BEFORE THE INDEPENDENT HEARINGS PANEL
OF HUTT CITY COUNCIL

UNDER	the Resource Management Act 1991 ("**RMA**")
AND	
IN THE MATTER	of the Proposed Hutt City District Plan ("**Proposed Plan**")

STATEMENT OF EVIDENCE OF FRASER JAMES COLEGRAVE ON BEHALF OF WASTE MANAGEMENT NZ LIMITED (HEARING STREAM EIGHT)

ECONOMICS

27 OCTOBER 2026

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1. EXECUTIVE SUMMARY

1.1 I assess the economic effects of rezoning 30 Benmore Crescent, Manor Park ("**Site**") from General Rural to General Industrial, with a Benmore Crescent Precinct, or to a Special Purpose Industrial Zone, in the Proposed Plan.

1.2 Lower Hutt is the Wellington region's largest centre of industrial employment, but opportunities for further large industrial sites are limited. Existing buildings can accommodate some growth, although factories, warehouses, yards and depots cannot generally intensify like offices or retail premises can.

1.3 Using the demand scenario adopted by the Council's reporting officer on industrial zones, I estimate a need for about 53 hectares of additional industrial land over the ten years from 2026. Against indicative vacant-land allowances of 16 to 20 hectares, that leaves a gap of about 33 to 37 hectares to 2036, rising to 116 to 120 hectares by 2052. This comparison indicates pressure on vacant land rather than establishing the city's overall shortfall, because it excludes most growth on occupied sites and demand is sensitive to the assumptions used. Even combining 25% lower demand with the return of all land identified for industrial reuse leaves a long-term gap of over 50 hectares.

1.4 A regional study published in 2025 assessed 15 potential industrial areas, ranked the wider Manor Park area fourth, and identified it as Hutt City's only investigation area and the only area recommended in the central Wellington region, where the study found the greatest demand and tightest capacity. Manor Park's scale and access to established markets favour industrial use, subject to its physical constraints and to any material adverse effects being addressed. More distant land may suit some firms, but is not an equivalent option for every business serving Lower Hutt and Wellington.

1.5 The reporting officer for this hearing now recommends General Industrial zoning with a site-specific precinct. I support that approach on economic grounds. The precinct should manage the Site's effects while allowing enough room for the industrial buildings, yards and vehicle circulation that make this location valuable.

1.6 I provisionally estimate that the Site could provide about 10 hectares of usable industrial land. While not directly relevant to the rezoning proposal and the benefits arising, I note that if Waste Management NZ Limited's ("**WM**") resource recovery park obtains consent under rural zoning, about 4 hectares beyond the park would also benefit from the proposed rezoning.

1.7 Rezoning could allow firms to establish or expand locally, improve land-market choice and reduce the costs of serving metropolitan customers from more distant locations. Development would also support construction and ongoing employment, while a resource recovery park could improve the efficiency of collecting, sorting and reusing materials. These benefits depend on what would otherwise occur, so I conservatively do not count all activity on the Site as a gain caused by rezoning.

1.8 Overall, I consider the economic benefits of the proposed rezoning to outweigh the costs. Accordingly, consistent with the reporting officer's recommendation, I support General Industrial zoning, or another industrial zone with site-specific provisions that enables the same intended uses, on economic grounds.

2. INTRODUCTION

2.1 My name is Fraser James Colegrave. I am an economic consultant and the Managing Director of Insight Economics, a boutique consultancy that I founded in 2013. Prior to that, I was the founding director of another economic consultancy, Covec Limited, for 12 years.

2.2 I hold a Bachelor of Commerce (first-class honours) in economics from the University of Auckland.

2.3 I have 28 years' commercial experience, during the last 26 of which I have worked as an economic consultant. During that time, I have successfully completed more than 600 projects across a wide range of sectors and have helped gain planning approval for developments worth more than $30 billion.

2.4 My main areas of expertise are property development, land use, market supply and demand, and local infrastructure funding. I have undertaken extensive work in these areas for dozens of New Zealand's largest public and private sector organisations.

2.5 Over the last 20 years, I have helped obtain consents for developments enabling millions of square metres of new industrial floorspace, including for new solar farms, quarries, data centres, business parks, factories and warehousing.

2.6 More generally, I have presented expert economic evidence at more than 120 hearings before councils, Boards of Inquiry, Independent Hearing Panels, the Land Valuation Tribunal, the Environmental Protection Authority, the Environment Court, the Family Court and the High Court.

2.7 WM and Te Kārearea Limited ("**TKL**") engaged me to assess the economic effects of General Industrial zoning for the Site. I had no prior involvement with the Site or WM's consent application.

Code of conduct

2.8 Although this is a Council hearing, I confirm that I have read the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and have complied with it in preparing this evidence. I will continue to comply with it when giving oral evidence. Except where I state that I am relying on the evidence of another person, the issues addressed in this evidence are within my area of expertise, and I have not omitted material facts known to me that might alter or detract from my evidence.

3. SCOPE OF EVIDENCE

3.1 My evidence:

(a) explains my economic assessment approach;

(b) assesses industrial demand and supply, the Site's suitability and alternatives, and the economic benefits and costs of rezoning, with supporting comparisons of zoning options and illustrative agglomeration calculations in Appendices A and B respectively;

(c) responds to economic matters in the Council's Section 42A Report by Mr Osborne dated 12 October 2026 ("**Section 42A Report**");

(d) responds to economic matters raised in submissions; and

(e) states my overall economic conclusion.

3.2 In preparing this evidence I have read:

(a) the Section 42A Report relevant to economic matters;

(b) the Proposed Plan, the section 32 evaluations for the rural and industrial zones, and the submissions and further submissions on the Site's zoning;

(c) the Council's April 2026 section 42A report on the industrial zones prepared by Mr Davis ("**Industrial Zones Report**"), his subsequent rebuttal evidence, the infrastructure section 42A report, and the

officers' June 2024 report to the Council's District Plan Review Committee on the Site ("**DPRC Report**");

(d) the Council's 2023 regional Housing and Business Development Capacity Assessment ("**HBA**"), covering Wairarapa, Wellington and Horowhenua, its underlying Sense Partners demand assessment and addendum, and the follow-up 2025 Industrial Land Study;

(e) the regional Future Development Strategy 2024–2054 ("**FDS**") and implementation plan, the Regional Economic Development Plan, and the Wellington Region Waste Management and Minimisation Plan 2023–2029 ("**WMMP**");

(f) the Council's notification and direct referral decisions on WM's resource consent application (RM230019), the record of title, the encumbrance registered in favour of NZTA, a proposed NZTA land covenant, and Ms Goodwin's evidence addressing zoning positions and proposed site-specific provisions; and

(g) industrial property market research by JLL, CBRE and Colliers.

4. APPROACH TO THE ECONOMIC ASSESSMENT

4.1 I assess whether industrial zoning would make better economic use of the Site than the alternatives considered at paragraph 5.52 and **Appendix A**. This requires comparing the additional benefits and costs of rezoning, including opportunities forgone, rather than treating either a land shortage or the scale of activity enabled as sufficient reason for approval.

4.2 I first establish the relevant context by identifying the Site and briefly acknowledging WM's separate consent application, which is not before this Panel. I then proceed as follows:

(a) First, I review the latest published forecasts of industrial land demand to establish its scale and nature in Hutt City.

(b) Second, I compare that projected demand with indicative vacant supply, consider the scope for some floorspace growth to occur on occupied sites, and test the implications of alternative assumptions.

(c) Third, I assess whether the Site offers a suitable response to any shortfalls identified, having regard to its location, the regional alternatives, other zoning options and the timing of development.

(d) Finally, I assess the range of activities that rezoning could enable and weigh their economic costs and benefits, including resource recovery as one possible land use.

4.3 The National Policy Statement on Urban Development 2020 ("**NPS-UD**") provides the analytical framework for the first two steps. As a tier 1 local authority, Hutt City must provide sufficient business development capacity to meet expected demand "at all times" over the short, medium and long term, including competitiveness margins of 20%, 20% and 15% respectively.[1]

4.4 That capacity must be plan-enabled for the relevant period, infrastructure-ready and suitable, including in terms of site size and location. Demand and capacity must also be assessed by sector for the region ***and*** each constituent district. Accordingly, an overall business surplus does not establish industrial sufficiency in Hutt City, and capacity elsewhere must be suitable for the demand it is expected to serve.[2]

4.5 I draw on the published assessments and current market evidence, rather than preparing new demand forecasts or auditing every industrial parcel. The resulting comparisons indicate the scale of pressure on industrial land under the assumptions set out in paragraphs 5.11 to 5.17.

