benefits the study identified from such a development at Rolleston included freed up capacity in and around Lyttelton Port, shorter road trips leading to better fleet utilisation, greater off-peak movement of freight and co-location of complementary businesses. By significantly reducing the freight related traffic entering Christchurch (especially traffic between Lyttelton Port and other parts of the South Island), an inland port and associated freight precinct at Rolleston was also expected to improve the amenity of Greater Christchurch. The benefit of an inland port at Rolleston is underlined by 2010 data showing that over 90% of the Port of Lyttelton's export tonnage passes through Rolleston by either road or rail.[15]

14 In summary, without considering whether the use of employment growth forecasts to determine industrial land demand is appropriate in a wider UDS context, I consider the methodology to be out of step with Rolleston's specific circumstances. The inland port at Rolleston means that industrial land demand will be driven by freight volume growth and trends in freight handling logistics rather than population or employment growth. It will be affected by the economic performance of Greater Christchurch, the wider Canterbury region,

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[13] Greater Christchurch Freight Study - Freight Management Directions Statement; Aurecon; December, 2014; page 12.
[14] Page 20.
[15] Greater Christchurch Freight Information Statement. Aurecon. July 2014. (page 31)

and even the whole South Island and not the Selwyn District alone. Allowing additional land with industrial zoning adjacent to the Midland Port will recognise the previous and projected growth in containers being shipped through Lyttelton Port and the increasing importance of rail in reducing pressure on the roads.

ECONOMIC BENEFITS AND COSTS FROM REZONING ADDITIONAL IPORT BUSINESS PARK LAND

Economic Benefits

15 The previous section of my evidence has set out a number of economic and amenity benefits arising from industrial activities, especially those related to handling and storage of freight to be located on RIHL's 27 hectare site adjacent to Midland Port. These economic benefits include helping improve the Port of Lyttelton's overall efficiency, agglomeration benefits from the co-location of similar business activities, more efficient land transport, reduced road congestion costs and improvements in the amenity of Greater Christchurch.

16 Further, I am informed that by enabling the Midland Port siding to be extended the rezoning of the land will facilitate the use of longer (and therefore more efficient) trains at Midland Port.[16] Also extending the existing siding will involve only a marginal cost increase and will be much cheaper than duplicating the facility at some alternative location. The extension of the siding would require no additional rail crossings and would simply be an extension of an existing facility. Attached and marked **'A'** is a letter from LPC supporting RIHL's rezoning.

17 In addition, economists generally accept that measures which increase competition in markets provide for greater economic well-being and greater economic efficiency and that conversely interventions in markets which limit or prevent competition in markets reduce economic well-being and economic efficiency. Such a philosophy is the basis for the measures contained in the Commerce Act and is the reason why trade competition effects are not relevant considerations under the RMA.

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[16] See supporting letter from Lyttelton Port Company, dated 15 February, 2019.

17.1 Increased competition in markets (or the removal of constraints on competition) is seen to be consistent with more competitive (and therefore lower) prices in markets and improved service levels by providers of goods and services. This is relevant with respect to the market for the supply of industrial land within the Selwyn District and Greater Christchurch.

17.2 The National Policy Statement on Urban Development Capacity (2016) (NPS-UDC) is very clear about encouraging competition in markets for land development. It states[17]:

> *"Competition is important for land and development markets because supply will meet demand at a lower price where there is competition. There are several key features of a competitive land market and development market. These include providing plenty of opportunities for development. Planning can impact on the competitiveness of the market by reducing overall opportunities for development and restricting development rights to only a few landowners.*
>
> *This national policy statement requires councils to provide in their plans enough development capacity to ensure that demand can be met. This includes both total aggregate demand for housing and business land, and also the demand for different types, sizes and locations. This development capacity must recognise that not all feasible development opportunities will be taken up. This will provide communities with more choice, at lower prices."*

17.3 In addition, Policy PA3 of the National Statement requires that when making planning decisions particular regard be given to:

"a) Providing for choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses; and

c) Limiting as much as possible adverse impacts on the competitive operation of land and development markets."

[17] At page 4.

17.4 Also under the heading "Responsive Planning" the NPC-UDC contains a number of policies requiring local authorities such as the Selwyn District Council and the Greater Christchurch partners with high-growth urban areas within their district or region to make available sufficient land capable of business development. For example, policy PC1 requires the Selwyn District Council:

> *"To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient, feasible development capacity as outlined in policy PA1[18], local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of **at least**:*
>
> *20% in the short and medium term, and*
>
> *15% in the long term."* (Emphasis added)

18 Therefore there are clear economic benefits associated with the efficiency gains from enhancing competition by zoning land for industrial development in excess of projected demand.

Potential Economic Costs

19 Economic costs may arise if, as a consequence of zoning additional areas of land for industrial development, there is a need to duplicate or bring forward the installation of bulk infrastructure capacity. I am informed that the land proposed for rezoning is within the infrastructure boundary and has infrastructure immediately available. Any on-site infrastructure will be paid for by the developer (and subsequently site occupiers) together with any development levy charges. Therefore any additional infrastructure costs will be internalised into the cost structure of the developer and are not external costs paid for by the community (ratepayers) in general.

20 Rezoning land further away from residential areas and employment centres could result in the development of more remote industrial areas in preference to those that are closer to these centres. This could result increased transport costs; however, for the most part,

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[18] Policy PA1 relates to local authorities having to ensure that at any one time there is sufficient housing and business land development capacity with different requirements for the short, medium and long term.

these costs would be internalised to owners (or renters) of the newly developed properties.

