

Before the Independent Hearing
Commissioner

Under the Resource Management Act 1991 (**RMA**)

And

In the matter of A Plan Change request under clause 21(1) of
Schedule 1 of the RMA by the Rangitikei District
Council in respect of the Operative Rangitikei District
Plan

Statement of Evidence Simon John Loudon on behalf of IRO-MAR

17 June 2020

Background

- 1 My name is Simon Loudon and I have been a resident of Marton for 15 years. I am a Physiotherapist and TCM Acupuncturist. I speak on behalf of IRO-MAR.

“Whatungarongaro te tangata, Toitu te whenua.”

“As man passes from sight, the land remains.”

- 2 I was raised in Manurewa, then a satellite semi-rural town in South Auckland not too dissimilar to Marton only slightly larger. When I was young Manurewa was surrounded by farmland and offered a good, safe and friendly small-town atmosphere, however my hometown was earmarked for ‘development’ and Manurewa suffered the relentless drive of economic demand and growth. We lost our rural land; they infilled it with housing, warehouses and factories. They created jobs and prosperity was promised; we got rubbish, graffiti, crime and social disharmony. For most of my 20 working years in South Auckland I watched and experienced the swift and devastating degradation of my hometown and work environment.
- 3 I have experienced what industrial progress brings. I question what cost this zone change from rural to industrial land will bring? And what will be left behind?
- 4 We live on an acre of land in the Marton township. We are surrounded by magnificent trees, a legacy from previous owners who nurtured their home plot of land for themselves and for future owners to enjoy. They left nourishment; oranges, mandarins, lemons, apples, figs, grapefruit and grapes. We are forever grateful come harvest time. We have planted quince, plums and feijoa. And a large vege garden. It’s the way to live, and to leave an enhanced, enriched land for the next owner. We were left magnificent old roses to care for; they exude the most wonderful aromas. This proposal in front of us today doesn’t smell so good.

Context

- 5 The Rangitikei District Council on this proposed zone change leads all public statements about the purpose of its proposal with:

“Because of the shortage of vacant industrial land in the Marton area, Council has adopted the Proposed District Plan Change for rezoning

approximately 217ha of rural land to be industrial land..."

- 6 Marton has ample vacant industrial land. Marton does not need such a large amount of industrial land. Marton is a small rural servicing town with agriculture and food production at its core. This is highly productive rural land. Marton is a lovely country village that attracts people to live and retire here. A large industrial focus will destroy our living and wellbeing environment.
- 7 In the lead up to this hearing NZ BioForestry representatives have expressed the likeness of Marton, the timber town, to Tokoroa and Kawarau. Marton is not like these towns. It has a long 150-year history of servicing a vibrant and successful rural community. Marton is only a short 30 minute commute from 2 large cities and has connectivity. It has class 1 and 2 rural land that sustains its economy. Tokoroa has poor cobalt deficient soils best suited to Pinus Radiata planting. Kinleith Mill in Tokoroa is therefore built there, 8km out of town. Tokoroa like Kawarau has suffered the boom and bust of the timber industries. Kawarau Mill was built first, and township was built to service it. Unlike Marton which is here because of sustainable food production not a Timber Mill.
- 8 The Rangitikei had a 4.3% unemployment rate in 2019 which is the same as the national unemployment rate. The Rangitikei unemployment rate has been at or below the national unemployment rate for the past 10 years. The Rangitikei GDP had a 5% increase in 2019 compared with the national GDP increase of 3.6%. The Rangitikei standard of living went up 4.7% in 2019 (ecoprofile.informetrics.co.nz). Post Covid-19 there may be a slight rise in unemployment but the Rangitikei is a steady economy built on essential supply, food.
- 9 Berl Economics, Business Land, problems and causes: April 2016 states in its Executive Summary, page 5, supplementary notes 2 "Research undertaken for the Proposed Auckland Unitary Plan indicates that about 20 percent of employment is currently located in other areas, such as residential zones. It predicts that 36 percent of future growth will be located on land other than business land."
- 10 Economically the Rangitikei is strong and well poised for the future with its food production and agriculture base. It does not need the economic instability this proposal would bring.

