

**BEFORE THE HEARINGS PANEL
FOR THE QUEENSTOWN LAKES PROPOSED DISTRICT PLAN**

IN THE MATTER of the Resource
Management Act 1991

AND

IN THE MATTER of Stage 3 of the Proposed
District Plan

**SECOND REBUTTAL EVIDENCE OF NATALIE DIANNE HAMPSON
ON BEHALF OF QUEENSTOWN LAKES DISTRICT COUNCIL**

**GENERAL INDUSTRIAL ZONE – CARDRONA CATTLE COMPANY AT VICTORIA
FLATS**

19 June 2020

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CONTENTS

	PAGE
1. INTRODUCTION	1
2. SCOPE.....	1
3. MR BRETT GIDDENS FOR CARDRONA CATTLE COMPANY LIMITED (3349) (CCCL)	1
4. MR GEOFF ANGUS FOR CCCL (3349).....	5

1. INTRODUCTION

1.1 My full name is Natalie Dianne Hampson. My qualifications and experience are set out in my statement of evidence in chief dated 18 March 2020 (**EIC**). I have also prepared a separate statement of rebuttal dated 12 June 2020.

1.2 I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014 and that I agree to comply with it. I confirm that I have considered all the material facts that I am aware of that might alter or detract from the opinions that I express, and that this evidence is within my area of expertise except where I state that I am relying on the evidence of another person.

2. SCOPE

2.1 My rebuttal evidence is provided in response to the following evidence filed on behalf of one submitter:

General Industrial Zone (GIZ)

- (a) Mr Brett Giddens for Cardrona Cattle Company Limited (**3349**); and
- (b) Mr Geoff Angus for Cardrona Cattle Company Limited (**3349**).

3. MR BRETT GIDDENS FOR CARDRONA CATTLE COMPANY LIMITED (3349) (CCCL)

3.1 CCCL seeks that its land located next to the Victoria Flats Landfill at Gibbston Valley, be rezoned from Rural Zone / Gibbston Character Zone to General Industrial Zone (**GIZ**). In addition, CCCL has requested a range of amendments to the GIZ, Chapter 18A provisions.

Transport Effects

- 3.2 At paragraph 71 of his evidence, Mr Giddens refers to the Multi Criteria Analysis (**MCA**) developed for the Business Development Capacity Assessment (**BDCA**) 2017 and updated for my EIC in response to the CCCL submission. He relies on my statement (at my paragraph 14.15b) that according to the MCA, the submitters site at Victoria Flats “*connects well with State Highway 6 and is accessible to both Cromwell and Frankton*”. He does this under the heading of ‘Transportation Effects’ in his evidence.
- 3.3 This uses the MCA out of context. The purpose and limitations of the MCA are summarised in my EIC paragraph 14.21, with paragraph 14.15b of my EIC stating that the MCA criterion relates only to the proximity of the state highway connection, not the effects on that connection or other traffic effects. My EIC states that the site “*connects quickly to a State Highway*” it does not state that it connects “*well*”.
- 3.4 The MCA is not an assessment of effects and the expert evidence on transportation effects should take precedence – in this case Mr Smith’s evidence for Council or alternatively Mr Jason Bartlett’s evidence for Scope Resources Limited (**FS3470**).

Commercial Feasibility versus Appropriate Zoning

- 3.5 In paragraph 16 and again in paragraph 37 of his evidence, Mr Giddens refers to my overall results of the MCA as applied to the submitter’s land (my EIC paragraph 14.20). He quotes that the site is “*potentially the second most feasible location for industrial development in the Wakatipu Ward*”. This is the finding of the MCA assessment, but it also came with the caveat (my paragraph 14.22) that “*I have not evaluated other specific locations in more detail – this may affect the relative rank of Victoria Flats and this conclusion*”. This is not made clear in Mr Giddens’s evidence.
- 3.6 As stated above, the MCA is designed to inform commercial feasibility of a location/site from the perspective of the developer. This is

important as any new zoning must ensure that the land is fit for that purpose. However, the MCA does not take into consideration constraints of the land or environmental effects of development in that location. This requires an assessment of effects, costs and benefits.