21 Only to the extent there are additional externality costs – e.g. road accidents, congestion and greenhouse gas emissions – are increased transport costs a relevant consideration. In the case of the proposed land to be rezoned for industrial development the previous section of my evidence has highlighted the opportunities the rezoning would provide for reduced road transport externality costs.

22 In summary, from a broad Selwyn District or Greater Christchurch perspective there are a number of economic benefits from the proposed rezoning of the Iport Business Park land and no economic costs.

SUMMARY AND CONCLUSION

23 Assessing the future demand for industrial land at Rolleston's Iport Business Park on the basis of historic land area to employment ratios for the Selwyn and Greater Christchurch manufacturing, transport, postal, and warehousing and construction sectors is inappropriate.

24 The demand for industrial land at Rolleston's Iport Business Park will primarily be driven by the economic performance of Greater Christchurch, the Canterbury region and the South Island, especially their exporting and importing industries, and trends in how freight is handled.

25 The inland ports at Rolleston and the rail network are, and will be increasingly in the future, used to facilitate the efficient operation of the Port of Lyttelton and the Greater Christchurch road network.

26 Forecasts for the growth in the number of containers through the Port of Lyttelton are expected to considerably exceed the Selwyn District's industrial employment growth (and therefore industrial land demand growth) forecasts contained within the BDCA Report.

27 There are a number of economic benefits from rezoning additional Rolleston Iport Business Park land to enable it to be developed for industrial purposes. There are no economic costs from the rezoning sought, even if as a result there is an increase in the surplus of industrial land supply over industrial land demand within the Selwyn

District and Greater Christchurch over the BDCA Report's planning horizon.

28 The proposed rezoning of Rolleston's Iport Business Park land is consistent with:

(a) Enabling "people and communities to provide for their social, economic and cultural well-being";[19] and

(b) Having "particular regard to ... the efficient use and development of natural and physical resources".[20]

Michael Campbell Copeland

15 February 2019

[19]Part 2 section 5(2) of the RMA.
[20] Part 2 section 7(b) of the RMA.

‘A’

14 February 2019

Rolleston Industrial Holdings

Dear Sir/Madam,

MidlandPort Growth Potential

1 We write in support of the rezoning of additional industrial land immediately adjacent to the MidlandPort at Rolleston. An increase in industrial zoned land in this location will support LPC's ability to meet the increase in demand for containerised cargo that is anticipated over the next 20 to 30 years.

Background

2 Lyttelton Port Company (LPC) own and operate the MidlandPort, located within the Business 2A zone at Rolleston. MidlandPort became operational in June 2016. The rail connection with the Port improves container freight efficiency, and decreases travel time and freight costs for customers. It also reduces road congestion by removing a significant number of trucks on the Port route.

3 MidlandPort is strategically positioned to offer connectivity to all transport modes throughout the South Island. Combined with our extensive facilities and neighbouring developments, a supply chain that includes MidlandPort can be optimised to ensure that containers are moved to and from ports at the lowest cost. Features of MidlandPort's location include:

(a) Next to the main trunk rail line and State Highway 1, within 1km of the end of the new Southern Motorway Stage 2.

(b) Direct access to Lyttelton Port via a dedicated rail shuttle.

(c) Connections to a large number of shipping services and shipping lines, offering direct calls to Australia, Asia, North America and Europe.

(d) Rail access to all points West and South of Rolleston.

(e) Rolleston is at the heart of the region catering for significant amounts of both export and import cargo.

4 During the formative stages of development of MidlandPort, LPC spent an extensive amount of time researching potential locations on the South side of Christchurch that were suitable for an inland port. Rolleston was a logical location for a Lyttelton inland port due to its strategic position at the intersection of South Island's major freight arterials, the South Island main trunk railway line, the Midland railway line (railway to the West Coast), State Highway 1 and Christchurch's new Southern motorway which is due to open in 2019/20.

5 LPC looked at a number of potential sites in and around Rolleston in which we could possibly setup an inland port. The MidlandPort site was selected as it was the site where LPC could establish the longest railway siding with direct access to the main South Island railway line. In addition, the MidlandPort site was positioned alongside a large area of vacant industrial land that provided for the development of large freight and logistics providers immediately alongside the Port's boundary. This provided benefits to the Port and our key freight/logistics partners in terms of container handling efficiencies and reduced transportation times and costs. It also allows for reduced reliance on local roads as containers can be transported without needing access to the local road network.

6 The total length of railway siding that that can be accommodated on the current MidlandPort is 540m which allows us to load 30 railway wagons. The longer the railway siding, the longer the trains that can be used to service the inland port, which in turn increases efficiency and reduces container transport costs.

Capacity for Growth

7 We support Rolleston Industrial Holdings Limited's (RIHL) submission to include the 27ha of land shown on the **attached** plan to be earmarked for future industrial development.

8 Our containerised cargo is forecast to increase from about 370,000 teu in 2015 to over 1 million teu by 2041. MidlandPort is part of our long term plan which makes sure we can meet this demand and to ensure we can handle bigger vessels and the increased volume that is expected over the next 20 – 30 years.

9 If the RIHL land is rezoned for industrial use, it will allow LPC the potential to extend the railway line by a further 563 metres, allowing the possibility of longer more efficient trains.

10 An extension to the rail siding and MidlandPort facility to the north would also extend the length of the shared boundary with vacant industrial land that will allow the contemporaneous further development of large freight and logistics providers, and provide further optimisation of freight handling.