Long Term Plan

- 11 The Council's Long Term Plan 2018-2028 page 11, Key Issues, in summary states:
 - (a) Council want to make it a place to call home.
 - (b) Home speaks of warmth, vibrancy, and relationship.
 - (c) It means security and enjoyment of core services.
 - (d) Homes are built with careful efficient design and planning within a workable budget.
 - (e) To make sure the District is the best home it can be over the next 10 years Council will ensure costs of our core services are affordable and provide value for money, while considering ways to make projects environmentally sustainable.
 - (f) Council is committed to making Rangitikei home for all.
- 12 RDC's Long Term Plan, Finance and Infrastructure Strategy, page 18, sub heading, Expected Changes in Land Use, states:
 - (a) Residential expansion to accommodate population growth.
 - (b) Land use intensification and changes from sheep and beef farming to higher value land use such as Manuka, dairying, vegetable production and other horticultural cropping activities.
 - (c) Lastly, on the issue of increasing forestry planting. It states the impact of land use changes for forestry have potential to affect the roading network once sites are mature and being harvested.
- 13 There is no mention of a need, a shortage or expected change in land use to industrial zoned land in the Long Term Plan. This Plan Change is not warranted nor required when comparing it to the RDC's Long Term Plan and vision of "making this place home."

Process

- 14 There appears to be a mismatch between the regional and local government strategic plans relating to economic development and the specific documentation commissioned to support this project.

- 15 Mr Visser, Economic Impact Assessment of Proposed Rangitikei District Plan Zoning Change – Existing Industrial Zoning in the Region concludes at 7:

“The proposed site itself should satisfy Berl Economics criteria raised in the previous section and points to good utilisation of the site (i.e 217 hectares) with the additional benefits that should bring.”

- 16 In the Berl Report Mr Visser refers to Business Land: problems and causes, Berl Economics dated April 2016. Point 1, of the Executive Summary states:

“The conclusion reached is that overall supply of business land is generally sufficient and in some areas there is over supply. In these areas, an oversupply of some types of business land is contributing to a ‘hollowing out’ of the town centre and /or an underutilisation of infrastructure as development has not eventuated.”

- 17 Mr Visser Existing Industrial Zoning in the Region, point 5, page 6, cites Berl Economics in Upper North Island Industrial Land Demand states that in 2011 66% of business land was occupied, or in other words 34% of industrial zoned land was vacant. Marton is not a high growth area, nor does it have scale, population or economic viability to compete. Much of Marton’s zoned industrial land is vacant and/or underutilised. It has been unchanged for the 15 years we have been residents.
- 18 Mr Visser in Existing Industrial Zoning in the Region in Table 1, page 2, calculates that Marton has 40ha zoned industrial land currently. However, Mr Visser has not included Bonney Glenn landfill (75ha) and the ANZCO freezing works (150ha). Mr Visser compares Marton (265ha) with close neighbours Palmerston North (730ha) and Whanganui (270ha). Marton (pop 5,000) has a generous amount of industrial zoned land. It is erroneous to make comparisons between Marton and big cities. Both Palmerston North (pop 89,000) and Whanganui (pop 40,000) are significantly larger cities. Both have recently been through significant increases in industrial land rezoning due to their national future as logistics hubs.
- 19 Marton has 0.053ha of industrial land per head of population and considerably more, by a factor of 10, than Palmerston North 0.0082ha and Whanganui 0.006ha. Marton is a small rural service

town and has significantly more industrial land for its needs as its neighbour cities. The statement that there is a shortage, by RDC, and demand, by Mr Visser, for industrial land is not warranted. If this proposed zone change were to go ahead my assumption, based off the industrial land per person ratio, Marton would need to increase its population by over 60,000 people to maintain parity with its city neighbours.

20 Palmerston North and Whanganui are well poised to experience the growth and Marton will benefit from that however Marton does not need this proposed zone change nor does it need the 3 proposed timber processing factories, it will grow as it always has done, in a gentle, measured and controlled way. Its strength and its future lie in its village atmosphere and a good central easily affordable location to live. The desirability of Marton as a place to live will be enhanced by the Ohakea expansion, not by noxious industry. An oversupply of industrial land does not promote the sustainable management of natural and physical resources.