- 3.7** Locating areas to accommodate long-term growth of industrial activity in the Wakatipu Ward is an important issue for the District and ideally an evaluation would carefully compare a short list of location options (all of which should first pass the test of being commercially feasible in the MCA). The MCA fits early into a decision making process only (after which, its role is limited).

The Role of Cromwell

- 3.8** At paragraph 114 of his evidence Mr Giddens states “*The Victoria Flats GIZ presents an opportunity for district growth of industrial activity where much of that growth is being met within the Central Otago District in Cromwell, offering little to no benefits to the Queenstown Lakes District economy.*” This is also addressed in paragraph 141 of his evidence.

- 3.9** Mr Giddens provides no evidence to support his view that much of Queenstown Lakes District’s (QLD) industrial growth is occurring in Cromwell.

- 3.10** While I have relied on a desktop analysis in my Industrial Report (2019¹) that informed the s32 report, it showed² that the rest of Otago Region (and excluding Dunedin City)³ is more reliant on the Wakatipu Ward for industrial trade than the other way around. This makes sense given that Wakatipu is the larger economy. Some trade between neighbouring districts does occur but the importance of the rest of Otago Region (excluding Dunedin) is no more significant to Queenstown (in \$ terms) than areas further afield (i.e. Dunedin City and the rest of New Zealand).

1 Appended to my EIC.

2 Section 3 of the Industrial Report.

3 The analysis is unable to be replicated for just Cromwell or Central Otago District with the data that was available.

- 3.11** That particular analysis is a snap-shot in time and so cannot substantiate Mr Gidden’s claim that much of QLD industrial ‘growth’ is being met in Cromwell. However elsewhere in my Industrial Report I provide data on the strong industrial sector growth occurring within the District⁴. This is a trend also confirmed by Mr Angus’ evidence⁵. There is also a lot of duplication between what is offered in Wakatipu and Central Otago District (**COD**) which suggests that Cromwell is not extensively filling a gap for QLD business⁶. The only areas that were not duplicated were related to agricultural services and wholesaling (related to local produce) and some heavier manufacturing in COD (including sawmills, leather tanning and fur processing, tyre manufacturing and pre-fabricated metal building (i.e. shed manufacturing)).
- 3.12** Based on my analysis, there is no clear evidence that much of Queenstown’s industrial activity growth is being directed to or captured by Cromwell, as Mr Giddens suggests.

Employment Opportunities and Economic Prosperity

- 3.13** Related to the above, in paragraph 141 of his evidence, Mr Giddens states that *“industrial demands are currently being serviced from out of the district and the CCCL land presents an opportunity for this demand to be provided for within the district, leading to local employment opportunities and district economic prosperity (supporting many of the Chapter 3 objectives)”* (emphasis added).
- 3.14** While I think the ‘opportunity’ to recapture businesses or divert a trend of leakage is overstated due to a lack of evidence, any zoning, now or in the future, that provides for industrial growth will support employment in the district and contribute to economic wellbeing. These benefits are not unique to the Victoria Flats location. The key issue is whether these benefits are best achieved in Victoria Flats or somewhere else in the Wakatipu Ward. I consider that the Council’s Spatial Plan (which is intended to meet the statutory requirements of

4 Section 5 of my Industrial Report.
5 Paragraph 9 of Mr Angus’ evidence.
6 Section 2.5 of the Industrial Report.

a Future Development Strategy under the NPS-UDC) is the most robust process for determining that in the Wakatipu Ward.