11 This 27ha site is the **only** site which would provide LPC with the potential to extend the railway siding resulting in longer trains and lower transport costs between Rolleston and Lyttelton Port. Every container that is transported by rail results in one less movement on the roads, reducing future congestion on the Southern arterial motorway and Brougham Street through to the Port.

Yours faithfully

SIMON MUNT
Marketing Manager

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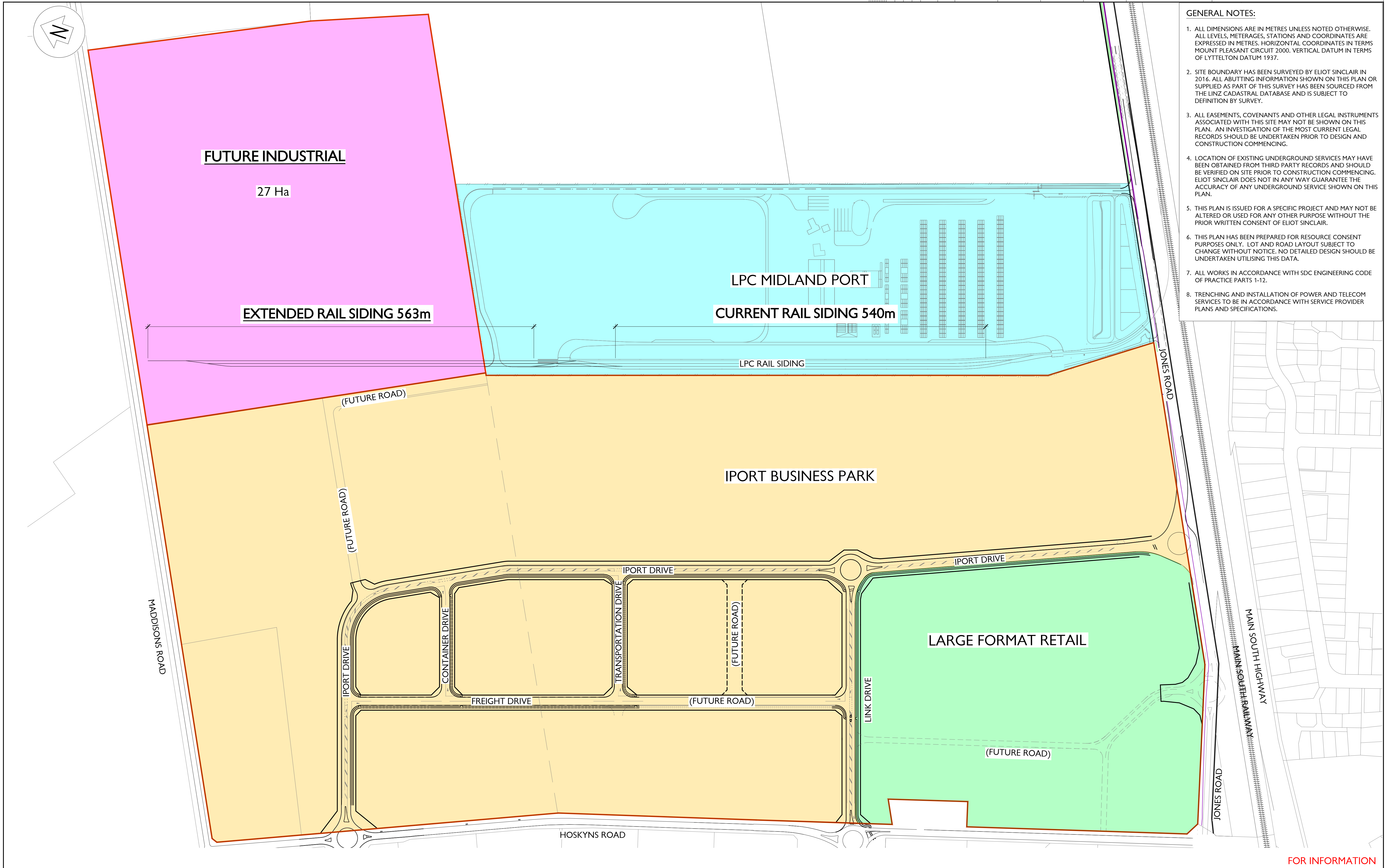

Original A1 size mm 0 10 30 50 100 150 200 300

GENERAL NOTES:

1. ALL DIMENSIONS ARE IN METRES UNLESS NOTED OTHERWISE. ALL LEVELS, METERAGES, STATIONS AND COORDINATES ARE EXPRESSED IN METRES. HORIZONTAL COORDINATES IN TERMS MOUNT PLEASANT CIRCUIT 2000. VERTICAL DATUM IN TERMS OF LYTTELTON DATUM 1937.
2. SITE BOUNDARY HAS BEEN SURVEYED BY ELIOT SINCLAIR IN 2016. ALL ABUTTING INFORMATION SHOWN ON THIS PLAN OR SUPPLIED AS PART OF THIS SURVEY HAS BEEN SOURCED FROM THE LINZ CADASTRAL DATABASE AND IS SUBJECT TO DEFINITION BY SURVEY.
3. ALL EASEMENTS, COVENANTS AND OTHER LEGAL INSTRUMENTS ASSOCIATED WITH THIS SITE MAY NOT BE SHOWN ON THIS PLAN. AN INVESTIGATION OF THE MOST CURRENT LEGAL RECORDS SHOULD BE UNDERTAKEN PRIOR TO DESIGN AND CONSTRUCTION COMMENCING.
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6. THIS PLAN HAS BEEN PREPARED FOR RESOURCE CONSENT PURPOSES ONLY. LOT AND ROAD LAYOUT SUBJECT TO CHANGE WITHOUT NOTICE. NO DETAILED DESIGN SHOULD BE UNDERTAKEN UTILISING THIS DATA.
7. ALL WORKS IN ACCORDANCE WITH SDC ENGINEERING CODE OF PRACTICE PARTS 1-12.
8. TRENCHING AND INSTALLATION OF POWER AND TELECOM SERVICES TO BE IN ACCORDANCE WITH SERVICE PROVIDER PLANS AND SPECIFICATIONS.