21 M.e Consulting in their Whanganui Industrial Market Assessment Report 2019 believes Whanganui has enough vacant land to satisfy, more than sufficient, to cater for the future demand growth from industrial sectors. However, Mr Visser states at Point 4, page 6:

"In his opinion the surplus predicted by M.e. Consulting is not sufficient to impact significantly on RDC zoning plans. The impact is likely to be the other way round."

22 This bold concluding statement by Visser is not validated and difficult to understand based on his reports and other documentation read.

23 Mr Visser's key opening statement at point 3 in his Economic Impact Assessment of Proposed Rangitikei District Plan Zoning Change – Rural to Industrial near Marton, is:

"The Manawatu-Whanganui Regional Growth Study, a central government initiative being delivered via "Accelerate 25", has identified six growth areas for the Rangitikei: tourism, sheep and beef farming and processing, land-use intensification (maximising use of Class 1 and 2 subsoils), manuka honey, fresh vegetables, poultry and grain processing, and forestry harvesting."

- 24 The list above is more than 6. The Manawatu-Whanganui Economic Action Plan, Accelerate 25 (2016) does identify 6 key growth areas but not forestry. Mr Visser's opening statement was shared directly with The Property Groups initial August 2019 report which was in turn taken from the Rangitikei District Councils Long Term Plan. Forestry Harvesting, as noted in the Long Term Plan, is under a separate heading from Accelerate 25 but has morphed into 'fact' as one of Accelerate 25's identified growth areas. It is not. This is clearly stated in the NZIER/HenleyHutchings report that generated the Accelerate 25 action plan. Under the heading "Those That Were Close, But No Cigar" pg 35 it states:

"Those reading the report may well wonder why other opportunities were not highlighted for analysis. Those that may have come to mind are forestry, wood processing, fishing and aquaculture. Each of these was considered, but they did not stack up as new game breaker opportunities when we look at their merits and applied filters described above. For many, it was business as usual."

Media Releases

- 25 Media releases by RDC and NZ BioForestry Ltd have been misleading and have not focussed on the heart of this proposal, that of large scale re-zoning of rural land to industrial land and what large scale noxious industry will bring. There has been no RDC or NZ BioForestry Ltd driven media releases explaining the implications of 3 timber processing plants to Marton's traffic movements, air quality, noise and living environment to the residents and ratepayers. There have been no public meetings. Consequently there has been little public engagement until now and hence poor resident knowledge of this proposed land use change. This significant change has not been signalled in the Long Term Plan 2018-2028 and denies ratepayer participation.

Effect

- 26 Mr Visser in both his Industrial Land Demand + filling 217ha report (at point 5) and Existing Industrial Zoning in the Region report (at point 5) highlights and underlines a conclusion for a zone change of this magnitude with a statement pulled from the Berl Economics report: Business Land: problems and causes, April 2016.

“There are more dynamic changes taking place within the economy that will influence the demand for greenfield and brownfield land for industrial activities. For example, the changing needs of some industrial activities, like transport and logistics, where the efficiencies arising from scale combined with increased automation are leading to a preference for larger sites of proximity to good transport connections and markets”

27 However, the unquoted Berl text goes on to say:

"The demand for transport and logistics is largely driven by population growth and consumption... These 'cleaner' types of industrial activities (ie logistics and transport) are also displacing other heavier and noxious industrial activities”.

28 Both Palmerston North and Whanganui have seized upon the Berl report and the logistics hub concept. The Progressive Growth Fund has granted these cities \$40,000,000 and \$3,090,000 respectively to further these developments.

29 Marton has several 'Mittelstand' type companies, Gallagher Fuel Systems, Collagen Solutions, and the Malteurop Group which strengthen Martons long term economy. These are small innovative companies that dominate highly specialised niche markets domestically and internationally. These hidden champion companies are often located in small to medium sized towns and are better suited to our cleaner greener well-located environment.