4. MR GEOFF ANGUS FOR CCCL (3349)

The Future Supply and Cost of Industrial Land

4.1 At paragraph 21 (and reiterated in paragraph 29), Mr Angus concludes that a key to the viability of industrial development/growth will be the supply of industrial land, and ultimately the cost of that industrial land – with cheaper alternatives being a “*critical part in developing the industrial market*”. He states that the submitter’s land “*represents one of the few sources of such land*”. In response to this evidence, I consider the following to be relevant:

- (a) Going forward, the GIZ will contribute to the viability and sustainability of industrial and service activity by restricting development of high value, competing land uses within the zone. This will be most effective in greenfield GIZ areas but will also be beneficial for vacant capacity in areas rezoned as GIZ.
- (b) There is currently capacity for short-medium term demand growth for industrial activity in the Wakatipu Ward, although Coneburn is not yet development ready. There is, therefore, capacity to cater for any post-Covid recovery that may result in a greater role of the industrial economy as suggested by Mr Angus (his paragraph 18).
- (c) Coneburn is likely, when released, to offer a cheaper alternative location for industrial development.
- (d) The expectation is that the FDS (Spatial Plan) will identify suitable areas for the long-term growth of the industrial economy in the Wakatipu Ward, based on a holistic and strategic approach to future urban form outcomes. I consider that allowing the FDS to run its course is preferable to preempting that process in the Wakatipu Ward through the plan review process. Once identified in the FDS, such growth areas may be able to be zoned sooner rather than later if

monitoring of supply indicates that this would be prudent (and they can be serviced).

- (e) In the future, any new GIZ zones in the Wakatipu ward, assuming they will be greenfield rather than brownfield sites, will most likely offer lower industrial land prices to the market (in that they are likely to be zoned Rural at present and will have a greater chance of being in single ownership). The opportunity to combine both greenfield (rural) and GIZ (and the benefits that will come with that in terms of 'increasing competition in the supply of industrial land' as raised in paragraph 47 of Mr Angus' evidence) is not limited to the Victoria Flats location.
- (f) While Mr Gidden's (paragraph 113) definitively says that Victoria Flats is the "only" option for industrial growth, I consider that Mr Angus is correct in that the submitters land is not the only location where growth can be viably achieved. If the zoning relief is not accepted, future industrial growth will not be jeopardised so long as the FDS (Spatial Plan) achieves its purpose (i.e. the risk of not acting will be low).

Leakage of Industrial Businesses to Cromwell

4.2 In paragraph 48 of his evidence, Mr Angus states that zoning the submitter's land GIZ would be likely to "*bring back 'Queenstown-based' firms into the district*". I take this to mean that, firms that serve the Queenstown market have been leaving QLD and/or that new firms wanting to serve the Queenstown market are choosing to do so by establishing outside the QLD in the first instance. I have discussed this above with regards to Mr Giddens' evidence. Mr Angus also does not provide any evidence to substantiate that this is in fact occurring (to any material degree). This benefit of the submission, that it will help bring back businesses that have left or established further away, may be overstated in my view.

4.3 For those industrial and service businesses that have chosen to locate in Cromwell and serve the Queenstown market, a Cromwell location offers several operational benefits not limited to a cheaper land price. Cromwell is central to both Queenstown, Wanaka and

Alexandra and is therefore ideally suited to those businesses wanting to (or needing to) serve a wide catchment (in addition to the local Cromwell catchment which is also growing fast). The GIZ proposed at Victoria Flats (on the Queenstown side of the Kawerau Gorge) may not outweigh the locational benefits offered by Cromwell for many industrial businesses. I think the ability to entice businesses from Cromwell to Victoria Flats will be very limited and should not be relied on as a key effect of the zoning relief.

Effects on Commuter Traffic

- 4.4 Mr Angus also concludes that “*Victoria Flat’s development would also significantly lower commuter traffic through the Kawerau Gorge, which would bring further economic benefits*” (his paragraph 48). Again, this effect is not further explained or backed with any evidence. The zoning is likely to support a net increase in businesses over time (as would any new GIZ area). I consider that Victoria Flats could provide employment opportunities that are attractive to those residing in Cromwell (or wider COD) in addition to workers residing in Queenstown/Frankton/Arrowtown etc urban area. On balance, I think it is likely that commuter traffic through the Gorge may increase to a minor degree with the proposed zoning rather than decrease significantly.



Natalie Dianne Hampson

19 June 2020