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FOR INFORMATION

No.	Amendment	Drawn	Date
A	PRELIMINARY ISSUE	CPS	13.02.19
B	RAILWAY SIDING NOTES UPDATED	CPS	13.02.19
C	SIDING DIMENSIONS UPDATED	CPS	14.02.19

Surveyed: Survey Date: -

Coord System: NZGD2000 Mt Pleasant

Calibration:

Origin of Levels: BM B882 SS Pin in Conc. Jones Road R.L. 55.934 (LINZ DEC 2013)

Datum: Lyttelton 1937

	Name	Date
Designed	J. ZHOU	08.2016
Drawn	C. SEXTON	13.02.19
Drg. Chk	T. McLeod	-
Proj. Mgr	T. McLeod	-
Design Review	-	-
Approved	T. McLeod	-

Client

IPORT BUSINESS PARK

Project Title: IPORT INDUSTRIAL DEVELOPMENT JONES ROAD, ROLLESTON

Drawing Title: IPORT PROPOSED SITE EXPANSION PLAN

Scales: 1:2500m [A1], 1:5000m [A3]

Project No.	Set No.	Sht No.	Rev
450000	P1	17	C

Eliot Sinclair
surveyors | engineers | planners

Plotted: Feb.14, 2019 at 3:19PM from G:\Jobs\45\450000\Acad\450000-P\450000-P1-17- Future development Site Layout.dwg by CPS

BEFORE THE FUTURE DEVELOPMENT STRATEGY HEARINGS PANEL

UNDER	the Local Government Act 2002 and the Resource Management Act 1991
IN THE MATTER OF	**OUR SPACE 2018-2048 - Greater Christchurch Settlement Pattern Update**
SUBMITTER	**ROLLESTON INDUSTRIAL HOLDINGS LIMITED (SUBMITTER 73)**

STATEMENT OF EVIDENCE ON BEHALF OF
JEREMY GOODSON PHILLIPS

Dated: 15 February 2019

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INTRODUCTION

1 My full name is Jeremy Goodson Phillips. I am a senior planner and Director practising with Novo Group Limited in Christchurch. Novo Group is a resource management planning and traffic engineering consulting company that provides resource management related advice to local authorities and private clients.

2 I hold the qualifications of a Bachelor of Science from the University of Canterbury and a Master of Science with Honours in Resource Management from Lincoln University, the latter attained in 2001. I am an intermediate member of the New Zealand Planning Institute, a member of the Resource Management Law Association and a member of the Institute of Directors. I have held accreditation as a Hearings Commissioner under the MfE Making Good Decisions programme since January 2010 and have held endorsement as a Chair since January 2013.

3 I have 17 years of experience as a resource management planner, working within and for territorial authorities, as a consultant, and as an independent Hearings Commissioner. I have specialised experience in urban land use development planning in the greater Christchurch area, as a Council planner, but predominantly as a consultant to property owners, investors and developers.

4 Of particular relevance to this hearing, my experience includes involvement in:

4.1 The preparation of the Greater Christchurch Urban Development Strategy (UDS);

4.2 The proceedings for Plan Change 1 to the Canterbury Regional Policy Statement (CRPS) (and the subsequent iterations which have culminated in the current version of Chapter 6);

4.3 The replacement Christchurch District Plan proceedings; and

4.4 The application of District Plan provisions to projects where this (UDS and CRPS) planning history and hierarchy has been of fundamental importance to the urban development outcomes achieved or not achieved.

5 Based on this experience, I am acutely aware of the impact that this high level planning process has on urban land use development and choice.

6 I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014. I have complied with it in preparing this evidence and I agree to comply with it in presenting evidence at this hearing. The evidence that I give is within my area of expertise except where I state that my evidence is given in reliance on another person's evidence. I have considered all material facts that are known to me that might alter or detract from the opinions that I express in this evidence.

SCOPE OF EVIDENCE

7 My evidence is presented on behalf of Rolleston Industrial Holdings Limited (RIHL). It addresses:

7.1 The statutory context for Our Space as a future development strategy and its influence on statutory planning documents prepared under the Resource Management Act 1991 (RMA);

7.2 The urban (industrial) development opportunity for RIHL's land at Rolleston and relief sought; and

7.3 How the proposed relief sought by RIHL corresponds to the relevant statutory policy and provisions.

STATUTORY CONTEXT

8 Section 2.5 of Our Space describes where this update fits in a statutory context, and among other things, notes that it is prepared under the RMA, Local Government Act 2002 (LGA) and Land Transport Management Act 2003.

9 Therefore, in an RMA context, the forthcoming review of the CRPS will, at the very least, be required to *'have regard to'* Our Space as a management plan or strategy prepared under other Acts[1].

10 The officer's report states that Our Space constitutes a future development strategy (FDS) as referred to in policies PC12-PC14 of

[1] RMA, s.61(2)

the National Policy Statement on Urban Development Capacity (NPS-UDC)[2]. As such, if Our Space is considered to represent the policy requirements and direction in the NPS-UDC, its recommendations on future urban development could be held as something that the CRPS and District Plans '*must give effect to*'[3].