30 However, Marton does have the contentious Bonney Glenn landfill operation taking rubbish from all over the lower North Island. We are concerned that Marton will be dumped on once again and that these 3 timber processing plants, noxious industries, are being left for, unloaded to, dispensed, to Marton. Marton and the Rangitikei are being taken advantage of by our bigger regional neighbours.

31 Berl at 5.2 and 5.2.1, pages 16/17, states the difficulties in the changing landscape of zoning/rezoning/redefining land, and of land uses. Berl concludes there are difficulties with businesses that generate noise, odour, and traffic movements and says that noxious industries (such as pulp, paper, timber (Corelogic Classification)) are especially problematic. Berl highlights the difficulties faced by 'reverse sensitivities' whereby permissive zoning (Council led) allows

one user next door to another incumbent user whereby they are incompatible. Highly sensitive racehorses, dairy farmers striving to achieve environmentally appropriate practices and local residents living in Marton for a peaceful better life experience are not compatible with 3 noxious timber processing plants.

- 32 Berl at 5.1.3, page 16, highlights the difficulties in zone changing and land development that Councils have. Primarily, the costs of infrastructure which are generally loan funded and would burden the ratepayers for years to come. And that tensions between established businesses and residents and new developments often lead to incumbent ratepayers incurring the costs to reduce the impacts. Berl concludes that forecasting costs, needs and potential utilisation of the rezoned land is extremely difficult.
- 33 M.e Consulting in their Proposed National Policy Statement – Highly Productive Land, Indicative Cost-Benefit Analysis Figure 12.2 – Summary of Net Costs, page 228, states that indicative costs to affect a plan change for a District Council are \$7.19 million. The document also highlights the costs for strategic growth planning is unknown and the costs to owners of the land is unknown. Rangitikei District Council would not be financially capable, likewise its ratepayers would not be financially capable nor willing to absorb such costs for the benefit of others. The extra-ordinary costs of associated infrastructure, transport/road/rail upgrading, environmental impact mitigation in dollar terms are potentially huge and unknown. Let alone the impacts on the health and wellbeing of Marton residents.
- 34 For Regional Councils the estimated one-off costs are \$7.68 million in the same figure 12.2, page 227.
- 35 The hidden costs in highly productive land rezoning and mitigation has not been expressed in any reporting associated with this zone change proposal.
- 36 The Commissioners Minute #1, point 4 in summary says the Waingawa Industrial Area, south of Masterton has been cited in supporting documentation, Mr Visser Economic Impact Assessment of Proposed Rangitikei District Plan Zoning Change – Potential Industry Types, for this proposed zone change. The Commissioner re-iterates how the importance a well-researched and delivered structure plan was to the process. In simple layman's terms Waingawa was founded on a former meat works site, not Type 2 rural land, is 5kms from the Masterton CBD and across a natural divide,

the Waingawa River. It is 8kms from Carterton. It is a mixed-use industrial site and home to the JNL timber plant which has been in situ since 1992. Waingawa was not a green fields site. Its re-development is not what has been proposed to our community, 3 large noxious timber mills on our town boundary on Type 2 rural land. The eastern entrance to Marton from State Highway 1 will define who we are in this town and our relationship to the rest of New Zealand.

37 The Commissioners' Minute #1, point 4, states:

“The structure planning process was aligned with planning for the provision of roading and infrastructure and its funding. Such planning provided greater certainty, not only for potential investors and developers in the area but also for those who reside in the vicinity.”

38 We do not disagree with this statement but wish to make the following points. It has yet to be established whether there is a local need for another 217ha of Industrial Zone land for Marton; nor whether there is a shortage of industrial land. It is obvious there are significant infrastructure, roading and environmental impacts this proposal brings let alone the economic costs to our ratepayers.

