

47 Millbrook Road, Waipu

Assessment of Economic Effects



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1. Executive Summary

The report evaluates the economic effects of the proposed drive-through centre, a rural-focused industrial and commercial development located at 47 Millbrook Road, Waipu. The development, situated on 5.9 hectares of land, offers strategic benefits due to its proximity to State Highway 1, facilitating access for both local and drive-by traffic.

The proposed development is expected to be developed in 2 stages. Stage 1 comprises a drive-through centre. Stage 2 comprises rural-focused industrial, commercial and location-based recreation and tourist activities.

The proposal would have an economic contribution to GDP exceeding \$50 million, compared to the existing rural activity, which has an economic contribution to GDP of around \$0.1 million.

The proposal against sections 3.10 (b) and (c) of the NPS-HPL. With regard to 3.10 (1) (b), there is presently no other suitably zoned land that would accommodate the proposed activities in Waipu. In this regard, the proposal would not result in any net reduction in agricultural production, as other potential locations along State Highway 1 are identified as being highly productive land. With regard to 3.10 (1) (c), the proposal is estimated to have significant economic benefits, that more than offset the economic costs. In summary, the proposal would have an economic contribution to GDP exceeding \$50 million, compared to the existing rural activity, which has an economic contribution to GDP of around \$0.1 million. The proposal is therefore considered to meet the provisions of 3.10 (1) (b) (c) of the NPS-HPL.

The proposal aligns with objective 2 of the Whangarei District Plan as it comprises rural-focused industrial and commercial activities that include businesses that have a functional need to service and supply rural businesses and households or location-based recreation or tourist activity.

The proposal is designed to primarily service rural production activities in the general areas of Waipu, Waipu Cove, Langs Beach, and the surrounding rural area. It is located in a place accessible to passing traffic and nearby towns, making it ideal for a small-scale centre. Additionally, the proposal is projected to significantly impact the local economy, contributing over \$50 million to GDP compared to the current \$0.1 million from existing rural activities. Therefore, the proposal is generally consistent with the objectives and policies.

For these reasons, the proposal is considered to have positive economic effects that greatly outweigh the adverse economic effects, and the proposal is recommended for approval.

2. Introduction

This report provides an evaluation of the economic effects of the proposed drive-through centre and a rural-focused industrial and commercial development located at 47 Millbrook Road, Waipu.

2.1 Indicative Layout Proposed Development

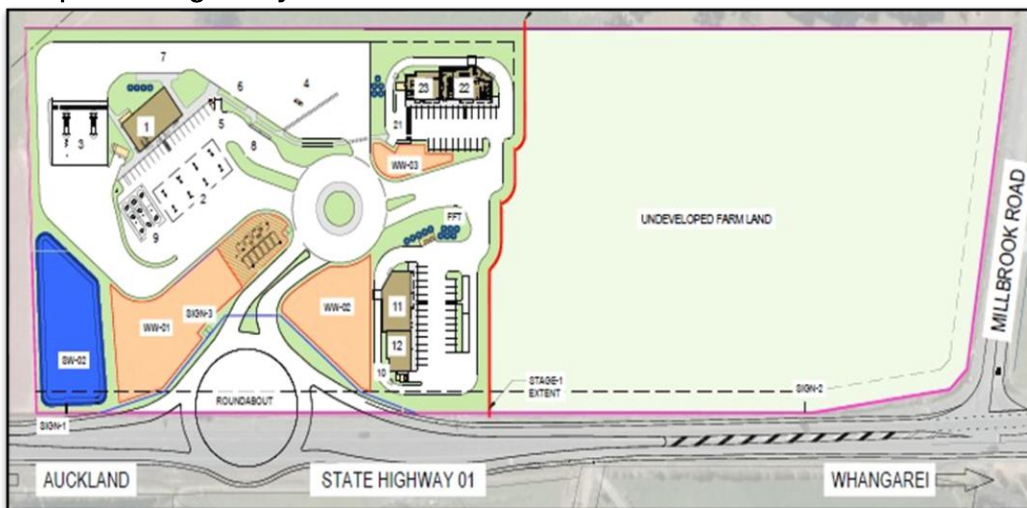
Figure 1 outlines indicative development plans for the proposed development.

Stage 1 of the development includes a drive-through centre comprising a petrol station, 2 quick service restaurants (QSR) and 2 cafés/food outlets.