4.6 I also consider the wider economic effects of the zoning options, consistent with the section 32 evaluation of benefits, costs, growth and employment. I rely on the planning and technical witnesses for matters within their expertise, while assessing the direct economic effects myself.

5. ECONOMIC ASSESSMENT

The Site, the relief sought and the zoning history

5.1 The Site comprises 13.21 hectares at 30 Benmore Crescent, Manor Park, between State Highway 2 and Te Awa Kairangi / Hutt River at Lower Hutt's northern edge. It adjoins the Wairarapa railway and connects through Benmore Crescent to the SH2/SH58 Haywards interchange. Its large, flat area, consolidated ownership, and access to the Hutt Valley and Wellington are the attributes most relevant to my assessment.

5.2 I understand that flood-protection earthworks are largely complete and that access, servicing and transport works have been consented or approved.

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1 NPS-UD (May 2022), Policy 2.

2 NPS-UD (May 2022), Policies 1 and 2; clauses 3.3, 3.4 and 3.28–3.30.

These works would help bring the Site into industrial use, subject to the technical witnesses confirming their adequacy.[3]

5.3 A proposed land covenant in favour of NZTA would also limit the development that can occur on the Site. It is not yet registered on the title, but would exclude sensitive activities and several other land uses, limit the combined gross floor area of Tenancies 2 and 3 to 12,500 sqm, and require NZTA agreement to changes in Tenancy 1's anticipated transfer-station use.[4] Mr David Gibson, for TKL, provides greater context on the covenant and its terms in his evidence.[5]

5.4 WM and TKL seek General Industrial zoning, TKL with site-specific provisions. The landowner, Te Rūnanga o Toa Rangatira, opposes rural zoning and suggests a special purpose industrial zone. The Manor Park and Haywards Residents Community Incorporated Society ("**Residents' Society**") seeks rural zoning or a bespoke zone for open space, rural lifestyle, residential and mixed uses that prohibits waste management activities.[6]

5.5 The 2023 Draft District Plan, released for consultation before the Proposed Plan was notified, identified the Site as General Industrial. WM supported that zoning in its feedback on the draft. Following community feedback, the DPRC Report compared zoning options and recommended General Industrial with site-specific provisions.[7] That report provides the officers' earlier assessment of the Site, rather than the Council's final position. When the Proposed Plan was notified, however, the Site retained its General Rural zoning, because of amenity, transport and community concerns.[8] My assessment adds an explicit economic comparison of the alternatives.

What rezoning would add – conservative analysis

5.6 WM's application for a resource recovery park under the operative rural zoning is before the Environment Court by direct referral. There is no guarantee of consent being granted, and my economic assessment cannot assume that it will be granted.

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3 As advised by WM and TKL and recorded in the Council's consent records for RM220258 and RM230018.

4 Proposed NZTA covenant, clauses 12–13. Schedule 2 was not included in the supplied extract.

5 Statement of Evidence of David Gibson (Hearing Stream Eight) dated 27 October 2026 at [5.12]-[5.14].

6 Residents' Society submission (PDP/377), point 377.4.

7 DPRC Report (DPRC2024/3/165, 11 June 2024, considered 4 July 2024) at [29]–[41] and options assessment.

8 Hutt City Council, Section 32 Evaluation – Industrial Zones, section 7 (alternatives considered).

5.7 While it can be assumed that WM's consent application for a resource recovery park will be substantially assisted by rezoning the Site to industrial, I understand that WM's advice is that the proposal can still be consented under the existing (and notified Proposed Plan) rural zoning.

5.8 Accordingly, to assist from an economic perspective, I have considered two alternative scenarios for my evidence. First, if consent is granted, WM's resource recovery park could proceed without rezoning, so rezoning would chiefly provide an industrial framework for the remaining land. It could also make later changes or extensions to the consented park easier to authorise, depending on the final rules, consent conditions and covenant. I rely on Ms Goodwin for those planning implications and conservatively do not attribute the park's full benefits to rezoning if it could proceed under rural zoning.[9]

5.9 Second, if consent is refused, industrial zoning would provide an opportunity for industrial use across the Site, subject to further consents and its constraints. Any relevant change to the anticipated use of Tenancy 1 (which corresponds to WM's proposed resource recovery park) would still need NZTA agreement under the proposed covenant. For this scenario, I assume NZTA would agree to an appropriate alternative industrial use.

5.10 I therefore consider both consent outcomes when estimating the overall impact of the proposed rezoning.

Demand for industrial land

5.11 I first consider the future demand for industrial land using the HBA. This regional assessment examines whether housing and business capacity can meet projected growth, and provides the demand benchmark for my analysis. It projects demand for a further 1,193 hectares of regional business land to 2051, including NPS-UD competitiveness margins, of which industry accounts for 698 hectares, or 58%. The subsequent Industrial Land Study then investigates how the industrial shortage anticipated by the HBA might be addressed.[10]

5.12 The Industrial Land Study estimates that more than 400 hectares of additional industrial land would still be required, even after allowing for Palmerston

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9 Hutt City Council, notification decision on RM230019 (23 October 2025) and decision under section 87E (9 April 2026); Statement of Evidence of Angela Goodwin (Hearing Stream Eight) dated 28 October 2026; Statement of Evidence of David Gibson (Hearing Stream Eight) dated 27 October 2026 at [5.18]-[5.20].

10 HBA, Table 1.19; Industrial Land Study, section 3. The 698 ha total adds the successive periods; the 483 ha cited in the HBA summary covers 2031–2051 only.

North's proposed Te Utanganui freight hub.[11] That regional finding provides the broader context for the rezoning, but the following analysis focuses on the land needed to meet future industrial demand in Hutt City.

5.13 Industrial activities generally require substantial land because factories, warehouses, yards and depots are seldom suited to multi-storey development. The Industrial Zones Report likewise identifies large footprints, yard space and operational separation as reasons why industry is less amenable to intensification than other business activities.[12]

5.14 Lower Hutt has about 10,500 industrial jobs and the region's highest manufacturing employment.[13] The HBA describes land constraints as "likely already binding" and records key industries' reluctance to relocate within the city.[14] The Industrial Zones Report also recognises the productivity benefits of accommodating as much industrial growth locally as practicable.[15]

5.15 Table 1 summarises Hutt City's projected additional industrial land demand under the scenario adopted in the Industrial Zones Report. It comes from Sense Partners' work underpinning the HBA and measures growth from a 2022 baseline.

Table 1: Additional Industrial Land Demand in Hutt City

Forecast period	Years from 2022	Additional land (ha)
2022–2025	3	14.1
2022–2032	10	52.3
2022–2052	30	155.8

Source: Sense Partners (2023), Table 6; Industrial Zones Report, paragraph 75. Cumulative demand from 2022.

5.16 The scenario implies demand for 52.3 hectares over ten years and 155.8 hectares over 30 years. It assumes that a given amount of building floorspace continues to require the same amount of land, rather than allowing for progressively more intensive use of industrial sites. Like the reporting officer, I consider that approach a useful benchmark for the future land demands of activities requiring substantial yard and operational space.[16]

11 Industrial Land Study, section 3 (Supply in Palmerston North).

12 Industrial Zones Report at [74].

13 HBA, Chapter 3, sections 3.3.1 and 3.3.2; Sense Partners (2023), Demand for business land in the Wellington-Horowhenua region, pages 27 and 44.

14 HBA, Chapter 3, sections 3.3.2 and 3.3.4.

15 Industrial Zones Report at [81].

16 Industrial Zones Report at [75].

5.17 The result is sensitive to those assumptions. Sense Partners' addendum combines changes in industry mix, floorspace per worker and land-use intensity that bring 2052 land requirements close to their 2022 level. Those alternatives are materially lower than the benchmark and go beyond the 25% lower-demand sensitivity (tested at paragraph 5.31). The conversion from floorspace to land, and whether the benchmark already includes competitiveness margins, also require confirmation. I therefore retain the Council's benchmark demand in Table 1 (52.3 hectares over ten years and 155.8 hectares over 30 years) without adding a further competitiveness margin.[17]

Supply of industrial land

5.18 I next assess whether Hutt City's available industrial land could meet projected future demand. As an independent parcel-level audit of all industrial-zoned land falls beyond the scope of this evidence, I use two published inventories to develop indicative vacant-land assumptions. I then consider the potential for some industrial floorspace growth to be accommodated through intensification of occupied sites. Neither inventory includes the Site.

