

Submission No: 16

File No: 25 12 00
Document No: **25003449**
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9 November 2022

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Tēnā koutou

Waikato Regional Council Submission to Proposed Private Plan Change 57 – Calcutta Farms Limited (PPPC57) to the Matamata-Piako District Plan

Thank you for the opportunity to make a submission on the Proposed Private Plan Change 57 – Calcutta Farms Limited (PPPC57) to the Matamata-Piako District Plan. As a result of the timing of submission and local body elections this matter was unable to be placed before our elected members. Our submission will be retrospectively shared with members at the next available opportunity. The attached submission has been signed under delegation by the Director of Science, Policy and Information.

Should you have any queries regarding the content of this document please contact Joao Paulo Silva, Policy Advisor, Policy Implementation directly on (07) 9497179 or by email joaopaulo.silva@waikatoregion.govt.nz.

Nāku iti noa, nā,



Tracey May
Science, Policy and Information

Submission from Waikato Regional Council on Proposed Private Plan Change 57 – Calcutta Farms Limited (PPPC57) to the Matamata-Piako District Plan

9 November 2022

Introduction

1. Waikato Regional Council (WRC) appreciates the opportunity to make a submission to Proposed Private Plan Change 57 – Calcutta Farms Limited (PPPC57). In this case WRC's interests are in relation to the Waikato Regional Policy Statement (WRPS) and the National Policy Statement of Highly Productive Land (NPS-HPL). District Plans, including Plan Changes such as this one, are required to give effect to the relevant regional policy statement (RMA s75(3)(c)) and must give full effect to the NPS-HPL (Clause 4.1(1) of the NPS-HPL).

Summary

2. WRC opposes PPPC57. We consider that the proposed rezoning is contrary to the NPS-HPL and WRPS provisions. We recommend that Matamata-Piako District Council (MPDC) does not progress PPPC57. The proposed site for rezoning is on highly productive land, classified under the Land Use Classification (LUC) system as class 1. If MPDC considers that there is a shortfall of industrial land in the district, we recommend that MPDC prepares a district wide assessment to understand which are the most appropriate locations for industrial development in the district.
3. Notwithstanding our opposition to the plan change, we have endeavoured to suggest improvements in the plan change to be considered through the process. The improvements are intended to assist should MPDC decide to further the private plan change. If MPDC decides to proceed with PPPC57, the following matters must be considered:
 - a. WRC recommends that the applicant undertakes a bat survey of the area; Long-tailed bats have been detected along the Mangawhero stream within 3.5 kms of the site.
 - b. The applicant must also demonstrate how industrial lots will manage stormwater and ensure WRC's Stormwater Management Guidelines are adopted when designing the stormwater system.
4. In addition, we recommend the inclusion of climate change policies in connection to the transport provisions.

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I am not directly affected by an effect of the subject matter of the submission that:
(a) does not adversely affect the environment; and
(b) does not relate to trade competition or the effects of trade competition.

The proposed rezoning of highly productive land

5. The proposed private plan change seeks to rezone around 41 hectares of highly productive rural land into industrial land. The proposed site for rezoning is classified as LUC - class 1; this is the most versatile land class in New Zealand.
6. The NPS-HPL¹ came into force on 17 October 2022 and has the purpose of protecting highly productive land for use in land-based primary production. The NPS-HPL must be considered by local authorities when assessing proposals connected to highly productive land, such as this one. District Plans must give effect to national policy statements (Section 75(3)(a) of the RMA).
7. The NPS-HPL has one single objective:

‘Highly productive land is protected for use in land-based primary production, both now and for future generations.’

8. Policies 1 and 4 of the NPS-HPL highlight that highly productive land is a resource with finite characteristics and long-term values and the use for land base primary production is prioritised and supported:

‘Policy 1: Highly productive land is recognised as a resource with finite characteristics and long-term values for land-based primary production.’

‘Policy 4: The use of highly productive land for land-based primary production is prioritised and supported.’

9. The NPS-HPL also provides an ‘avoid’ policy that is applicable for this proposal:

‘Policy 5: The urban rezoning of highly productive land is avoided, except as provided in this National Policy Statement.’

10. The exceptions mentioned in Policy 5 for territorial authorities (TAs) such as MPDC (that are not Tier 1 or 2 under the National Policy Statement for Urban Development) are listed under Clause 3.6(4) of the NPS-HPL as follows:

‘(4) Territorial authorities that are not Tier 1 or 2 may allow urban rezoning of highly productive land only if:

- (a) the urban zoning is required to provide sufficient development capacity to meet expected demand for housing or business land in the district; and*
- (b) there are no other reasonably practicable and feasible options for providing the required development capacity; and*
- (c) the environmental, social, cultural and economic benefits of rezoning outweigh the environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values’*

11. Any new proposal for rezoning in a rural or rural production zone must meet the criteria above, under Clause 3.6(4). Clauses 3.6(4) and 3.6(5) apply for this application as the Matamata-Piako district is not a Tier 1 or 2 TA.
12. Regarding Clause 3.6(4)(a), consideration must be given to the sufficiency of development capacity to meet demand. According to the economic assessment prepared by Market Economics² it is likely that

¹ [National Policy Statement For Highly Productive Land 2022 \(environment.govt.nz\)](https://environment.govt.nz/national-policy-statement-for-highly-productive-land-2022/).