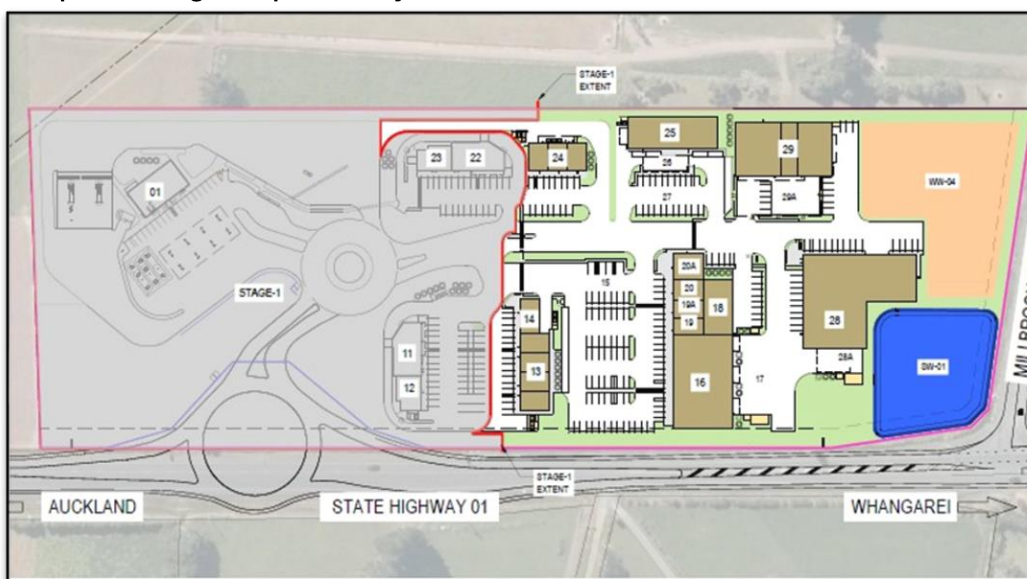
Stage 2 of the development comprises rural-focused industrial, commercial and location-based recreation and tourist activities.

Figure 1:
Indicative Development Plans

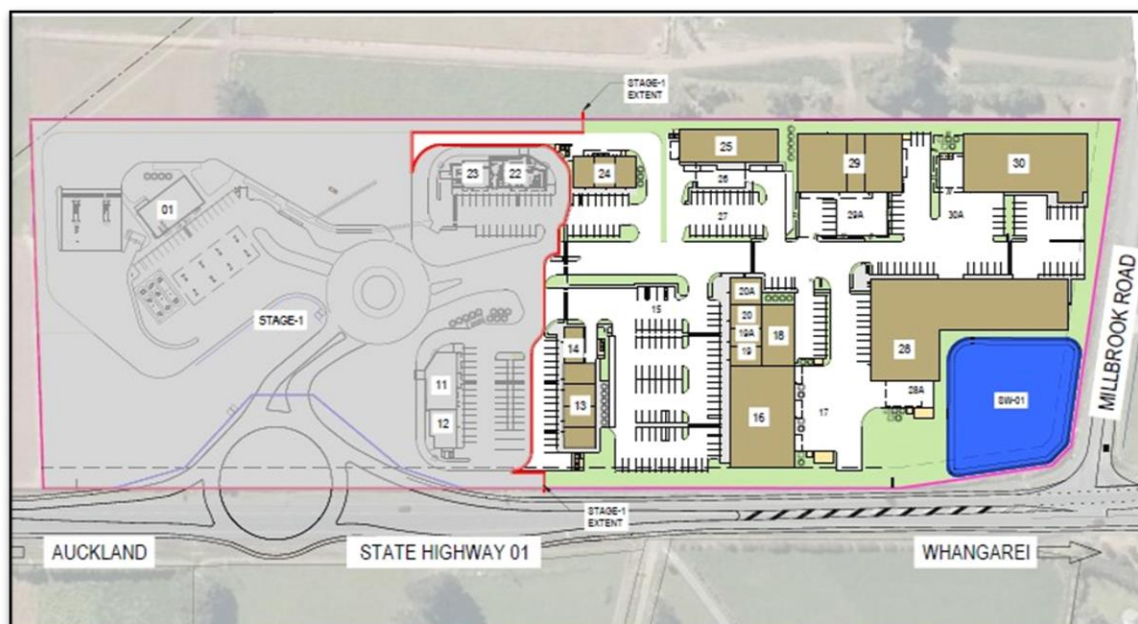
Proposed Stage 1 Layout



Proposed Stage 2 Option 1 Layout



Proposed Stage 2 Option 2 layout



Source: Technitrades Architecture

Figures 2 and 3 outline the composition of the proposed development across 2 development Options. Under Option 1, the proposed development has a total GFA of 7,499 m² and 8,840 m² under Option 2.

Figure 2:
Development Composition Stage 1 & Stage 2 (Option 1)

Stages	Bldg No	Activities	GFA (m ²)
Stage 1: Drive Through Centre	1-9	Petrol Station & Truck Stop Service Station	305
	10-11 & 21-22	QSR (including drive through)	520
	12 & 23	Café / Food Outlets	296
Stage 2: Industrial & Commercial Activity	13	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	408
	14	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	113
	16-17	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	1,170
	18	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	296
	19-20	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	439
	24	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	294
	25-27	Farming & Agriculture Supplies	500
	28	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	2,228
	29	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	930
Total	-	-	7,499

Source: Technitrades Architecture

Figure 3:
Development Composition Stage 1 & Stage 2 (Option 2)