5.19 The lower adopted figure is the 16 hectares of vacant industrial-zoned land identified across nine Hutt City lots in the Industrial Land Study's stocktake.[18]

5.20 The higher figure is drawn from the Proposed Plan's Industrial Zones Report, which identifies 40.7 hectares of vacant industrial-zoned land. It considers most of that land likely undevelopable due to designations, steep slopes or other permanent constraints. Over half is held in three steep Eastern Hills sites. Nevertheless, I generously assume that half is developable, giving 20.35 hectares, which I refer to below as about 20 hectares.[19]

5.21 The resulting range of 16 to 20 hectares represents two alternative supply assumptions. The inventories differ in date and zone coverage, and the higher figure reflects my own assumption that half of the constrained land is developable. Both nevertheless accord with the Council's findings of limited greenfield opportunity and no practical means of delivering the modelled 155.8 hectares of demand entirely through additional land within the city.[20]

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17 Sense Partners (2023), Tables 6, 12 and 13; Addendum (28 March 2023), sections 2.2–2.4 and Figures 8–13; HBA, Tables 3.11–3.12. The 701,112 sqm before margins and 155.8 ha imply a ratio of about 0.45, compared with 0.4 in Table 13; both the conversion and margins require reconciliation.

18 Industrial Land Study, Table 5.

19 Industrial Zones Report at [76] (Table 1) and [78].

20 Industrial Zones Report at [74]; DPRC Report at [6].

5.22 Occupied sites may meet part of the demand. The Industrial Zones Report identifies potential to return about 21.2 hectares of industrial-zoned land from commercial and residential uses that the Proposed Plan discourages in those zones, and 7 hectares from multi-use sites, to industrial use over 30 years, while cautioning that change would be slow.[21] I test the full 28.2 hectares separately, rather than treating it as immediately available vacant supply.

5.23 Existing sites will also absorb some growth. For example, Seaview, Gracefield, and Moera gained about 66,000 sqm of floorspace between 2019 and 2023, and the HBA attributes growth across its business areas mainly to expansion of existing buildings and activities. I accept that such growth will continue.[22]

5.24 However, intensifying existing industrial sites may displace existing yard and storage areas and create a need to accommodate them elsewhere. It also does not necessarily provide the large, contiguous sites that some firms require. Full redevelopment may achieve those outcomes, but depends on the existing uses and owners' decisions. I do not attribute zero growth capacity to occupied sites, but echo the Industrial Zones Report's caution about the limits of meeting all demand that way.[23]

5.25 Natural hazards further affect the suitability of existing supply. Figure 1 shows the proportion of Hutt City's industrial-zoned land exposed to each hazard in the Industrial Land Study's desktop assessment. Liquefaction exposure alone covers 265 hectares, or about 51%, so at least half of the city's industrial-zoned land is exposed to one or more of the listed hazards.[24]

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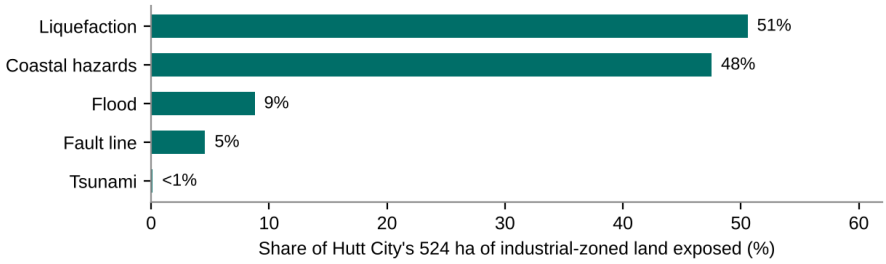
21 Industrial Zones Report at [76]–[77].

22 HBA, Chapter 3, page 144 (618,390 sqm in 2019 to 684,292 sqm in 2023).

23 Industrial Zones Report at [74].

24 Industrial Land Study, Table 6, page 22, and Summary Report, section 4. The combined share cannot be calculated by adding hazard areas because they overlap. Exposure does not mean that land is unusable, but the study records concerns about insurance costs and firms' interest in lower-risk expansion locations.

Figure 1: Hutt City Industrial-zoned Land Exposed to Natural Hazards



5.26 Manor Park also has its own constraints, including a fault location area, which resulted in a score of two out of five for hazard resilience. However, the Site has been raised above the river flood level and avoids coastal hazards; the study records investigations finding the risk manageable for industry. Since that study, a joint witness statement dated 24 September 2026 has confirmed agreement on the updated fault overlay alignment through the Site, and the reporting officer for natural hazards has recommended updating the flood hazard overlays based on the Site's flood modelling.[25] I rely on the technical witnesses for those conclusions.[26]

Comparing demand with available land

5.27 I now combine the demand and supply evidence for Hutt City industrial land. Although the HBA finds sufficient business capacity in Hutt City overall,[27] it separately anticipates an industrial shortfall because land-dependent activities cannot intensify like offices or retail.[28] The industrial-zones rebuttal evidence makes the same distinction.[29]

5.28 Table 2 compares demand from 2026 onwards with the two indicative vacant-land allowances. The demand forecasts in Table 1 begin in 2022, so using their full totals would include four years that have already elapsed. I therefore deduct the demand forecast for 2022 to 2026 before comparing future demand with the land assumed to be available for it.

5.29 The published demand forecast is 14.1 hectares to 2025 and 52.3 hectares to 2032. Spreading the intervening 38.2 hectares evenly over those seven years gives about 5.46 hectares per annum. Adding one year's demand to the 2025 total gives 19.56 hectares to 2026, leaving 136.24 hectares of the 155.8-

25 Section 42A Report at [13(c)], page 6, and [127(a)], footnote 9; Joint Witness Statement (Fault Hazard), Hearing Stream Five, 24 September 2026.

26 Industrial Land Study, Area 12 – Manor Park.

27 HBA, Executive Summary, Business Land Assessment (discussion of Table 1.3).

28 HBA, Executive Summary, key findings.

29 Rebuttal Evidence of Mr Davis (Hearing Stream Two) dated 19 May 2026 at [7.86].

hectare total for 2026 to 2052. I calculate the shorter periods in the same way. This adjusts the forecast period; it does not measure actual land uptake or update the older supply inventory.

Table 2: Indicative Demand Compared with Vacant Industrial Land (hectares)

Period from 2026	Forecast demand	Forecast demand gap with 16 ha vacant land	Forecast demand gap with about 20 ha vacant land
3 years (to 2029)	16.4	0.4	(4.0)
10 years (to 2036)	53.4	37.4	33.1
To 2052	136.2	120.2	115.9

Source: Sense Partners (2023), Table 6; companion workbook. Parentheses indicate surplus. The higher vacant-land assumption is 20.35 ha before rounding. Growth on occupied sites is excluded.

5.30 This comparison implies little spare vacant capacity in Hutt City over the short term and a gap of 33 to 37 hectares over the ten years to 2036. By 2052, the gap reaches 116 to 120 hectares, falling to 88 to 92 hectares if all 28.2 hectares identified for return to industrial use becomes available by then. These figures measure pressure on vacant industrial land. They do not measure the overall industrial shortfall because they exclude other growth accommodated on occupied sites.

5.31 I have also tested two sensitivities separately. The estimated ten-year gap falls to 5 to 9 hectares if all 28.2 hectares return to industrial use within that period (which I consider extremely unlikely),[30] or to 20 to 24 hectares if demand is 25% lower. Combining both assumptions closes the ten-year gap but still leaves a gap in Hutt City of over 50 hectares to 2052.[31]

5.32 Together, these results support the need to provide further industrial land options, even though the precise amount required remains uncertain. Under every combination of assumptions I have tested, a substantial long-term gap remains. I therefore consider whether the Site is a suitable response, compared with other locations that could serve the same demand, before assessing its potential capacity.

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30 The Industrial Zones Report describes that transition as a "slow process" whose potential arises over the 30-year horizon of the HBA (at [76]–[77]). The 21.2 hectares comprises many small parcels in existing commercial and residential use, each of which would need its current occupier to leave, its owner to redevelop and an industrial user to move in. The further 7 hectares is an assumed change in the mix of activities on multi-use sites, not identifiable land. Returning all 28.2 hectares within ten years thus requires change to occur much faster than the report itself even contemplates.