11 In this context, Our Space has potentially significant statutory implications for RMA planning documents in greater Christchurch that enable or constrain urban development opportunities.

12 By way of example, if Figure 16 in Our Space is adopted as a new 'Map A' in the CRPS with corresponding policy directives, the prospects of urban development beyond that extent would be slim. However, such a restrictive and constraining policy approach would be at odds with the NPS-UDC which supports an enabling approach in the preparation of FDS in its policies as follows:

(a) PC12 – seeks that a FDS '*<u>demonstrates</u> that there will be <u>sufficient</u> feasible development capacity' and '<u>minimum</u> targets'* (emphasis added). I interpret this to mean that the FDS should focus on minimum requirements, rather than imposing maximums or absolute constraints on development.

(b) PC13 – seeks that a FDS shall '*identify the <u>broad</u> location, timing and sequencing of future development capacity…*' and '*balance …certainty… with the <u>need to be responsive</u> to demand*' (emphasis added). Again, I interpret this to mean that the FDS should be generalised and enabling, rather than specific and constraining.

13 For the reasons above, it is important that Our Space does not preclude urban development opportunities that may be necessary in order to meet future demands.

RIHL LAND

14 RIHL have developed the 127 hectare IPort industrial area at Rolleston, which is within a Greenfield Priority Area- Business (GPAB) and is zoned Business 2A in the Selwyn District Plan.

[2] Officers Report, pages 6-7.
[3] RMA, s.62(3) and s75 (3).

15 IPort is comprised of the 27 hectare Midland Port facility (owned by Lyttelton Port Company (LPC)), 8 hectares of land earmarked for large format retail, and the balance area which is presently being developed with industrial, freight/logistics and related activities.

16 RIHL also own a further 27 hectares of land immediately to the north of the Midland Port site. This land is <u>within</u> the projected infrastructure boundary identified in Map A of the CRPS but is <u>not</u> a GPAB – a relatively unique circumstance in the context of Our Space and the CRPS.

17 IPort, Midland Port and the adjacent land owned by RIHL are illustrated in **Attachment 1** to this evidence.

18 As noted by LPC in Attachment A to Mr Copeland's evidence[4], the IPort land is strategically located in terms of the main trunk rail line and State Highway 1 transport infrastructure that services Canterbury and the South Island. The Midland Port site has a rail siding affording direct access to the rail network and the adjacent IPort industrial land caters for large freight and logistics providers immediately alongside the Port, with associated benefits in terms of container handling efficiencies, and reduced transportation times and costs.

19 The feasibility assessment for the Rolleston Industrial Hub (which includes IPort) in the Business Development Capacity Assessment Report (BDCA) for Our Space, ranked this cluster second among the 25 clusters assessed throughout Greater Christchurch. This accounted for the land's direct access to strategic transport infrastructure, the land assembly and ownership, and available network infrastructure and capacity. And, when accounting for the particular attributes of the IPort part of the Rolleston Industrial cluster in terms of land remediation requirements, natural hazards and planning constraints, it is likely that the IPort block would have achieved a 'perfect' total score of 76 out of 76 in terms of development feasibility[5]. Put simply, Our Space's own feasibility

[4] Evidence of Michael Campbell Copeland, for Rolleston Industrial Holdings Limited, 15 February 2019.

[5] Unlike other parts of the cluster, the IPort land has no land remediation requirements, no natural hazard constraints, and no planning constraints relating to future industrial growth. These were the only criteria that the Rolleston cluster failed to achieve a maximum/perfect score on.

analysis confirms that there are minimal or no constraints to timely and feasible industrial development of this land.

20 Noting these attributes, RIHL consider that their adjacent land should be identified as a GPAB in Our Space, in order to provide for future industrial development demands that are specifically related to the Midland Port and associated freight growth.

21 In planning terms, this equates to shifting the GPAB line to coincide with the PIB line. In practical terms, this would provide for an expansion of the Midland Port and existing rail siding.

PLANNING ANALYSIS OF 'SHIFTING THE LINE'

22 NPS-UDC policies PA1 to PA4 are relevant to IPort, the Midland Port, and the adjacent land owned by RIHL, noting they apply to *'any urban environment that is expected to experience growth'*[6].

23 Policy PA1 requires sufficient business land development capacity to be provided for. Mr Copeland's evidence is that demand for industrial land at IPort will *'primarily be driven by the economic performance of Greater Christchurch, the Canterbury region and the South Island, especially their exporting and importing industries, and trends in how freight is handled'* and that the BDCA is therefore inappropriate[7]. Our Space is therefore inconsistent with PA1, noting that RIHL's land can be feasibly developed and serviced, but it is not otherwise zoned or identified to meet likely future land demands. Conversely, RIHL's desired relief would accord with PA1.

24 Infrastructure is available for urban development of RIHL's land, in a manner consistent with PA2.

25 For PA3 and with reference to Mr Copeland's evidence, providing for urban development of RIHL's land would provide for, and not otherwise detract from, economic, social, cultural and environmental wellbeing. It would also provide enhanced choice, promote the efficient use of land and infrastructure, and limit adverse impacts on the competitive operation of land and development markets. Accordingly, the relief sought would be consistent with PA3.