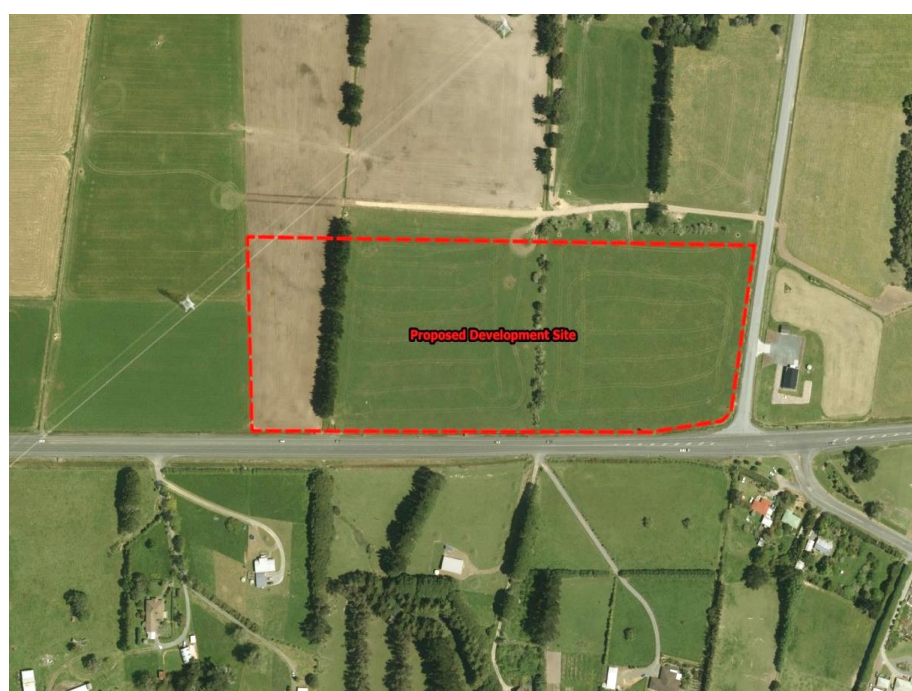
Stages	Bldg No	Activities	GFA (m ²)
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	24	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	294
	25-27	Farming & Agriculture Supplies	500
	28	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	2,228
	29	Rural/Home Supplies, Warehousing, Marine or Vehicles Sales & Service	930
	30	Marine Vehicles Sales & Service	1,341
Total	-	-	8,840

Source: Technitrades Architecture

2.2 Site & Locational Characteristics

Figure 4 displays the location of the proposed development site. The site is 5.9 hectares and is located adjacent to State Highway 1, near Waipu. This location is suitable for the drive-through centre, which requires access to passing traffic on the state highway. The location is also suitable for a rural-based industrial and commercial activity, of a scale that services the local market area.

Figure 4:
Proposed Development Site Location



Source: LINZ, Google

3. Proposed Drive-Through Centre Development

This section assesses the drive-through centre part of the development.

3.1 Catchment Area

Figure 5 outlines the proposal site and the surrounding 1 km catchment area. It is evident that there is very little residential activity within the 1 km catchment (less than 20 dwellings). However, in 2021 on average 8,970 vehicles passed through the proposed site alongside SH1 on per day basis¹. Consequently, the proposed drive-through service centre is expected to serve the drive-by market rather than the local 1 km residential market.

Figure 5: Proposed Site and the Surrounding 1 km Catchment



Source: Google Maps

3.2 Drive-Through Service Centres Case Studies

This section evaluates seven drive-through service centres located on SH1 across New Zealand. The drive-through service centres that are assessed in this study are comparable to the proposed drive-through service centre development in terms of the location, tenant mix and the market that service.

3.2.1 Bream Bay Drive-Through Service Centre

This centre functions as a drive-through service centre. It is accessed by an off-ramp on SH1 between Waipu and Whangarei, as well as by residents travelling west from Marsden Point. It has a total GFA of approximately 1,190m² and offers a range of services including a service station, a superette, a bakery and a tyre shop.

¹ State highway traffic monitoring – annual average daily traffic (nzta.govt.nz)

Figure 6 outlines the centre site and surrounding areas within a 1 km radius. It is evident that there is practically no residential activity, less than 10 dwellings, within a 1 km radius of the drive-through service centre. However, as of 2021, 10,550 vehicles passed through this stretch of SH1 per day with 850 (8%) vehicles making a stop at this centre.² Therefore, this centre predominantly services the needs of the commuters travelling in both directions between Auckland and Northland on SH1.