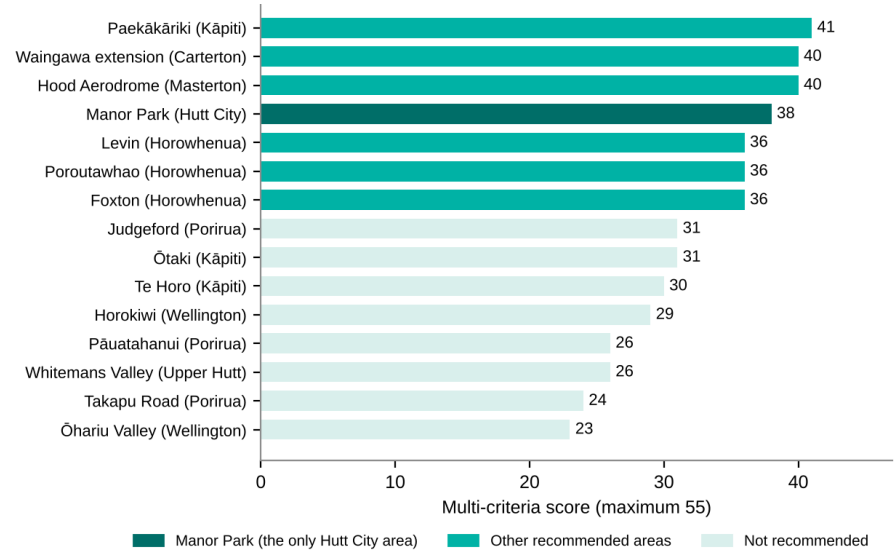
31 Conversely, if the underlying demand figure excludes competitiveness margins, adding them would increase the ten-year gap to 44 to 48 hectares and the long-term gap after the assumed return of 28.2 hectares to about 110 hectares.

The Industrial Land Study and the Site

5.33 The Wellington Regional Leadership Committee commissioned the 2025 Industrial Land Study to investigate the industrial shortfalls anticipated in the HBA and to identify possible new supply. Although the study was a strategic screening exercise, not confirmation that each area was ready or suitable for all possible industrial uses, it found limited growth capacity in Wellington and Hutt City, with few central-region opportunities overall.[32]

5.34 The study assessed 15 areas against 11 criteria through a multi-criteria analysis ("**MCA**").[33] Manor Park was added after Council engagement, having initially been excluded because of the fault line and historic flood data. Figure 2 presents the published MCA scores from Table 10 of the study report.

Figure 2: Industrial Land Study Scores for the 15 Investigation Areas



5.35 The MCA ranked the wider (17.2-hectare) Manor Park investigation area fourth out of 15, with a score of 38 out of 55, only three points less than the highest score. It scored five out of five for road access, land cost and ownership, and public transport proximity, and two out of five for hazard resilience, port and airport access, and separation from more sensitive activities.

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32 Industrial Land Study, pages 5–6, 26 and 53.

33 The 11 criteria were: (a) proximity to major roading corridors; (b) access to rail routes; (c) access to airport; (d) access to port; (e) land cost and landownership risk; (f) proximity to supporting business/services; (g) resilience to hazards; (h) developability and infrastructure investment; (i) proximity to worker accommodation; (j) proximity to public transport; and (k) separation from more sensitive activities. Industrial Land Study, Table 9, page 47 (definitions and scoring ranges); Summary Report (February 2025), Table 1, page 10.

5.36 Although the MCA considered each area's freight access, workforce access and supporting businesses, it did not separately assess customer catchments or the cost of serving them. Consequently, areas that scored highly for highway access may be less well placed to serve metropolitan customers. A high overall score supports further investigation, but does not establish that an area could meet the same needs as a Hutt Valley site.[34]

5.37 The 11 MCA criteria also carry equal weight. This is one plausible approach, but it means that a one-point improvement in any criterion has the same effect on the final score, regardless of the intended industrial use. In practice, prospective occupiers will place different weights on those attributes, depending on their operations and the markets they serve.

5.38 To provide a more comprehensive comparison of the 15 areas, I would test alternative weights reflecting different occupiers' needs, including metropolitan servicing and long-distance freight. The small differences between the leading scores make this testing particularly relevant, because a modest change in weights could alter the rankings. That observation does not establish that Manor Park would necessarily rank higher.[35]

5.39 The port-access scoring also requires clarification. The Manor Park profile recorded 36 kilometres to CentrePort, which falls within the distance band for the highest score, yet the area was awarded only two out of five, while Levin and Foxton (some 100 kilometres away) received four each. Pending an explanation, I retain the published score of 38 for Manor Park.[36]

5.40 Despite those limitations, Manor Park is the only Hutt City investigation area and the only area recommended in the central region, where the study identifies the greatest demand and tightest capacity. Because it was excluded from the HBA's capacity analysis, any capacity it provides would be additional to the supply counted in that analysis.[37] Its reverse sensitivity risks and necessary local road improvements remain matters for the technical witnesses.

5.41 The Site's large, flat area and consolidated ownership provide scope for buildings, yards and circulation, subject to layout and technical constraints. Its SH2/SH58 access connects established Hutt Valley, Wellington and western-

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34 Industrial Land Study, Tables 9–10, pages 47–49.

35 Where several criteria measure related attributes, their combined influence also deserves attention.

36 Industrial Land Study, Area 12 profile, page 42, and Tables 9–10, pages 47 and 49.

37 Industrial Land Study, Area 12 and Table 11; Summary Report, Table 2.

corridor markets. Those connections matter because, as the study records, central Wellington markets and supply chains mean relocation is not an option for some firms.[38]

5.42 Other recommended areas could accommodate some firms, but their suitability, infrastructure and timing require assessment. Higher-ranked Paekākāriki is about 40 kilometres from Lower Hutt, while Waingawa and Hood Aerodrome are 80 to 90 kilometres away over the Remutaka Hill. Closer areas at Judgeford, Horokiwi, Whitemans Valley and Takapu Road scored 24 to 31 and were not recommended. Retaining rural zoning here would therefore forgo a location option within the city's only identified investigation area.

Whether northern and Wairarapa supply can serve the same demand

5.43 The DPRC Report's earlier assessment of the Site anticipated a northward drift of industry, which raises the question of whether more distant land to the north and in the Wairarapa can serve the same demand. I agree with the Industrial Zones Report that Lower Hutt cannot accommodate all its projected industrial demand. Northern locations may offer lower land costs, larger lots and better access to lower North Island markets. For firms primarily serving Wellington and the Hutt Valley, however, those advantages must be weighed against recurring additional delivery, collection and staff travel costs.[39,40]

5.44 The Industrial Land Study found that 53% of surveyed businesses expected to need more land. Of those, 72% would consider relocating, with some considering leaving the region. Retaining a suitable option in Hutt City could allow some of that growth to occur locally, consistent with the industrial-zones rebuttal evidence's call to protect scarce industrial land.[41,42]

5.45 A trade supplier, service depot or recovery facility may depend on frequent trips within the metropolitan catchment, whereas a distribution centre serving the lower North Island may benefit from a northern location. Catchment and operating costs therefore matter alongside highway access when determining the suitability of sites to meet future industrial land demand.

5.46 The inclusion of Horowhenua in the regional HBA illustrates why a regional total needs to be interpreted carefully. The HBA identifies about 312,000 sqm of potential industrial floorspace on qualifying vacant land there, against about

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38 Industrial Land Study, section 3 (Supply in Palmerston North).

39 DPRC Report at [6].

40 Industrial Zones Report at [79].

41 Industrial Land Study, Summary Report, section 4; Final Report, section 3.

42 Rebuttal Evidence of Mr Davis (Hearing Stream Two) dated 19 May 2026 at [7.89].

142,000 sqm of district demand to 2052, including margins. When those figures are aggregated with the rest of the region, Horowhenua's surplus of about 170,000 sqm reduces the measured regional shortfall, even though that capacity is some distance from the region's main concentrations of industrial activity.[43]

5.47 Including Horowhenua in the assessment is not itself an error. The economic question is how much of its apparent surplus can efficiently serve demand arising elsewhere. The published assessments do not establish that sites of the required size will be serviced and available when needed, or that Hutt Valley firms could operate there efficiently.