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[6] Whilst a number of policies in the NPS-UDC are directed at local authorities, the policy direction or message remains relevant to the current proceedings.
[7] Ibid, paragraph 23

Conversely, Our Space's exclusion of RIHL land as a GPAB diminishes wellbeing, choice, and the efficient use of land and infrastructure in a manner that is inconsistent with PA3.

26 Enabling urban development of RIHL's land would be consistent with PA4, noting Mr Copeland's evidence on benefits and costs. Conversely, Our Space's proposal for the RIHL land is not consistent with PA4, insofar that it would not deliver the benefits of urban development, and it would otherwise impose costs outweighing the benefits, including freight and transport related costs at an inter-regional, regional and district scale.

27 Policies PB1-PB7 require evidence and monitoring as a basis for planning decisions in high-growth urban areas, such as Rolleston. Without evaluating these provisions individually, I consider that Mr Copeland's evidence regarding the accuracy of the BDCA underpinning Our Space, insofar as it relates to industrial land demand and capacity for RIHL's land, indicates inconsistency with these provisions.

28 Policies PC1 to PC11 seek responsive planning. PC2 and PC3 relevantly seek that a 'higher margin' of and 'further' development capacity be provided and that development be enabled where the evidence base indicates higher demand or insufficient capacity. PC4 seeks that a local authority shall *'consider <u>all practicable options available</u> to it to provide sufficient development capacity and enable development to meet demand'.* In my view, Mr Copeland's evidence indicates higher demand and insufficient capacity for industrial land alongside Midland Port. Accordingly, the policy direction seeks a planning response that is enabling as sought by RIHL, rather than limiting as is the case with Our Space.

29 PC12 and PC13 are especially relevant, noting they concern future development strategies such as Our Space. Again, I rely on Mr Copeland's evidence that the BDCA underpinning Our Space does not, in relation to RIHL's land, adequately *'demonstrate that there will be sufficient, feasible development capacity in the medium and long term'* nor does it adequately '*identify the broad location, timing and sequencing of future development capacity…'.* Accordingly, I consider Our Space is inconsistent with these policies.

30 To summarise, the NPS-UDC seeks sufficient urban development capacity to meet demand. The BDCA is therefore critical to the achievement of the NPS-UDC policies. In the case of RIHL's land, Mr Copeland concludes that the BDCA does not adequately account for freight-related demands for land. Accordingly, insufficient capacity is provided for in this location in Our Space, and the desired objectives of the NPS-UDC will not be achieved.

KEY QUESTIONS

31 The officers' report sets out key questions that the Hearings Panel will need to determine in its recommendations. These questions are addressed below in respect of the RIHL land:

Has sufficient land to meet forecast needs for business been identified, and is it in the right locations?

32 No, insofar that the freight-specific and location-specific industrial land demands associated with Midland Port have not been accounted for.

Is existing and future development capacity serviced or identified to be serviced in relevant Long Term Plans (LTPs) and associated infrastructure strategies?

33 Yes, the RIHL land has servicing capacity for future business development, as confirmed in the BDCA feasibility assessment.

Is existing and future development capacity feasible to develop?

34 Yes- as confirmed in the BDCA feasibility assessment, the Rolleston industrial cluster is feasible to develop with minimal or no constraints.

Is the broad location, timing and sequencing sufficiently identified?

35 No. With reference to Figure 16 in Our Space and its exclusion of the RIHL land as a GPAB, Our Space does not provide for a 'broad location, timing and sequencing' of development in this location.

Does Our Space support the vision and principles of the Urban Development Strategy (UDS) and direction of the Canterbury Regional Policy Statement (CRPS) e.g. consolidated urban form and land use integrated with infrastructure?

36 No, in respect of the RIHL land at Rolleston. Specifically, and with reference to objective 6.2.1, enabling RIHL's desired relief would:

(a) Not detract from natural features or landscapes, indigenous biodiversity and public space, water quality or ambient air quality[8];

(b) Maintain the character and amenity of rural areas, noting the existing land use patterns and rural/business interface in this location would be largely retained[9];

(c) Not result in any unacceptable natural hazard risks[10];

(d) Integrate strategic and other infrastructure and services with land use development[11];

(e) Achieve development that promotes (and does not adversely affect) the efficient operation, use, development, appropriate upgrade, and future planning of strategic infrastructure and freight hubs[12]; and

(f) Optimise the use of existing infrastructure[13].

37 Notably, RIHL's desired relief would strongly support subclauses 9-11 of objective 6.2.1 concerning strategic infrastructure, freight hubs and integrated land use development.

Is the methodology/evidence base sufficiently robust, recognising the requirement for periodic review?

38 No, in respect of the RIHL land at Rolleston, and accounting for Mr Copeland's evidence.

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[8] Objective 6.2.1(4)-(6)
[9] Objective 6.2.1(7)
[10] Objective 6.2.1(8)
[11] Objective 6.2.1(9)
[12] Objective 6.2.1(10)
[13] Objective 6.2.1(11)

Is Our Space the right mechanism to address a submitter's concern? Is it a significant sub-regional issue and/or is it more appropriately considered through a resource management document (such as the CRPS or relevant district plan) or other processes under the LGA2002/LTMA2003?

39 Yes. Firstly, based on Mr Copeland's evidence and accounting for the strategic significance of Port operations, adequately providing for growth of the Midland Port facility and associated freight and logistics business at strategic transport hub is a 'significant sub-regional issue'.

40 Whilst such matters are <u>able</u> to be considered through a resource management document or other processes, I do not consider that to be the <u>more appropriate</u> process. Our Space is a FDS prepared with reference to the direction in the NPS-UDC and in that context, the relief sought is supported by the policy direction in the NPS-UDC.