Figure 6: Drive-Through Service Centre and Surrounding Catchments



Source: Google Maps

3.2.2 Dairy Flat Drive-Through Service Centre

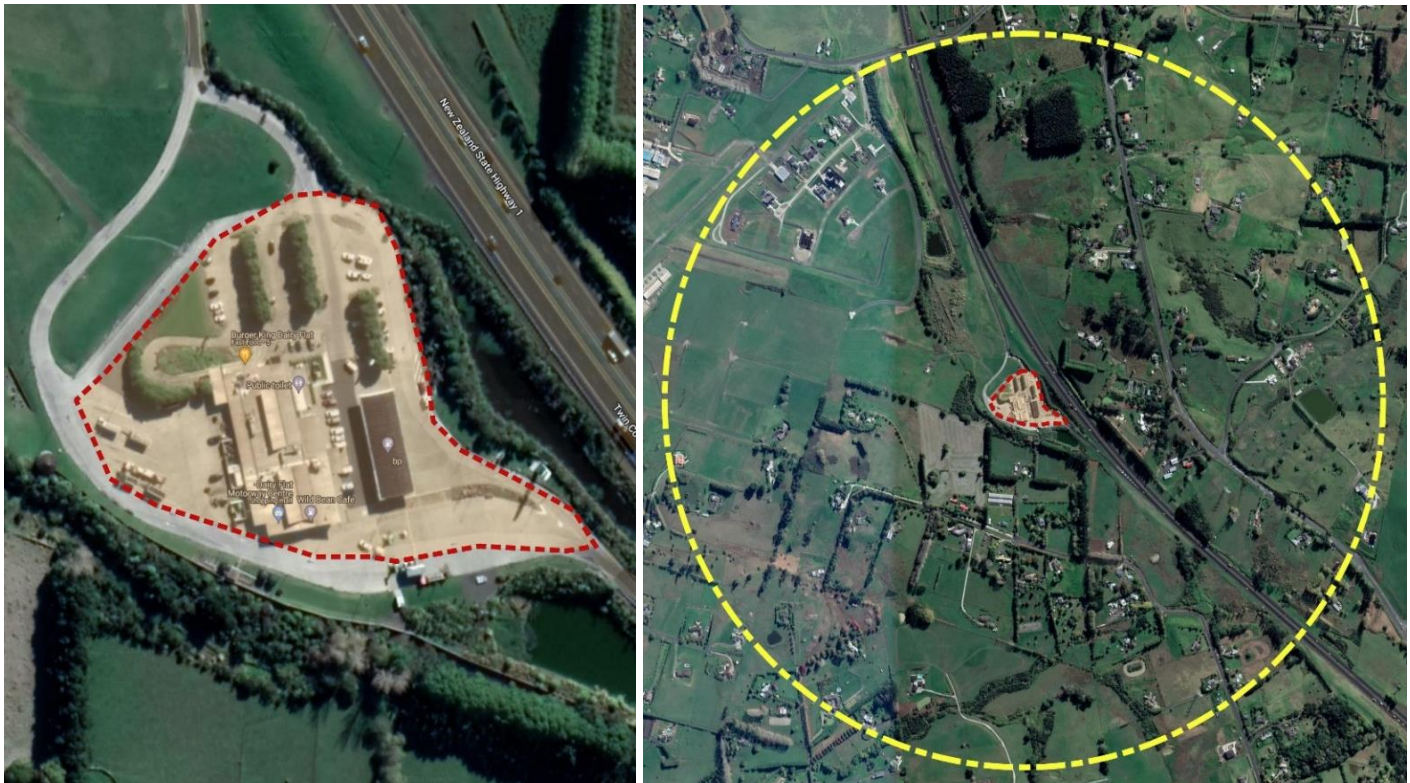
This centre functions as a drive-through service centre. It is accessed by an off-ramp on SH1 between Albany and Silverdale. It has a total GFA of approximately 2,500m² and offers a range of services, including a service station, a café, and Burger King.

Figure 7 outlines the centre site and surrounding areas within a 1 km radius. It is evident that there is very little residential activity within a 1 km radius of the drive-through service centre, with less than 50 dwellings. These dwellings do not however have direct access to the centre. As of 2021, an average of 25,560 vehicles passed through this stretch of SH1 per day with 2,170 (9%) vehicles making a stop at this centre.³ Therefore, this centre entirely services the needs of the commuters travelling north of Albany on SH1.

² State highway traffic monitoring – annual average daily traffic (nzta.govt.nz)

³ State highway traffic monitoring – annual average daily traffic (nzta.govt.nz)

Figure 7: Drive-Through Service Centre and Surrounding Catchments



Source: Google Maps

3.2.3 Drury Drive-Through Service Centre

This centre functions as a drive-through service centre. It is accessed by an off-ramp on SH1 between Drury and Bombay. It has a total GFA of approximately 2,420m² and offers a range of services, including a service station, a café, a gift shop and McDonalds.

Figure 8 outlines the centre site and surrounding areas within a 1 km radius. It is evident that there is a large amount of residential activity within the 1 km radius of the drive-through service centre. However, there are no direct roads connecting the centre to the residential areas and as such it doesn't service the needs of the local population. As of 2021, an average of 29,050 vehicles passed through this stretch of SH1 per day with 3,030 (10%) vehicles making a stop at this centre.⁴ Therefore, this centre predominantly services the needs of the commuters travelling south of Drury on SH1.

⁴ State highway traffic monitoring – annual average daily traffic (nzta.govt.nz)

Figure 8: Drive-Through Service Centre and Surrounding Catchments



Source: Google Maps

3.2.4 Bombay East Drive-Through Service Centre

This centre functions as a drive-through service centre. It is accessed by an off-ramp on SH1 in Bombay. It has a total GFA of approximately 1,980m² and offers a range of services, including a service station, a café, and fast-food eateries.