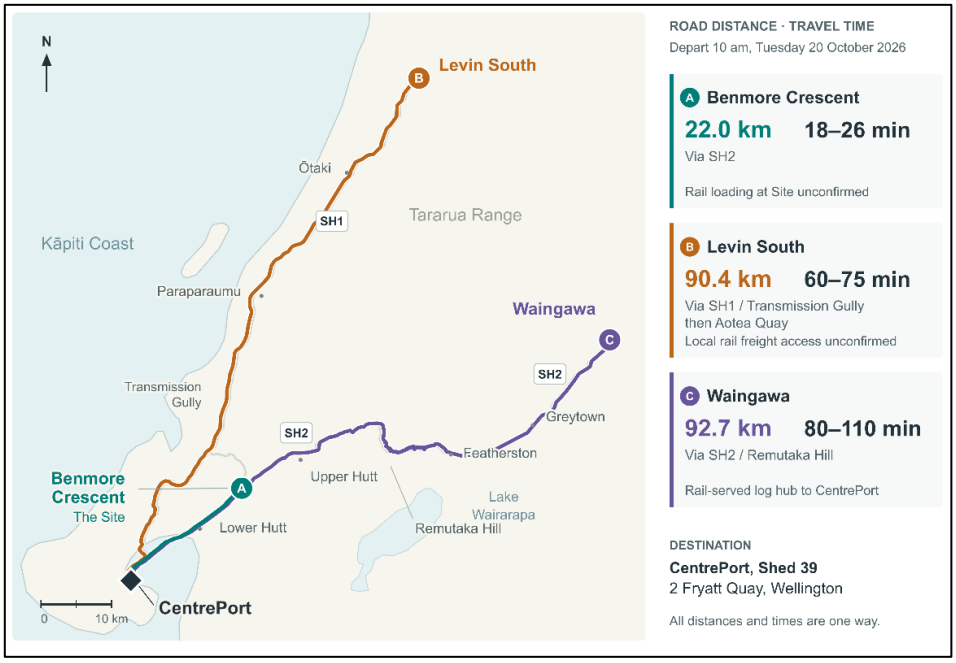
5.48 To put the locations of the highest-scoring investigation areas in context, Figures 3 and 4 compare drive times and distances from Benmore Crescent, Levin South and Waingawa to central Lower Hutt and CentrePort respectively. The maps show the routes, while the displayed times are Google's estimates for car travel departing at 10 am on a weekday.

Figure 3: Road Routes to Central Lower Hutt



43 HBA, Tables 7.12 and 7.14, pages 285 and 288. Vacant floorspace totals 311,871 sqm; demand totals 141,932 sqm; difference 169,939 sqm. These are floorspace measures, not land areas.

Figure 4: Road Routes to CentrePort



5.49 The maps show that the Site is about 10 kilometres from central Lower Hutt and 22 kilometres from CentrePort, compared with 80 to 93 kilometres from the other two locations, Levin South and Waingawa. For firms regularly serving those destinations, the extra distance recurs with each trip. Firms serving northern markets may instead benefit from locating at those alternatives.

5.50 For context, a return journey from Levin South to central Lower Hutt adds about 147 kilometres relative to the Site, assuming equal outward and return distances. Applying NZTA's running cost for an illustrative heavy truck at 70km/h on level terrain gives about $170 extra per trip in July 2025 dollars. This covers distance-related vehicle costs but excludes driver and freight time, standing charges and loading.[44]

5.51 Rail may offset distance from the port where regular freight flows justify loading facilities and transfers, as at CentrePort's Waingawa log hub. NZTA identifies distance, handling, inventory and service frequency as relevant to that choice. The circumstances differ for frequent local road collections and deliveries. Manor Park station supports workforce access, but I have not identified any

44 NZTA, Monetised Benefits and Costs Manual (May 2026), vol. 2, Table A43, page 53; July 2025 update factors. Illustrative HCVI cost: 2 × (83.1 − 9.5) km × $1.151/km × 1.01 = $171.12. The 70 km/h is a cost-table parameter, not measured route speed; actual costs depend on vehicle, load, terrain and congestion.

siding, loading facility or right to rail freight services at the Site. I therefore place primary weight on road access and proximity to metropolitan markets.[45]

Suitability of the Site and the alternatives

5.52 The preceding analysis supports the Site's industrial potential, so next I compare that use with the zoning alternatives considered by Council officers and submitters. **Appendix A** records the detailed comparison, but the key economic considerations are:

(a) General Industrial would provide for the intended large-lot and yard-based uses. Site-specific controls should leave sufficient room for buildings, storage yards and vehicle circulation while managing effects on neighbouring properties. Light Industrial could also accommodate industrial uses, including waste transfer; its economic merits depend on whether its rules allow a comparable scale and range of activity.[46]

(b) Residential, commercial or mixed uses are limited by natural hazard, noise and covenant constraints. The HBA also finds that housing capacity is sufficient overall, with some locality and housing-type mismatches. No site-specific need has been demonstrated that overcomes those constraints.

(c) Rural and open-space options may retain amenity and/or recreation values, but would forgo plan-enabled industrial capacity. The recent productive history of the Site is industrial rather than rural, and rural zoning would not necessarily prevent some industrial-type activities obtaining consent in any case.[47]

5.53 On that basis, I favour General Industrial for the intended uses. I would also support an equivalent industrial framework, meaning another industrial zone whose site-specific rules allow those uses at a comparable scale. I rely on Ms McRae and the other relevant witnesses to assess the amenity and recreation values to be weighed against that opportunity.[48]

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45 CentrePort, New operator at the helm for Waingawa log yard (2 September 2024); NZTA, Monetised Benefits and Costs Manual (May 2026), vol. 1, page 217.

46 Section 42A Report at [166]–[169], page 45.

47 DPRC Report, Option 4 assessment.

48 Statement of Evidence of Emma McRae (Hearing Stream Eight) dated 27 October 2026.

5.54 The Site's largely completed works and consented access and servicing also support its delivery for industrial uses, while landowner and lessee support reduces uncertainty about willingness to develop. Private funding also reduces the direct funding requirement on Council, helping to limit impacts on the wider community.

Timing of rezoning

5.55 Timing is a further economic consideration. The Industrial Land Study recommended reviewing Manor Park for inclusion in the regional FDS after the District Plan review, while recognising that industrial rezoning was already being considered through this process. Deferring rezoning would postpone an additional location option while pressure on vacant land increases. For illustration, delaying an unchanged stream of future benefits by five years reduces its present value by about 25% at a 6% discount rate.[49,50]

Activity that rezoning could enable

5.56 Having considered industrial land demand, supply and suitability, I now turn to the scale and economic effects of future Site use and development. As set out in Table 3, I assume that 75% of the 13.21-hectare Site is usable, giving 9.9 hectares, then conservatively deduct the approximately 5.78-hectare area that WM has agreed to sub-lease for the park, as described in the corporate evidence of Ms Whiteman for WM,[51] to give about 4.1 hectares on the remaining land. Any reduction in the area leased for the park would increase the remaining land, so this estimate is conservative.

Table 3: Indicative Scale of Activity on the Site

Measure	Whole Site	Remaining land if park consented
Indicative usable land	9.9 ha	About 4.1 ha
Building floor area	12,500 sqm in other tenancies, plus park buildings (11,010 sqm notified footprint)	12,500 sqm in other tenancies
Illustrative number of workers based at the Site	About 235 (or about 270 using the notified park's staffing of up to 145, including 90 drivers)	About 125
Illustrative GDP supported by Site-based activity	About $35 million per annum	About $19 million per annum

Source: RM230019 notification decision; proposed NZTA covenant, clause 13.

49 Industrial Land Study, Table 11.

50 Industrial Land Study, Area 12.

51 Statement of Evidence of Sarah Whiteman (Hearing Stream Eight) dated 27 October 2026 at [5.4].

5.57 The indicative 9.9 hectares across the Site would meet roughly a quarter to a third of the ten-year vacant-land gap in Table 2 (or a little over one-tenth for the remaining 4.1 hectares). The employment estimate for other tenancies divides the proposed NZTA covenant's 12,500 sqm floor-area limit by an assumed 100 sqm per worker, giving 125 workers. The proposed covenant anticipates that Tenancy 1 will be occupied by the transfer station that is the subject of WM's consent application. Applying the same ratio to that proposal's 11,010 sqm building footprint adds about 110 workers, giving about 235 across the Site. Using the notified park's 145 staff instead gives 270. Applying an assumed $150,000 of GDP per worker produces the annual values in Table 3. These figures indicate the scale of activity the Site could support; they are not estimates of net economic benefit.[52]

5.58 The proposed covenant would separately limit Tenancies 2 and 3 to 12,500 sqm of gross floor area in total. I use that limit in Table 3 because the covenant would require the landowner to comply with its terms. The planning rules for consenting larger buildings are a separate matter, addressed briefly in section 6.[53]

Economic benefits

5.59 The proposed rezoning would give rise to various economic costs and benefits. The first benefit is greater choice in a constrained industrial land market. A new large site could allow firms to establish, expand or remain locally, and make land supply more responsive to demand. This is important because industrial firms typically supply inputs to other businesses, so lower premises and other operating costs for them can also improve their customers' competitiveness. In addition, the Industrial Land Study records that development costs are already a barrier to industrial development in the metropolitan cities.[54]

5.60 Development could also support one-off employment, wages and purchases from suppliers through planning, remaining civil works, building construction and fit-out. Even if the park proceeds without rezoning, two other tenancies could be developed within the proposed covenant's 12,500 sqm floor-area cap.