39 A good structure plan may help, but the Waingawa structure plan remains unfulfilled 10 years on according to a Stuff report 5/12/2019. The State Highway 2 junctions with Norman Ave and Norfolk Rd remain unresolved and are deemed high crash zones. NZTA have held in trust in excess of \$1 million from financial contributions made by purchasers of property in the Waingawa Industrial Zone as part of the structure plan mitigations. Nothing has been done by NZTA for 10 years and trucks are experiencing frustrating long waits in and out of the industrial area let alone being hazards on a busy highway. We are concerned that RDC, Horizons, NZTA, KiwiRail and potential owners of these sites will not be able to adhere to or carry out to the full a mitigating structure plan. We are concerned these entities do not have the depths of financial resource, financial commitment or management capabilities to create or adhere to a structure plan. We do not think the RDC Industrial Zone objectives, policies and plans provide adequate regulation or mitigation for the effects on the rural environment.

NZ Bio Forestry – Provincial Growth fund: Comment

40 The Ministry of Primary Industries summary comment on the NZ Bioforestry Ltd application to the Provincial Growth Fund (PGU 2.8 The Manawatu-Whanganui Bio-Forestry Alliance page 9) said:

“The application relates to high risk, volatile, specialist,

capital intensive industry that has a mixed history in NZ. Examples of recent mixed timber processing outcomes can be seen at Waverly (Waverly Sawmill to close) and Gisborne (JNL downsizing).

- 41 MPI also states in its appraisal, point 2, page 9

“It will be particularly difficult for a new entrant to the industry to build markets and product reputation over the short term. It is suggested that the applicant (NZBF) consider working with an existing operator (co-locating with WPI’s Tangiwai Sawmill or partnering with JNL at their Masterton sawmill and LVL operation). This could help to particularly de-risk the hurdles facing a new operator to NZ and to the International market.”

- 42 We believe that Marton is a good central location with connectivity. That is why we and many other Marton residents live here. Marton is a semi-rural service town with a quaint village atmosphere. We believe these 3 timber processing factories should be located elsewhere in environments appropriate for their business.
- 43 MPI comments that the NZ BioForstry proposal aimed to deliver high value plywood, bioplastic raw material substitutes for petroleum-based plastics and a bark based bio-fuel to blend with coal as a fuel for industrial boilers. Three entities, three factories. These factories are interlinked and dependant on each other. The basis of the NZBF application is that 100% of the log is used, zero waste, and the Bioplastic factory is dependant for its source material from the other 2 factories.
- 44 MPI comments, point 6, page 9, that BioForestry’s desire to use all plantation slash overlooks the problem that some slash is required to be left for nutrient recycling and fertilising the land adding costs to the landowners. And that in point 7 page 9 studies have shown the costs of transporting low value logs and residues is uneconomic.
- 45 A Bio Plastics factory singularly at the Marton site, without its sister two timber processing factories would not be practicable nor sustainable.

Summary

- 46 In summary, Marton is more than adequately supplied with industrial zone land to satisfy its needs as a central rural servicing town. There

is no shortage. This proposal as presented to ratepayers has been poorly conceived and inadequately managed. The prepared reports are inadequate and Council do not appreciate the significant financial and other costs associated with this proposal.

- 47 Those costs will fall on ratepayers and there aren't many of us. We are ratepayers and we have contributed through our rates to this proposal which is inappropriate. As opposing submitters, we, like other opposers, have invested further in seeking expert advice and spent many unpaid hours understanding and preparing our submissions. The Council has initiated and managed recent local projects poorly. For example, the Bulls Town Hall is still unfinished and in excess of \$2.3 million over budget. The Council has significant pending costs to satisfy three waters, its sewage systems and the Putorino land fill let alone a proposal to subdivide a large area of highly productive rural land on its western boundary into 200 house lots. The Council do not understand nor appreciate the risks to its ratepayer base, and it has lost perspective on who and what Marton is, who lives here and why.
- 48 The residents do not want noxious industries running the town nor does our environment, our ears, eyes, our noses and throats want to experience them. This proposal comes from outsiders and will not be for the real benefit Marton residents. Marton is doing economically fine as read in many tabled documents by Council's Finance/Performance Committee. Rangitikei ratepayers and Marton residents should not be lumbered with the legacy of someone else's debt nor suffer pollution of our living world purely for the sake of ill-conceived 'progress'.

"Our land is a taonga – an irreplaceable treasure
and source of life and wellness for our country"

Ministry of the Environment.

Dated this 17 day of June 2020



Simon Loudon