Figure 9 outlines the centre site and surrounding areas within a 1 km radius. It is evident that there is insignificant residential activity (less than 20 dwellings) within a 1 km radius of the drive-through service centre. However, as of 2021, an average of 15,650 vehicles passed through this stretch of SH1 per day with 1,565 (10%) vehicles making a stop at this centre.⁵ Therefore, this centre predominantly services the needs of the commuters travelling south of Bombay on SH1.

⁵ State highway traffic monitoring – annual average daily traffic (nzta.govt.nz)

Figure 9: Drive-Through Service Centre and Surrounding Catchments



Source: Google Maps

3.2.5 Bombay West Drive-Through Service Centre

This centre functions as a drive-through service centre and is accessed by an off-ramp on SH1 in Bombay. It has a total GFA of approximately 2,800m² and offers a range of services, including a fuel station, a café, several fast-food eateries and McDonalds.

Figure 10 outlines the centre site and surrounding areas within a 1 km radius. It is evident that there is practically no residential activity within a 1 km radius of the drive-through service centre. However, as of 2021, an average of 16,455 vehicles passed through this stretch of SH1 per day with 1,650 (10%) vehicles making a stop at this centre.⁶ Therefore, this centre predominantly services the needs of the commuters travelling north of Bombay on SH1.

⁶ State highway traffic monitoring – annual average daily traffic (nzta.govt.nz)

Figure 11: Drive-Through Service Centre and Surrounding Catchments



Source: Google Maps

3.2.7 Horotiu Drive-Through Service Centre

This centre functions as a drive-through service centre and is accessed by an off-ramp on SH1 in Horotiu. It has a total GFA of approximately 2,150m² and offers a range of services including a fuel station, a café, and retail stores.

Figure 12 outlines the centre site and surrounding areas within a 1 km radius of the centre. It is evident that there is practically no residential activity within a 1 km radius of the drive-through service centre. However, as of 2021, an average of 9,200 vehicles passed through this stretch of SH1 per day with 750 (8%) vehicles making a stop at this centre.⁸ Therefore, this centre predominantly services the needs of the commuters travelling south of Horotiu on SH1.

⁸ State highway traffic monitoring – annual average daily traffic (nzta.govt.nz)

Figure 12: Drive-Through Service Centre and Surrounding Catchments



Source: Google Maps

3.3 Economic Effects

The proposed development is anticipated to include a service station, approximately 2 fast-food restaurants and 2 café/food outlets. As the proposed development is located on State Highway 1, with 8,970 vehicles passing each day, these activities would rely predominantly on drive-by traffic. Anecdotal information suggests that passing traffic is in large part from the wider Auckland and Northland areas. As the proposal would rely predominantly on the drive-by traffic it would have no discernible adverse economic effects on the surrounding commercial centers. Additionally, the development is expected to increase revenue in the local area and contribute significantly to the regional GDP. It will create additional employment opportunities both during the construction phase and ongoing operations, enhancing local economic activity and providing further benefits to the community.

4. Proposed Rural Focused Industrial and Commercial Development

This section assesses the proposed rural-focused industrial and commercial activities.

4.1 Study Area

Figure 13 outlines the study area adopted for the analysis of proposed rural-focused industrial and commercial activities. This includes Waipu, Waipu Cove, Langs Beach and the surrounding rural environs within a 15-minute drive time.

Figure 13:
Study Area



Source: LINZ, Google

4.2 Population and Household Growth

Figure 14 outlines the historic and projected population and households for the study area. Some of the key points to note are:

- The population within the study area is forecast to increase from 3,075 in 2018 to 3,655 in 2023, representing an actual growth of 580 people over 5 years.
- From 2023 onwards, the population is projected to grow from 3,655 to 6,445 by 2053, representing a projected increase of 2,790 people over 30 years.

Figure 14:
Historic and Projected Population and Household Growth 2018-2053

	2018	2023	2028	2033	2038	2043	2048	2053
Population	3,075	3,655	4,165	4,655	5,105	5,565	6,005	6,445
Household	1,200	1,400	1,600	1,800	2,000	2,100	2,300	2,500

Source: Statistics NZ

4.3 Existing Rural Focused Industrial and Commercial Market

The rural-focused industrial and commercial activities include businesses engaged in sales of rural supplies, servicing machinery, bulk storage and warehousing.

Figure 15 displays the quantities of industrial land currently supplied across the study area. The key points to note are:

- The only zoned industrial land within the study area is in Waipu.
- There is currently 7.3 ha of industrial land within the study area, of which 6.5 ha is currently occupied and only 0.8 ha is currently vacant.
- There are around 5 businesses that operate on this land, of which no business serves the rural-focused industrial and commercial market.

This indicates there are no suitable sites for new businesses engaged in rural-focused industrial and commercial activities within the study area.