SUMMARY AND CONCLUSION

41 Our Space has potentially significant statutory implications for RMA planning documents in greater Christchurch that enable or constrain urban development opportunities.

42 The NPS-UDC supports an enabling approach in the preparation of future development strategies such as Our Space. I interpret this to mean that Our Space should be generalised and enabling, rather than specific and constraining. It should focus on minimum requirements, rather than imposing maximums.

43 RIHL consider that their land should be identified as a GPAB in Our Space, in order to provide for future industrial development demands in this location that are specifically related to the Midland Port and associated freight growth.

44 The BDCA underpinning Our Space is critical to the achievement (or not) of the NPS-UDC policies. In the case of RIHL's land, Mr Copeland concludes that the BDCA does not adequately account for future freight-related demands for land. Accordingly, insufficient capacity is provided for in this location in Our Space, and the desired objectives of the NPS-UDC will not be achieved.

45 Enabling urban development of RIHL's land as sought would provide for, and not otherwise detract from, economic, social, cultural, and environmental wellbeing. It would also provide enhanced choice, promote the efficient use of land and infrastructure, and limit adverse impacts on the competitive operation of land and development markets. It would deliver the benefits of urban development, that outweigh any costs, and avoid freight and transport related costs at an inter-regional, regional and district scale.

46 The relief sought by RIHL better achieves the policy outcomes set out in the NPS-UDC and the CRPS and is supported by the demand-related evidence provided by Mr Copeland.

Jeremy Goodson Phillips

15 February 2019

Attachment 1. IPort, Midland Port and RIHL Land

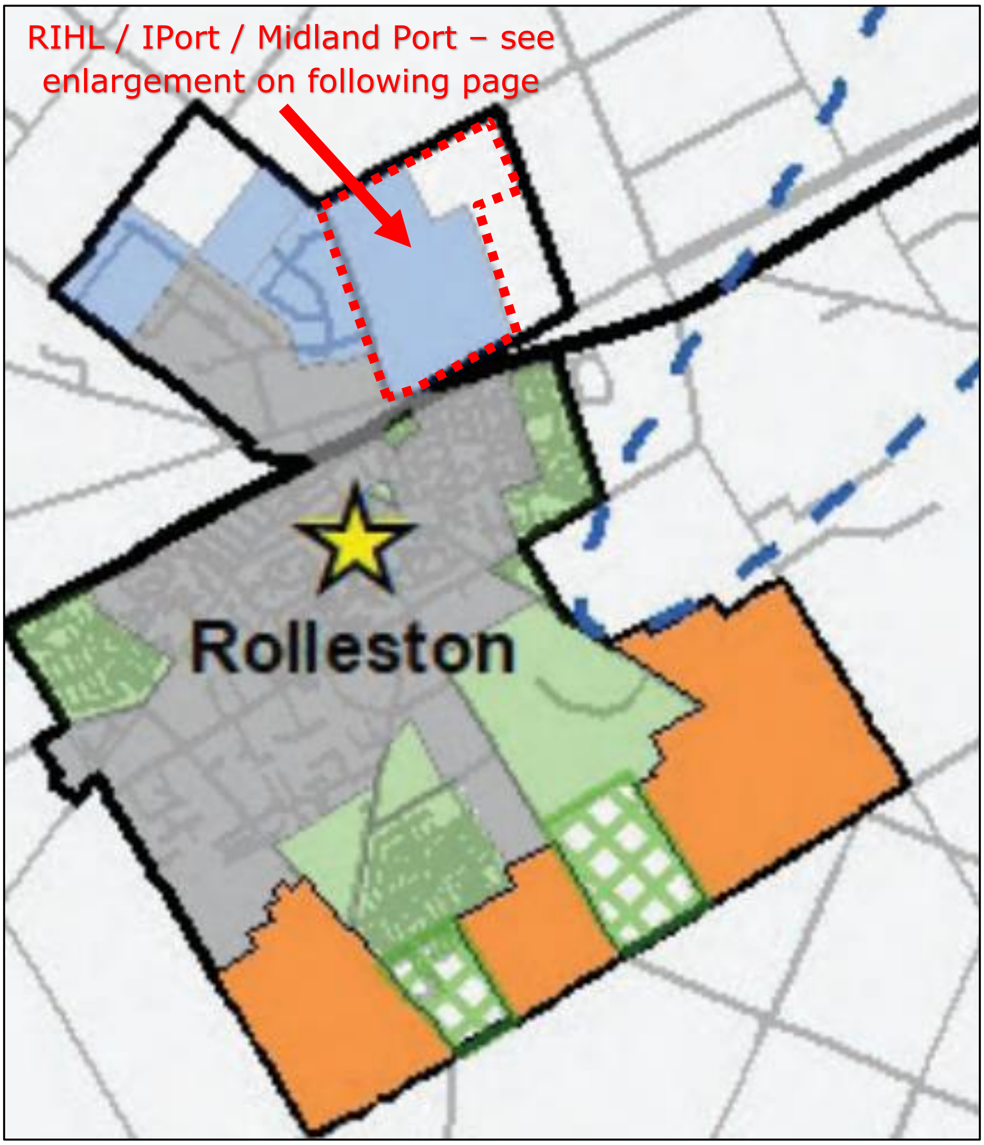
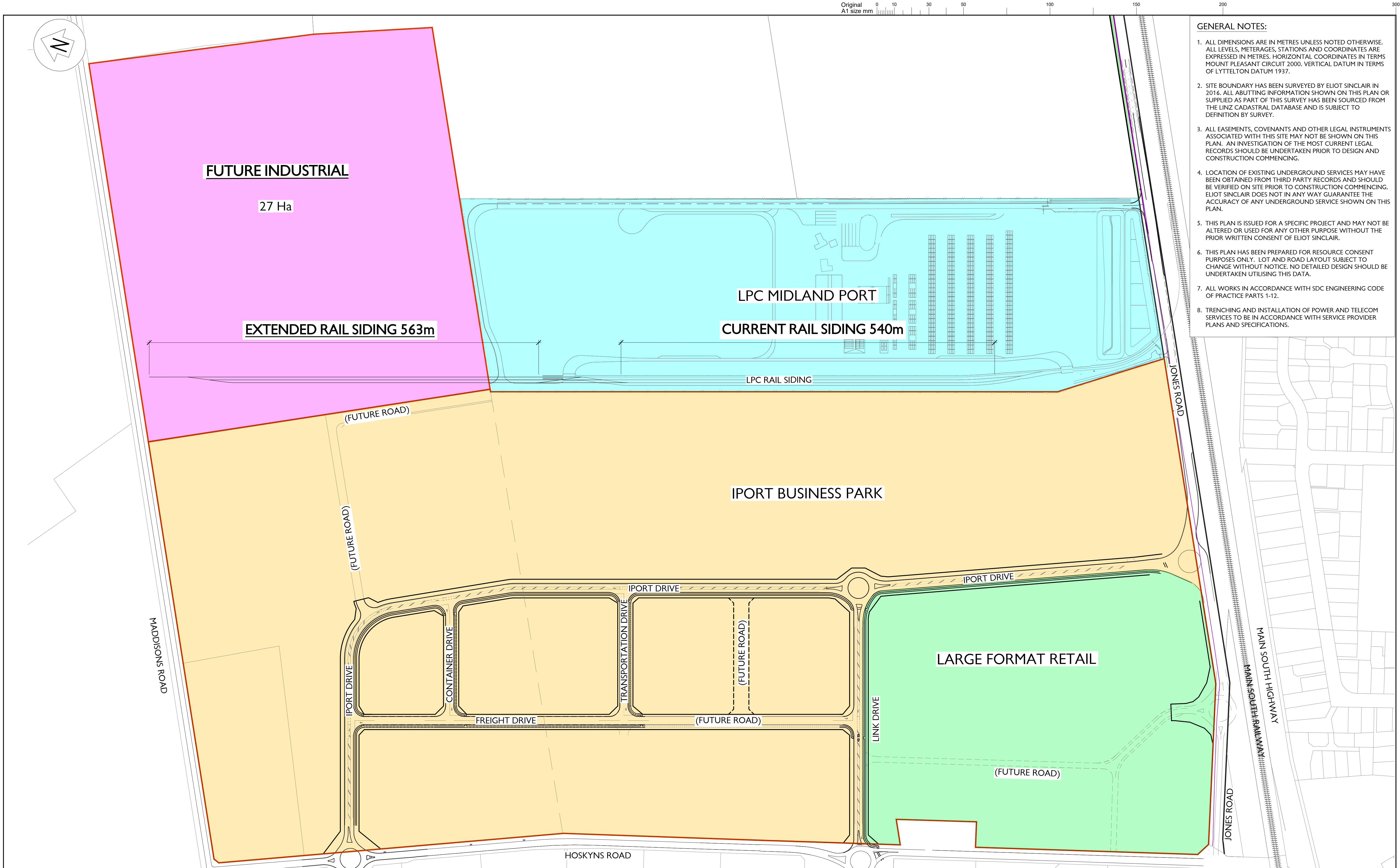


