

IN THE MATTER of the Resource Management Act 1991 (**RMA**)

AND

IN THE MATTER of **Private Plan Change 28** to the Nelson Resource Management Plan

JOINT WITNESS STATEMENT (JWS) IN RELATION TO:

ECONOMICS (1)

27 April 2022

Expert Conferencing Held on: 27 April 2022

Venue: Online

Independent Facilitator: Marlene Oliver

Admin Support: Jessica Marchbanks

1 Attendance:

- 1.1 The list of participants is included in the schedule at the end of this Statement.
Note: Planners were invited to attend.

2 Basis of Attendance and Environment Court Practice Note 2014

- 2.1 All participants agree to the following:
- (a) The Environment Court Practice Note 2014 provides relevant guidance and protocols for the expert conferencing session;
 - (b) They will comply with the relevant provisions of the Environment Court Practice Note 2014;
 - (c) They will make themselves available to appear before the Hearing Panel;
 - (d) This statement is to be filed with the Hearing Panel and posted on the Council's website.

3 Matters considered at Conferencing – Agenda and Outcomes

- 3.1 At the start of the expert conference the facilitator advised all participants that Sally Gepp (Counsel for STM) requested that the following statement be presented:

“...Please note that STM will not now be calling an expert witness on demographics, but seeks that the population growth reviews attached as appendices to its submission (Natalie Jackson, ‘Comments on the Nelson City Council’s report ‘Population Growth and Demographics’ and Geoffrey Hayes ‘A note on the “hybrid” population projections developed by the Nelson City Council for the purposes of its Long Term Plan, HBA and Housing Bottom Line’) are taken into account during the economics/growth conferencing.”

- 3.2 **The Property Economics assessment of costs and benefits.**

Both economic experts agree that there are no substantive economic issues between them that would undermine the net cost / benefit assessment of the proposal (PPC 28).

The economic experts agree that from an economic perspective the development of the plan change area would result in significant benefits to Nelson and the region. There is a need for additional housing in Nelson and the region and the PPC 28 area is a good geo-spatial location close to the Nelson CBD. Overall, **the economic experts agree** that it is an appropriate location for urban residential development from an economic perspective.

Tim Heath considers that in addition to it being an appropriate location, it is an efficient location for urban residential development from an economic perspective due to its close proximity to the city centre.

Kirdan Lees believes the multiplier analysis used in the construction phase of the project overstates the initial economic benefit to the region, from this phase. But this is secondary relative to the benefits additional housing will provide to the region.

Both economic experts agree that there are substantive benefits (additional to the construction phase) to result from the provision of additional housing to the region from urban residential development in this location.

Both economic experts agree the quantification of the benefits of the construction phase lie somewhere between the cost of construction and the multiplier number provided by Property Economics (Tim Heath) of \$170 million (2019 NZD). **Both economic experts agree** that these benefits (of the construction phase) are substantive.

Recognising that a lot of the submissions on PPC 28 refer to the FDS 2019 and draft FDS 2022, Kirdan Lees assessed these documents and the process being followed from an economic perspective, and concluded that the process is robust and the projections of demand and capacity are reasonable.

Kirdan Lees acknowledges that potential technical improvements to the demographic modelling raised by Natalie Jackson could add value.

Both economic experts agree that the growth projections used in the FDS 2019 and draft FDS 2022 are reasonable. There is nothing to suggest that this undermines the validity of the Councils’ assessment of demand.

3.3 NPS-UD:

Both economic experts agree that in terms of the UPS-UD the proposed development would meet the “significant development capacity” test to invoke a plan change under policy 8. The development would promote competitiveness across housing markets in the region. This meets objective 2 of the NPS-UD to promote competitive land and development markets.

Many submissions wanted to prioritise intensification of existing urban areas before new “greenfield” areas were rezoned. The current NPS-UD (2022) has removed references to sequencing of development (as stated in NPS-UDC) and therefore removed any suggestion that priority in terms of timing should be given to intensification over greenfield development. This promotes competition, thus helping Councils meet objective 2 of the NPS-UD. **Both economic experts consider** this further supports their assessment of the appropriateness of urban development of the PPC 28 area.

4 PARTICIPANTS TO JOINT WITNESS STATEMENT

4.1 The participants to this Joint Witness Statement, as listed below, confirm that:

- (a) They agree that the outcome(s) of the expert conferencing are as recorded in this statement; and
- (b) They have read Appendix 3 of the Environment Court’s Practice Note 2014 and agree to comply with it; and
- (c) The matters addressed in this statement are within their area of expertise; and
- (d) As this session was held online, in the interests of efficiency, it was agreed that each expert would verbally confirm their position to the Facilitator and this is recorded in the schedule below.

Confirmed online 27 April 2022

EXPERT’S NAME	PARTY	EXPERT’S CONFIRMATION REFER PARA 4.1
Tim Heath (Econ)	Applicant	Yes
Kirden Lees (Econ)	S42A NCC	Yes
Mark Lile (P)	Applicant	Yes
Gina Sweetman (P)	S42A NCC	Yes
Kelly McCabe (P)	Save the Maitai	Yes