Figure 15:
Light Industrial Land Market



Source: WDC, LINZ

4.4 Light Industrial Land Market Demand

This section evaluates the market demand for rural industrial land within the study area. Figure 16 outlines the ratio of industrial land per 1,000 people, seen in comparable towns across NZ (e.g. Morrinsville, Martinborough, Katikati, Woodend, Ngaruawhaia, Kaiapoi). The demand for

industrial land in the study area is estimated to be approximately 7.3 ha in 2023, and this is expected to increase to 9.3 ha by 2033 and to 11.1 ha by 2043. At present there is a total of 7.3 ha of industrial land, indicating supply is comparable to demand currently, however, there will be a shortage of around 2.0 ha by 2033 and a shortage of around 3.8 ha by 2043.

Figure 16:
Study Industrial Market Demand Projections 2023-2053 (ha)

Year	Population	Industrial Land Demand
2023	3,655	7.3
2028	4,165	8.3
2033	4,655	9.3
2038	5,105	10.2
2043	5,565	11.1
2048	6,005	12.0
2053	6,445	12.9
Additional Land Requirement		
2023-2033	1,000	2.0
2023-2043	1,910	3.8
2023-2053	1,840	5.6

Source: WDC, CoreLogic, UE

The proposed rural-focused industrial and commercial activities would provide for the industrial demand that is not otherwise being met within the study area.

4.5 Economic Effects

The proposed rural-focused industrial and commercial activity is expected to yield significant economic benefits for the wider rural community, offering a different scale and range of services to those found in the existing industrial centres in Waipu town or Marsden Point. In particular, it would provide local access to a range of rural-based goods and services. The key economic effects of the proposed development include:

- **Increased Employment:** The development will create jobs both during the construction phase and in ongoing operations, boosting local employment rates and contributing to the overall economic health of the community.
- **Enhanced Local Services:** By providing services locally, the development will reduce travel time and costs for residents and businesses, improving operational efficiencies for agricultural activities in the area.
- **Market Stimulation:** Filling the current gap in the market for rural-focused support services will stimulate further economic activity, attracting additional businesses and investments to the region.
- **Economic Diversification:** The proposal supports economic diversification in Waipu, reducing reliance on a limited number of sectors and enhancing the community's economic resilience.

5. GDP & Employment Impacts

The proposal would make a significant contribution to GDP and employment during the initial construction and ongoing operation phases.

5.1 Construction Phase

The national ‘value-added per employee’ for each sector has been used to estimate the GDP contribution and the related full-time equivalent (FTE) employment for the development. This methodology accounts for both the direct and indirect contributions generated from the proposed development for the two development options.

- Option 1 includes the construction of a drive-through centre and rural-focused **industrial and commercial development** of around **7,499m²**.
- Option 2 includes the construction of a drive-through centre and rural-focused **industrial and commercial development** of around **8,840m²**.

Figure 17 outlines the ‘value-added’ GDP and FTEs that the proposed development would generate. Under Option 1, it is estimated that the construction of the proposed development would contribute approximately \$11.2 million to the construction sector's GDP and generate 84 FTE jobs. Under Option 2, it is estimated that the construction of the proposed development would contribute approximately \$12.3 million to the construction sector's GDP and generate 91 FTE jobs.

Figure 17:
GDP and FTE Employee Estimates

Proposed Development	Project Value (\$M)	Value Added (\$M)	FTE Employees			Total
			Land & Building Construct	Construction Service	ASES*	
Option 1	\$36.8	\$11.2	21	45	18	84
Option 2	\$48.0	\$12.3	23	49	19	91

Source: UE

* Architectural, Scientific & Engineering Services

The proposed development is expected to be developed over a 3-year period. Figure 18 outlines the value-added GDP and the number of FTE jobs created in each year of the proposed development. Some of the key points to note are:

- Option 1 has a GDP contribution of \$11.2 million and generates 84 FTE jobs over three years. Conversely, Option 2 contributes \$12.3 million to GDP and generates 91 FTE jobs,
- In the Land and Building Construction sector, Option 1 generates 21 FTEs, while Option 2 generates 23 FTEs.
- In Construction Services, Option 1 generates 45 FTEs, whereas Option 2 generates 49 FTEs.

Additionally, in Architectural, Scientific & Engineering Services (ASES), Option 1 generates 18 FTEs, while Option 2 generates 19 FTEs

Figure 18:
FTE Jobs at Different Development Time Periods

Development Stages	Timeframe	Project Value (\$M)	Value Added (\$M)	FTEs			Total
				Land & Building Construction	Construction Services	ASES*	
Option 1							
Year 1	2025-2026	\$18.5	\$5.6	10	20	12	42
Year 2	2026-2027	\$11.7	\$3.6	7	16	4	27
Year 3	2027-2028	\$6.6	\$2.0	4	9	2	15
Total		\$36.8	\$11.2	21	45	18	84
Option 2							
Year 1	2025-2026	\$24.1	\$6.2	11	22	13	46
Year 2	2026-2027	\$15.3	\$3.9	8	17	4	29
Year 3	2027-2028	\$8.6	\$2.2	4	10	2	17
Total		\$48.0	\$12.3	23	49	19	91

Source: Urban Economics

* Architectural, Scientific & Engineering Services

Figure 19 shows the national value-added GDP per employee, relied upon for the calculations in Figures 17 and 18.