Figure 1. Annotated Extract of Our Space Figure 16



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3. ALL EASEMENTS, COVENANTS AND OTHER LEGAL INSTRUMENTS ASSOCIATED WITH THIS SITE MAY NOT BE SHOWN ON THIS PLAN. AN INVESTIGATION OF THE MOST CURRENT LEGAL RECORDS SHOULD BE UNDERTAKEN PRIOR TO DESIGN AND CONSTRUCTION COMMENCING.
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FOR INFORMATION

No.	Amendment	Drawn	Date
A	PRELIMINARY ISSUE	CPS	13.02.19
B	RAILWAY SIDING NOTES UPDATED	CPS	13.02.19
C	SIDING DIMENSIONS UPDATED	CPS	14.02.19

Surveyed: | Survey Date: -

Coord System: NZGD2000 Mt Pleasant

Calibration:

Origin of Levels: BM B882 SS Pin in Conc. Jones Road R.L. 55.934 (LINZ DEC 2013) | Datum: Lyttelton 1937

	Name	Date
Designed	J. ZHOU	08.2016
Drawn	C. SEXTON	13.02.19
Drg. Chk	T. McLeod	-
Proj. Mgr	T. McLeod	-
Design Review	-	-
Approved	T. McLeod	-

Client: IPORT BUSINESS PARK

Project Title: IPORT INDUSTRIAL DEVELOPMENT JONES ROAD, ROLLESTON

Drawing Title: IPORT PROPOSED SITE EXPANSION PLAN

Scales: 1:2500m [A1], 1:5000m [A3]

Project No.	Set No.	Sht No.	Rev
450000	P1	17	C

Eliot Sinclair
surveyors | engineers | planners

Plotted: Feb.14, 2019 at 3:19PM from G:\Jobs\45\450000\Acad\450000-P\450000-P1-17- Future development Site Layout.dwg by CPS