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52 Sense Partners (2022) uses 100 sqm per worker; its May 2023 assessment uses 135 sqm per industrial worker (Table 12, page 60). The assumed $150,000 of GDP per worker is a scale estimate, informed by the Hutt Valley figure of $140,361 in 2023 reported by the Hutt Valley Chamber from Infometrics data. Neither assumption is a Site-specific forecast.

53 Proposed NZTA covenant, clauses 11, 13 and 22(a). Tenancy boundaries require the missing Schedule 2.

54 Industrial Land Study, Summary Report, section 4.

Once occupied, the Site could also support the ongoing employment and value added illustrated in Table 3, as well as demand for local suppliers.

5.61 Location is a further source of efficiency. Firms making frequent metropolitan deliveries could use fewer vehicle and staff hours here than at more distant sites, as the route comparisons above illustrate. Access to the existing Hutt Valley workforce and Manor Park Railway Station also aids worker recruitment efforts.

5.62 Clustering future activity on the Site may also generate agglomeration benefits through better access to shared labour pools, specialised suppliers and knowledge exchange. Retaining activity in the Hutt Valley can sustain those connections and improve productivity. **Appendix B** illustrates the possible scale of this effect and explains how the results depend on the amount of activity added to, or retained in, the region. My support for rezoning rests on the wider economic assessment and does not depend on those illustrative values.

5.63 Finally, industrial zoning would permit more productive use of a modified site with existing works and consented access, subject to its controls. Making use of that investment may reduce the further resources needed to accommodate growth compared with other locations.[55]

Resource recovery as a possible use

5.64 A resource recovery park illustrates how some of the benefit categories just identified could arise (noting there is no guarantee that WM's proposal will obtain consent, but also that it could be consented under the existing rural zoning, and I have conservatively focussed my assessments accordingly). WM's notified proposal covered 5.78 hectares, with eight buildings totalling about 11,010 sqm of footprint, up to 145 staff including 90 truck drivers, and about 604 daily vehicle movements at full development.[56]

5.65 The National Policy Statement for Infrastructure 2025 ("**NPS-I**") includes resource recovery and waste disposal facilities within its definition of additional infrastructure. Mr Osborne considers that the NPS-I does not extend to industrial zoning in general,[57] and I refer to it only to describe the economic role of such facilities. That role is to provide services that households and

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55 The investment already made is a sunk cost, so I do not count it as a benefit caused by rezoning.

56 Hutt City Council, notification decision on RM230019 (23 October 2025).

57 Section 42A Report at [40], pages 15–16.

businesses need to manage their waste. A well-located recovery park can reduce the resources used to collect, transport and sort that material. For this assessment, adopting a conservative approach because consent has already been sought under the existing District Plan zoning, I attribute those gains to rezoning only to the extent that they would not arise from (a) a park consented under rural zoning or (b) existing operations.

5.66 The WMMP, adopted by the region's district councils, also identifies a pressing need for extra recovery capacity. For example, it targets:

(a) 10% less material sent to landfill by 2027 and 30% less by 2030;

(b) construction and demolition recovery capacity by 2026; and

(c) five new recovery locations by 2030.[58]

5.67 A Porirua construction and demolition facility opened in May 2026, with Hutt City Council among its partners, addressing the WMMP's 2026 sub-target at paragraph 5.66(b) above. A Hutt Valley facility could still reduce the cost of moving bulky, low-value material from local demolition and rebuilding sites.[59]

5.68 Where additional recovery is commercially viable, the economic gains could include avoided disposal and haulage resources, recovered materials replacing otherwise-purchased inputs, and more choice for customers. Co-locating collection, sorting and related activities could also reduce handling costs.

5.69 Disposal levies strengthen the commercial incentive to recover material. Current rates include $70 per tonne for municipal landfill and $40 for construction and demolition fill.[60] An avoided levy payment is principally a transfer,[61] so it should not be counted again as a resource saving. Without

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58 WMMP 2023–2029, sections 3.5.6 and 4.4.

59 Porirua City Council, New construction and demolition waste processing facility for Porirua (21 May 2026); Minister for the Environment, Porirua facility opens to boost recycling and reduce construction waste (21 May 2026).

60 Ministry for the Environment, waste disposal levy rates from 1 July 2026, https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/waste-disposal-levy/expansion/.

61 The levy is a payment from waste disposers to the Crown under the Waste Minimisation Act 2008; half is passed to territorial authorities and the balance funds the Waste Minimisation Fund and other environmental programmes. Avoiding it changes who holds the money but does not itself free up labour, land, capital or materials for other uses. The real resource savings from diverting material, such as avoided landfill capacity, haulage and material inputs, are already reflected in the benefit categories above, so counting the avoided levy as well would double count. The levy's economic

data on current throughput, recovery yields, destinations and operating costs, I assess the park's benefits qualitatively.

5.70 WM reports a shortage of suitable urban Hutt City sites and, as set out in Ms Whiteman's evidence, its search took about 20 years.[62] This supports the value of providing a large, accessible industrial option. My zoning conclusion nevertheless applies to the wider range of industrial uses that the Site could accommodate under the proposed rezoning.[63]

Economic costs

5.71 The direct economic costs of the proposed rezoning include the value of any viable Site uses forgone, remaining development and infrastructure works, and future maintenance and operating costs. The prolonged absence of any commercial-scale rural activity on the Site suggests that any forgone rural production will be low. This is reinforced by Mr Allen's evidence on the productive capacity of the Site.[64]

5.72 Other witnesses assess traffic, noise, visual, recreation and environmental effects. I do not duplicate their assessments in the economic summary below. Any residual costs they identify must nevertheless be assessed in the overall decision.

Net position

5.73 Table 4 summarises the direct economic effects discussed above. It separates gains from additional or more efficient activity from the resources needed to deliver them; the categories are not amounts to be added together.

Table 4: Direct Economic Benefits and Costs of Rezoning

Economic effect	Benefit or cost and basis
Land-market choice and productive use	More responsive supply and scope for firms to establish, expand or remain locally, where the available land meets their operational needs.

role is to price the external costs of disposal and so strengthen the incentive to recover material. See here for further details of the levy https://environment.govt.nz/what-government-is-doing/areas-of-work/waste/waste-disposal-levy/overview/.

62 Statement of Evidence of Sarah Whiteman (Hearing Stream Eight) dated 27 October 2026 at [5.1].

63 Statement of Evidence of Sarah Whiteman (Hearing Stream Three) dated 5 June 2026 at [21]; WM submission on the 2023 Draft District Plan at [7].

64 Statement of Evidence of James Allen (Hearing Stream Eight) dated 27 October 2026 at [5.1]–[5.7].

Economic effect	Benefit or cost and basis
Operating efficiency and productivity	Potentially lower metropolitan delivery and handling costs, better access to workers and suppliers, and agglomeration gains. Depends on occupiers and their alternatives.
Resource recovery	Potential savings in disposal, haulage and material use, net of extra recovery costs. Depends on additional services and the consent outcome.
Development and operations	Remaining capital works, infrastructure, maintenance and operating inputs are resource costs. Associated employment and output describe activity rather than an extra net benefit.
Productive opportunity cost	Value of viable alternative uses forgone. Rural productive value is close to zero.[65]

Source: this assessment. Construction, employment and value added describe activity; they are not separate measures of net benefit.

5.74 In my view, the principal economic gain is providing industrial land where firms can serve Wellington and the Hutt Valley efficiently and where few comparable development options exist. That can lower the resources used in transport and operations, improve choice for occupiers, and enable firms to establish or expand locally. Having weighed those gains against the development costs and alternative uses discussed at paragraph 5.52 above, I consider that the rezoning's economic benefits outweigh its costs. The technical evidence on effects informs that assessment; the illustrative employment and GDP figures are not its measure of net benefit.