Figure 19: Value Added GDP per Employee

Sector	Value Added GDP (\$M)	FTE Workers	Value Added GDP Per Employee
Construction	\$23,200	175,000	\$133,000
Agriculture	\$14,100	84,900	\$166,000
Accommodation and Food Services	\$5,800	162,800	\$36,000
Retail	\$15,331	220,700	\$69,000
Transport, Postal and Warehousing	11,800	90,100	\$131,000

Source: Statistics NZ

5.2 Ongoing Operations

Figure 20 outlines the economic contribution of the ongoing operation of the two base case scenarios and the two proposed development options. Some of the key points to note are:

- The Base Case 1 scenario represents the highest and the best use of the site which is pastoral grazing⁹. Under this scenario, the economic impact is only \$0.01 million per annum, with a net present value (NPV) of \$0.1 million and supports only one full-time equivalent (FTE) job.

⁹ As identified in "Assessment of land owned by Vaco Investments at 47 Millbrook Road, Waipu for its potential to be subdivided under the NPS-HPL"

- The Base Case 2 scenario represents the highest potential agricultural use of the land which is Horticulture. Under this scenario, the economic impact is only \$0.1 million per annum, with a net present value (NPV) of \$1.2 million and supports only 2 full-time equivalent (FTE) jobs.
- Option 1 generates a value-added of \$2.7 million per annum. The net present value for Option 1 is \$43.1 million. Additionally, Option 1 supports 58 FTEs, indicating substantial economic benefits and increased employment.
- Option 2 offers marginally higher GDP and employment than Option 1.
- Overall, both Option 1 and 2 offer substantially greater economic contributions than the Base Case 1 and Base Case 2.

Figure 20:
Economic Contribution and Employment

Ongoing Operations	Value Added p.a. (\$M)	Net Present Value (\$M)	FTE
Base Case 1	\$0.01	\$0.1	1
Base Case 2*	\$0.1	\$1.2	2
Option 1	\$2.7	\$43.1	58
Option 2	\$3.3	\$52.5	62
Base Case vs Option 1	\$2.7	\$43.0	57
Base Case vs Option 2	\$3.2	\$51.3	60

Source: UE

* Hypothetical Highest Agricultural Use

6. NPS-HPL Assessment

This section evaluates the proposal against sections 3.10 (b) and (c) of the NPS-HPL. These are considered to be the relevant economic provisions with regard to the proposal.

Section 3.10 (1) of the NPS-HPL permits territorial authorities to use or develop highly productive land if it avoids significant loss of productive capacity of highly productive land in the district and if it results in long-term environmental, social, cultural and economic benefits. Section 3.10 (1) (b) and (c) states:

“Territorial authorities may only allow highly productive land to be subdivided, used, or developed for activities not otherwise enabled under clauses 3.7, 3.8, or 3.9 if satisfied that:

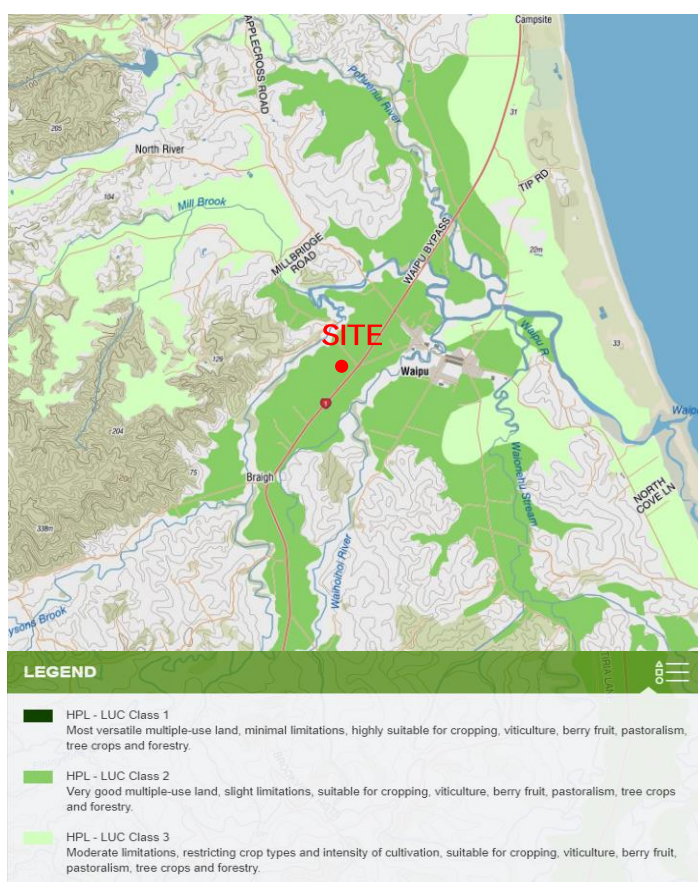
(b) the subdivision, use, or development: (i) avoids any significant loss (either individually or cumulatively) of productive capacity of highly productive land in the district; and

(c) the environmental, social, cultural and economic benefits of the subdivision, use, or development outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values”.