² [Appendix L - Economic Assessment by Market Economics.PDF \(mpdc.govt.nz\)](#)

the current supply of industrial land is sufficient to address the demand for the next decade in Matamata. Considering the 'southern district', the 'low ratio' scenario also indicates that supply will more than meet demand. We note that there is significant uncertainty about the demand for industrial zoned land, but that under some scenarios at least, there appears to be sufficient supply to meet demand for the next decade.

13. The applicant's expected development timing aims to have stages 1,2 and 3 done within the next 10 years, and these first three stages would represent a potential surplus of 18.38ha of new industrial land. The Market Economics assessment states that, in certain scenarios, there is currently enough industrial land to meet the demand for the next decade. That means that the three stages will represent a surplus in industrial land over that period. Further, the total amount of land proposed to be rezoned is around 41ha with the last stages of development proposed to happen in 15+ years.
14. Under some of the projected scenarios provided, 41ha is more land than needed when considering the projected shortfalls for Matamata and for the southern part of the district. Projected shortfalls of industrial land for Matamata, based on current industrial capacity are estimated to be between 6.9ha and 17.7ha in the period to 2051. Shortfalls of 15-32ha and 18.3-51.5ha are projected over this period for the southern part and whole of the district respectively. In addition, the Market Economics assessment notes that a share of the shortfall could be met through development of industrial areas in Business Zones throughout the district.
15. The NPS-HPL requires that TAs must take measures to ensure that the spatial extent of the urban zone that is on highly productive land is the minimum necessary to provide for development capacity. We consider that PPPC57 would increase the spatial extent of the urban zone beyond the minimum necessary extent to meet development capacity. In this case, MPDC must apply Clause 3.6(5) of the NPS-HPL:

'(5) Territorial authorities must take measures to ensure that the spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment.'

16. We consider that, if there is a risk of shortfall of industrial land, MPDC should prepare a district wide assessment and identify areas for industrial development that are not highly productive land to meet any shortfall demands, or if the use of highly productive land is unavoidable, an assessment of the most appropriate location that minimises the impact on highly productive, particularly LUC 1 land in the context of the NPS-HPL. We consider that this is the most efficient path to understand what the most appropriate options are to address industrial development in the district. This would also help addressing Clause 3.6(4)(b), as we would like to see an evaluation of potential options for providing for further development capacity.
17. The Property Economics' peer review report³ shows that there are areas in LUC class 2 land that could be more suitable for achieving the objective of the NPS-HPL, as land under LUC class 2 are considered to be less versatile than land classified as LUC 1. The information provided with the peer review report is evidence that there are alternative options that should be further considered for achieving the purpose of the NPS-HPL in the area. However, we note that this option is also not ideal, given that development must be directed away from highly productive land. Again, the best approach is for MPDC to undertake a district wide assessment to understand the most appropriate options for future industrial development.

³ [Economics and Demand review - Property Economics.PDF \(mpdc.govt.nz\)](https://www.mpd.govt.nz/economics-and-demand-review-property-economics.pdf)

18. The Property Economics review also highlights the importance of the irreversible costs of consumption of highly productive land and the importance of assessing alternative options for industrial activities, as quoted:

‘One aspect considered important for Council to understand in this instance is the PPC consumption of Class 1 highly productive soils, i.e., the irreversible loss of highly productive land and an assessment of any alternative scenarios for such activity. This represents economic costs that is considered prudent for Council to understand and consider when assessing the merits of the PPC.’

19. Regarding Clause 3.6(4)(c) of the NPS-HPL, we consider that the proposed rezoning could represent an irreversible loss of highly productive land for now and for future generations. As mentioned before, the site for rezoning is classified as LUC - class 1; this is the most versatile land class in New Zealand. In the memo prepared for MPDC⁴, the applicant directed the analysis of subclause (c) to the Section 32 assessment report (Appendix C of the application)⁵. We also note that the cost-benefit analysis of options provided in Appendix C is light on analysis when addressing the costs associated with the loss of highly productive land for land-based primary production. We would like to see a more in-depth analysis on how the benefits from the rezoning would outweigh the loss of highly productive land, considering both tangible and intangible values.
20. The WRPS Land and freshwater principal reasons (LF-PR11 – High class soils), restricts use of high-class soils for uses other than primary production purposes or, in situations where only high class soils are available, that Class III soils are used in preference to Classes I and II. It is expected that, should high class soils be considered for rezoning, this would be subject to a comprehensive planning process such as district plan review, structure plan or growth strategy prior to any rezoning.
21. Considering the proposed site is on highly productive land (LUC - class 1) and there is no urgent demand for industrial land in the area under certain scenarios, we oppose PPPC57 and strongly recommend that MPDC does not progress the PPPC. We consider that PPPC57 is contrary to the Objective and Policy 5 of the NPS-HPL, does not meet the criteria for rezoning under Clause 3.6(4), and is inconsistent with Clause 3.6(5). The proposed private plan change is also contrary to Objective LF-05 and Policies LF-P8 and LF-P11 as well as APP11(a) and (h) of the WRPS.
22. WRC’s current position is consistent with the feedback provided prior to notification (December 2021) when WRC raised the issue of rezoning high-class soils being contrary to provisions in the WRPS, while noting at that time the NPS-HPL was not yet in force but was imminent.