6. RESPONSE TO THE SECTION 42A REPORT

6.1 Mr Osborne's Section 42A Report recommends General Industrial zoning with a Benmore Crescent Precinct. I agree with that recommendation on economic grounds for the reasons set out above.[66]

6.2 Mr Osborne recognises the need for additional business land and the Site's potential medium-term contribution if suitable infrastructure capacity is demonstrated.[67] The 483-hectare regional shortfall he cites is the HBA's industrial land demand for 2031 to 2051 only; the 698 hectares I refer to at paragraph 5.11 covers the full period from 2021 to 2051, so the two figures are consistent. I agree that rural zoning adds no plan-enabled capacity, while the contribution from industrial zoning depends on technical confirmation of servicing and suitability. As noted at paragraph 5.2, access, servicing and

65 Statement of Evidence of James Allen (Hearing Stream Eight) dated 27 October 2026 at [5.1].

66 Section 42A Report at [248]–[252], page 59.

67 Section 42A Report at [105]–[106], page 28.

transport works have been consented or approved, and I rely on the evidence of Mr Gibson on servicing.[68]

6.3 Mr Osborne also refers to Policy 8 and clause 3.8 of the NPS-UD and to Policy UD.3 of the Regional Policy Statement, under which the Council must have particular regard to development capacity that would contribute to a well-functioning urban environment, is well connected along transport corridors, and responds to demonstrated short to medium-term demand in that location.[69] Whether those tests are met is a planning matter for Ms Goodwin. From an economic perspective, however, the evidence above bears directly on them.

6.4 The identified need is for large, flat industrial sites in Hutt City itself (paragraphs 5.13 and 5.14); Table 2 indicates little spare vacant capacity in the short term and a gap of 33 to 37 hectares within ten years; the Site adjoins SH2 and the Wairarapa railway (paragraph 5.1); and I considered the capacity of the city's existing industrial zones (paragraphs 5.18 to 5.24) before concluding that further land options are needed. Accordingly, I agree with Mr Osborne that the proposed rezoning would respond to a demonstrated short to medium-term need in this location.[70]

6.5 I also agree that the Site's separation from the main rural areas, limited demonstrated rural productivity, modification and strategic transport access favour industrial use where capacity is needed. As discussed above at paragraphs 5.52(c) and 5.53 and in **Appendix A**, paragraph A6, limited rural production does not eliminate amenity or recreation value.[71]

6.6 Mr Osborne's further evaluation at paragraphs 241 to 247 compares the benefits and costs of the zoning options. My evidence complements that evaluation by examining industrial land demand, the suitability of alternative locations and the additional economic effects of rezoning.

6.7 I also agree that zoning and WM's consent are separate decisions, as I have identified throughout my evidence.[72] I have therefore adopted a conservative

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68 Section 42A Report at [105]-[109], pages 28–29; Statement of Evidence of David Gibson (Hearing Stream Eight) dated 27 October 2026 at [1.7], [7.3]-[7.9] and [7.18]-[7.20].

69 Section 42A Report at [107]–[108], pages 28–29; Statement of Evidence of Angela Goodwin (Hearing Stream Eight) dated 28 October 2026 at [5.35].

70 Section 42A Report at [107]–[109], pages 28–29; NPS-UD, Policy 8 and clause 3.8; Regional Policy Statement for the Wellington Region, Change 1, Policy UD.3 (Appeals Version, September 2025), criteria (a)(ii), (b) and (e).

71 Section 42A Report at [119], [143]–[146] and [242], pages 32–33, 40–41 and 57.

72 Section 42A Report at [30]–[36], [94] and [120]–[123], pages 14–15, 26 and 33–34.

approach. While I understand that the proposed rezoning would assist WM in obtaining consent for its proposed resource recovery park under the current rural zoning (which, of course, will have a degree of economic benefit), if the proposed park does obtain consent under rural zoning, the remaining land would be the main source of additional activity enabled by rezoning. If consent is refused, industrial zoning would provide a framework for other industrial uses across the Site, as explained at paragraph 5.9.

6.8 I agree with Mr Osborne's principal benefit and cost categories at paragraphs 243 to 245. However, effects may still impose economic costs even if they can be managed. Those residual costs must be established through the technical evidence and weighed against the benefits of additional industrial capacity.[73]

6.9 The precinct's economic role is to manage effects while retaining space for the industrial activities that justify rezoning. For example, Mr Osborne's proposed 1,000 sqm building threshold would trigger further design assessment rather than prohibit larger buildings; it is separate from the covenant's 12,500 sqm limit for Tenancies 2 and 3. I rely on Ms Goodwin and the technical witnesses to settle the detailed controls, including setbacks and consent requirements. My support does not depend on waste facilities being permitted activities.[74,75]

7. RESPONSE TO SUBMISSIONS

Residents' Society (PDP/377)

7.1 While I accept that the Residents' Society's preferred rural zoning may preserve valued amenity and recreation, for the reasons above, I consider industrial zoning to offer greater economic value (subject to any necessary site-specific controls).

7.2 The Residents' Society's alternative request for open space, rural lifestyle, residential and mixed uses would prohibit industrial activities. As **Appendix A** explains, the comparison is between the amenity and recreation benefits those alternatives might provide and the industrial opportunity that would be forgone. The HBA's finding of sufficient housing capacity across Hutt City does not mean that every suburb or type of dwelling is adequately provided for.

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73 Section 42A Report at [243]–[245], pages 57–58.

74 Section 42A Report at [127]–[129], [216] and [248], pages 34–36, 54 and 59; Appendix 1, recommended amendments to GIZ-R3 and GIZ-S3; Statement of Evidence of Angela Goodwin (Hearing Stream Eight) dated 28 October 2026 at Attachment 1.

75 Section 42A Report at [127(e)] and [129], pages 35–36, and Appendix 1, GIZ-R3.1(c) and GIZ-R3.2, PDF pages 62–63; Statement of Evidence of Angela Goodwin (Hearing Stream Eight) dated 28 October 2026 including at Attachment 1.

However, no specific housing need has been demonstrated that makes this constrained Site a preferable residential rather than industrial location.

7.3 The Residents' Society also seeks non-complying status for landfills, cleanfills and solid waste transfer stations within 500 metres of residential zones, and avoidance of waste facilities within 400 metres. Such restrictions can remove otherwise suitable industrial options. Their economic justification therefore depends on the effects avoided, which the planning and technical witnesses address. Mr Osborne records that no evidence was provided to support the 500-metre distance, other than that it would capture the whole Site, and that most General Industrial land in the city already adjoins residential zones. From an economic perspective, the buffer would therefore constrain this Site in a way that does not apply to other industrial land elsewhere, removing a class of industrial use from the one location identified for additional industrial capacity.[76]

Other submissions

7.4 Mr Osborne identifies 134 resident submissions on a common template that seek avoidance of specific environmental and community effects, while directly opposing the establishment of waste facilities.[77] I acknowledge those concerns, which other technical witnesses have addressed. The template itself proposes no alternative zone, although some submitters added zoning requests.[78] Some submitters also raise effects on property values. I understand that these are not a relevant consideration under the RMA, and Mr Osborne recommends rejecting those submission points on that basis.[79] In any event, any change in nearby property values would largely reflect the amenity effects assessed by other witnesses, so I do not count it as a separate economic cost.

7.5 Other submitters seek mixed use, residential or light commercial activities, the latter prompting Mr Osborne to consider Light Industrial. **Appendix A** compares those alternatives, including Light Industrial's potential to accommodate the intended uses under suitable site-specific provisions, and its likely less efficient use of land within the Fault Location Area.[80]

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76 Section 42A Report at [114], page 30.

77 Section 42A Report at [44], [57], [100]–[101] and [134], pages 16, 20, 27 and 38.

78 Section 42A Report at [44]–[48], [58] and [183]–[185], pages 16–18, 20 and 48.

79 Section 42A Report at [193] and [234], pages 50 and 55.

80 Submissions 45.1, 72.3, 74.2, 75.2 and 76.2.

8. CONCLUSION

8.1 Using the Council's demand scenario, which holds building floorspace relative to land area constant, my comparison indicates vacant-land gaps of 33 to 37 hectares within ten years and 116 to 120 hectares by 2052. These figures measure pressure on vacant land; growth on occupied sites would reduce them to some extent. Combining 25% lower demand with the return of all 28.2 hectares identified for possible industrial reuse closes the ten-year gap but leaves a gap of over 50 hectares in the long term. Overall, the evidence supports providing further industrial options, particularly where firms need greenfield sites close to metropolitan markets.

8.2 The Site lies within the Industrial Land Study's only Hutt City investigation area. I provisionally estimate 9.9 hectares of usable industrial land. This would provide a valuable location option, although the amount of activity added to or retained in the region depends on WM's operations and future occupiers. Rural zoning and the Residents' Society's alternatives may protect amenity and recreation, but would forgo that industrial opportunity.