With regard to 3.10 (1) (b), it is not for an economist to determine whether there is a significant loss of productive capacity, because the term significant loss cannot be quantities in monetary terms,

however, it is worth noting that the Whangarei District has approximately 29,900 hectares and the Northland Region has approximately 127,900 hectares of HPL¹⁰, so in this regard, the proposal represents a small fraction of the total land resource, and perhaps more importantly, the proposal is not otherwise provided for on suitably zoned land, i.e. there is no commercial or industrial zone land in Waipu that is suitable for these activities, and therefore these activities would otherwise only occur, on another land that is presently used for rural activities. In this regard, the proposal would not result in any net reduction in the amount of rural activity, if approved, rather would allocate the proposed activities from one rural location rather than another. All other potential locations, near State Highway 1, also have highly productive land, as shown in Figure 21. For this reason, the proposal is not considered to have any net loss on the productive capacity of the land and therefore meets the provisions of 3.10 (1) (b).

Figure 21:
Proposed Development Site and Surrounding Highly Productive Soil Locations



Source: Manaaki Whenua Landcare Research

With regard to 3.10 (1) (c), the proposal is estimated to have significant economic benefits, that more than offset the economic costs, as outlined in Section 5. In summary, the proposal would have an economic contribution to GDP exceeding \$50 million, compared to the existing rural activity, which has an economic contribution to GDP of around \$0.1 million. The proposal does not currently have any suitably zoned land for it to occur elsewhere, to meet the needs of the Waipu catchment, and therefore the proposal’s economic contribution is considered to be a net

¹⁰ https://ourenvironment.scinfo.org.nz/maps-and-tools/app/Land%20Capability/Iri_luc_main/421,406,404

contribution, i.e., it would not otherwise occur. This proposal is therefore considered to meet the provisions of 3.10 (1) (c) of the NPS-HPL.

7. District Plan Considerations

This section evaluates the proposal against the economic aspects of the relevant objectives and policies of the District Plan. Some of the relevant objectives and policies are listed as follows:

“commercial activities and industrial activities that have a functional need to service rural production activities and/or rural communities or provide location-based recreation or tourist activity.”

Objective RPROZ-O2 states:

“Enable a wide range of rural production activities and provide for commercial activities and industrial activities that support rural production activities and/or rural communities including recreation and tourist-based activities to establish and operate in the Rural Production Zone to contribute to the District’s economy”.

Policy RPROZ-P2 states:

“To protect rural productive land, rural character and amenity and to encourage consolidation of activities within Whangarei City by:

- (1) Only providing for commercial activities and industrial activities in the Rural Production Zone where it is demonstrated that the activity:
 - (a) Has a direct connection with the rural resources and supports rural production activities and/or rural communities, including recreation and tourist-based activities.*
 - (b) Requires a rural location for its operational function.*
 - (e) Will contribute positively to the economy of the District.”**

The key economic aspects of the objectives and policies relate to whether the proposal would service or have an operational function that supports rural production, is in a suitable location and contributes positively to the local economy. The proposal is generally consistent with the objectives and policies, for the following reasons:

- The proposal is designed to service, in large part, rural-focused industrial and commercial activities, in the general areas of Waipu, Waipu Cove, Langs Beach and the surrounding rural area.
- The proposal is in a location that is accessible to passing traffic and the surrounding rural area, including the towns. It is therefore ideally located, for a small scale centre.
- The proposal would have a significant impact on the local economy. In summary, the proposal would have an economic contribution to GDP exceeding \$50 million, compared to the existing rural activity, which has an economic contribution to GDP of around \$0.1 million.

Based on the above, the proposal is considered to be consistent with the economic aspects of the objectives and policies.

8. Summary of Economic Effects

This section outlines the summary of positive and adverse economic effects, which are as follows:

- The proposal would enable a small-scale or local service centre and rural-focused industrial and commercial node that efficiently provides for the local market,
- There are presently no other alternative zoned sites for the proposal, which means the proposed activities would not otherwise occur in the area,
- All other potential locations for the proposed activities are identified as having highly productive land. The proposal would therefore not result in a net reduction in agricultural capacity, and
- The proposal would have an economic contribution to GDP exceeding \$50 million, compared to the existing rural activity, which has an economic contribution to GDP of around \$0.1 million.

9. Conclusion

There is presently no other suitably zoned land that would accommodate the proposed activities in Waipu. In this regard, the proposal would not result in any net reduction in agricultural production, as other potential locations along State Highway 1 are identified as being highly productive land. The proposal is centrally located within the catchment that it intends to service. For these reasons, the proposal is considered to have economic benefits that greatly outweigh the economic costs, and the proposal is recommended for approval.