Ecological Assessment

23. We consider that the ecological assessment supplied with the application (Appendix H)⁶ is limited in scope and restricted to stormwater treatment and discharges to Mangawhero Stream. The assessment does not consider whether the trees on site or near the site are bat roosting trees or if the surrounding cropping land is utilised by bats for foraging. Long-tailed bats have been detected along the Mangawhero Stream within 3.5 kms of this site and we are not aware of any surveys to date to identify if bats are present on the site. The site and surrounding environment contain parameters commensurate with known bat habitats (e.g. trees of sufficient diameter >150mm). Therefore, surveys are required to identify if bats are roosting or foraging on this site prior to any impact on their habitat. To satisfy this issue, we recommend that the applicant engages a suitably qualified person to prepare a bat survey for the site and adjoining areas.

Stormwater

⁴ [Memo to MPDC re NPS Highly Productive Land.PDF](#)

⁵ [Appendix C - Section 32 Assessment.PDF \(mpdc.govt.nz\)](#)

⁶ [Appendix H - Ecological Assessment.PDF \(mpdc.govt.nz\)](#)

24. The applicant must ensure that the WRC's Stormwater Management Guidelines⁷ are adopted when designing the stormwater system. Further, we consider that the roading network treated via swales and the constructed wetlands are appropriate. However, stormwater management for the industrial lots is yet to be addressed. The applicant needs to elaborate on how the proposed new lots would manage stormwater.
25. Any stormwater discharged to ground for soakage must be pre-treated, as contaminants must be removed before soaking into the ground.

Transport

26. Proposed Private Plan Change 57 is generally consistent with regional priorities, objectives and policies articulated in the operative Regional Land Transport Plan⁸ (RLTP) and the WRPS as it pertains to transport matters. However, there are further opportunities to effect real change in relation to integrated land use and transport planning, and the required reduction of transport emissions which are a major contributor to climate change. Should MPDC progress the plan change, embedding climate change policies and requirements into this plan change is critical to supporting the transformational change that is necessary to address the effects of climate change that is included in national and regional policy.
27. In the WRPS, Objective UFD-01 and Policy UFD-P1 refer specifically to transport and require regard to be had to the General Development Principles in APP11. These include:
- 'i. promote compact urban form, design and location to:*
 - i. minimise energy and carbon use;*
 - ii. minimise the need for private motor vehicle use;*
 - iii. maximise opportunities to support and take advantage of public transport in particular by encouraging employment activities in locations that are or can in the future be served efficiently by public transport;*
 - iv. encourage walking, cycling and multi-modal transport connections; and*
 - v. maximise opportunities for people to live, work and play within their local area.'*
28. These factors need to be considered in the proposed plan change. Every opportunity to avoid short car trips and encourage walking or cycling to activities and services, should be prioritised. It is acknowledged that due to the freight requirements of the proposed industrial area, continued reliance on trucks is anticipated. However, there is scope to strengthen provisions around transport emissions reduction and how it might be achieved. Transforming to an environmentally sustainable, low carbon transport system is one of the underpinning objectives of the RLTP and is also a national priority. Inclusion of provisions in district plans that address climate change assist to meet national and regional climate goals.
29. There are potentially positive transport outcomes in this plan change. WRC supports the provision of walking and cycling opportunities within the site. However, the Calcutta Development Area Plan (CDAP) could be amended to provide further opportunities for walking and cycling, thus reducing vehicle kilometres travelled (VKT) and transport emissions. These could eventually link to the future residential areas and avoid pushing cyclists and pedestrians out on to SH24, also improving safety outcomes.

Further Information and Hearings

30. WRC wishes to be heard at the hearings for Proposed Private Plan Change 57 – Calcutta Farms Limited (PPPC57) in support of this submission.
31. WRC could not gain an advantage in trade competition through this submission.

⁷ [TR20-07.pdf \(waikatoregion.govt.nz\)](#)

⁸ [Waikato Regional Land Transport Plan 2021-2051](#)