8.3 On the basis of the Site capacity and technical assumptions set out in this evidence, I consider that the economic benefits of rezoning outweigh the costs. Accordingly, consistent with Mr Osborne's recommendation, I support rezoning the Site to General Industrial, or another industrial zone with site-specific provisions that enables the intended uses at a comparable scale, on economic grounds.

Fraser James Colegrave
27 October 2026

APPENDIX A COMPARISON OF ZONING OPTIONS

A1 This appendix compares the economic implications of the zoning options considered by Council officers and submitters. I draw on the DPRC Report, Mr Osborne's Section 42A Report, and my demand and suitability evidence at paragraphs 5.11 to 5.54. The question is which option best uses the Site's location and physical attributes, having regard to the benefits of alternative uses and the effects of development.[81]

A2 General Industrial is my preferred option because it provides for the large allotments, yards and operational space that are difficult to supply within Hutt City. The officers' 2024 assessment identified those advantages and recommended General Industrial with site-specific provisions. Its economic value lies in enabling firms to serve existing markets from this location. The precinct should manage the associated effects while retaining the space needed for those operations.

A3 Light Industrial is also a viable industrial option. The officers' 2024 assessment identified its greater emphasis on internal amenity, smaller sites and a wider range of commercial uses. Mr Osborne considers it relatively similar to General Industrial, including the activity status for waste transfer. I therefore do not assume that it excludes the intended activities. However, he notes that the Light Industrial Zone has no minimum lot size, which could result in more intensive and fragmented use of the Site.

A4 Ms Goodwin also advises that rule NH-R6 makes new buildings for hazard-sensitive activities non-complying within the Fault Location Area, which covers approximately 44% of the Site.[82] Light Industrial activities depend more heavily on buildings than yard-based General Industrial uses, so that zone would likely make less productive use of the land within the overlay, which yards and open storage could still occupy.[83] Its economic merits therefore depend on whether the final rules retain comparable opportunities for large-lot and yard-based uses, rather than encouraging a form of development that makes less use of the Site's scarce industrial attributes.[84]

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81 DPRC Report at [29]–[41] and options assessment; Section 42A Report at [143]–[169] and [241]–[247].

82 Statement of Evidence of Angela Goodwin (Hearing Stream Eight) dated 28 October 2026 at [5.15].

83 Statement of Evidence of Angela Goodwin (Hearing Stream Eight) dated 28 October 2026 at [5.15]-[5.16]; Statement of Evidence of David Gibson (Hearing Stream Eight) dated 27 October 2026 at [8.4]-[8.5].

84 DPRC Report, Option 2; Section 42A Report at [166]–[169].

A5 Commercial or mixed use would provide a different kind of business capacity. The officers considered that large-format retail was the likely outcome and identified less unmet demand for that capacity than for industrial land. Residential uses face separate natural hazard and noise constraints, while the proposed NZTA covenant would restrict residential and several retail activities. Although city-wide housing sufficiency does not establish that every locality and dwelling type is adequately served, no specific housing case has been demonstrated that outweighs those constraints and the industrial opportunity forgone.[85]

A6 General Rural or Rural Lifestyle would retain the possibility of rural use and may avoid some industrial effects. However, the Site's recent productive history is industrial rather than rural, and the officers identified limited prospects for practical agricultural or horticultural use. Rural zoning would also leave some industrial-type activities able to seek consent, as WM's application illustrates. It would therefore forgo the clearer provision for industrial development without necessarily securing all the amenity benefits claimed for it.[86]

A7 Open space could provide recreation and amenity benefits associated with the river corridor. Those benefits warrant consideration and are addressed by the relevant witnesses. Economically, they must be weighed against the industrial capacity that would be forgone and the resources needed to provide and maintain the open space. The land's limited rural productivity does not imply that its recreation or amenity value is zero.[87]

A8 Overall, General Industrial with site-specific provisions best responds to the industrial demand and location evidence considered here. I would also support another industrial zone that enables the intended uses at a comparable scale. The economic case rests on that practical opportunity, rather than the zone's name, and on weighing its benefits against the alternative uses and effects described above.

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85 DPRC Report, Option 3 and [41]; HBA, Chapter 3, Table 3.10; proposed NZTA covenant, clause 12.

86 DPRC Report, Option 4.

87 DPRC Report at [41]; Residents' Society submission (PDP/377), point 377.4.

APPENDIX B ILLUSTRATIVE AGGLOMERATION CALCULATIONS

B1 Agglomeration benefits arise when proximity helps firms and workers become more productive through better labour matching, shared suppliers and knowledge exchange. The calculation below illustrates the possible scale of that effect if rezoning adds to, or retains, employment in the Wellington region. It is a separate illustration of the productivity mechanism discussed in the main evidence, rather than a valuation of all the benefits of rezoning.

B2 The starting point is the employment shown in Table 3. In a conservative scenario, if WM's park obtains consent under rural zoning, about 125 workers in the other tenancies form the relevant illustration. If rezoning instead enables industrial use across the whole Site, applying the same 100 sqm per worker to the notified park's building footprint gives about 235 workers. For completeness, using the notified park's 145 staff instead gives 270 workers. Both whole-Site cases apply only where that wider activity depends on rezoning. Any change in park design and future tenancy mix may change those employment figures.

B3 I then test how much of that employment would be additional to the region or retained here because of rezoning. A firm moving from another Wellington site would not necessarily increase regional employment, whereas a firm establishing here or avoiding a move out of the region could do so. I test shares of 25%, 50% and 100%, without treating any one as a forecast. In this model, the benefit is zero if no employment is added or retained.

B4 The calculation uses Wellington regional GDP of $51,317 million for the year ended March 2025 and 250,927 filled jobs in June 2026. This statistical region excludes Horowhenua. I apply an elasticity of 0.04, meaning that a 1% increase in the model's measure of employment concentration produces approximately a 0.04% productivity increase. That assumption lies between the wage and production estimates reported by Donovan and colleagues.[88]

B5 For example, 50% of the 125-worker case is 62.5 jobs added to or retained in the region. Relative to regional employment, that is an increase of about 0.025%, producing a modelled productivity gain of about 0.001%. Applied to regional GDP, the gain is about $0.51 million per annum at full occupancy. I

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88 Stats NZ, Regional gross domestic product: year ended March 2025; Employment Indicators, June 2026. Donovan, S., de Graaff, T., Grimes, A., de Groot, H. and Maré, D. (2022), "Cities with forking paths? Agglomeration economies in New Zealand 1976–2018", Regional Science and Urban Economics 95.

assume it builds evenly over five years, then continues to year 30, giving a present value of about $6.1 million at a 6% real discount rate.[89]

B6 Table B1 shows the results for the three employment cases. All values are in 2025 dollars and use the same five-year development period, 30-year appraisal and 6% real discount rate. The columns change only the share of employment added to or retained in the region.

Table B1: Illustrative Agglomeration Benefits ($ million present value)

Employment case	25% additional or retained	50% additional or retained	100% additional or retained
125 workers in other tenancies	3.1	6.1	12.2
235 workers across the Site	5.8	11.5	23.0
270 workers across the Site (using the notified park's staff)	6.6	13.2	26.5

Source: companion workbook, Site Economics. Values are conditional illustrations, not forecasts of realised benefits.

B7 The results vary materially with the assumptions. At 50% additionality, the 235-worker whole-Site value is $11.5 million at 6%, rising to $19.7 million at 2% and falling to $9.2 million at 8%. Treasury specifies 2% for non-commercial proposals and 8% for commercial proposals over this period. I retain 6% as the central illustrative assumption and show both Treasury rates as sensitivities; 6% is not a prescribed Treasury rate.[90]

B8 The main limitation is that regional employment is only a proxy for the proximity of firms and workers. The calculation does not measure how the Site would change the distance-weighted concentration of activity, and it does not deduct displacement elsewhere in New Zealand. Accordingly, Table B1 illustrates how regional productivity gains could vary with the assumptions; it does not establish national net benefits. I do not add these values to the employment or GDP figures in Table 3, and my support for rezoning does not depend on them.

89 Annual benefit = regional GDP × 0.04 × ln(1 + additional or retained jobs ÷ 250,927). Annual benefits are scaled to 20%, 40%, 60%, 80% and 100% in years 1–5, remain at 100% through year 30, and are discounted at each year end. Regional GDP and productivity are otherwise held constant.

90 Treasury Circular 2024/15, Updated Public Sector Discount Rates for Cost Benefit Analysis, 1 October 2024, https://www.treasury.govt.nz/publications/circulars/treasury-circular-2024-15-updated-public-sector-discount-rates-cost-benefit-analysis.