

BEFORE THE INDEPENDENT HEARINGS PANEL

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

AND

IN THE MATTER of Plan Change 42 ("**PC42**") -
General Rural and Rural Lifestyle
Environments under the Taupō
District Plan

**SUPPLEMENTARY STATEMENT OF EVIDENCE OF PHILIP OSBORNE ON
BEHALF OF THE TAUPŌ DISTRICT COUNCIL**

ECONOMICS

24 August 2023

1. INTRODUCTION

- 1.1** My name is Philip Mark Osborne. I am an economic consultant for the company Property Economics Ltd (“PEL”), based in Auckland. The company provides property development, land use research and impact assessment services to both the private and public sectors throughout New Zealand.
- 1.2** I outlined my qualifications, experience and commitment to comply with the Environment Court Expert Witness Code of Conduct in my evidence in chief (“EIC”), 21st July 2023.

2. SCOPE OF EVIDENCE

- 2.1** This supplementary evidence is provided in response to submitter 74 (Steve Hawkins) to Taupō District Plan Change 42 (PC42) Rural Lifestyle Environments (RLE), in relation to economic evidence provided by Mr Colegrave¹.
- 2.2** The evidence of Mr Colegrave provides an assessment of the likely economic effects of the proposed development of 344 hectares at the end of Whakaroa Road, Taupō.
- 2.3** While acknowledging the approach in evidence of Mr. Colegrave I believe it is important, for my economic assessment of this proposal, to firstly consider the submission under the conditions and provisions of PC42 RLE. These provisions allow for the subdivision (of non-HPL land) of RLE zoned land down to 2 hectare sites generally in keeping with an identified level of existing environment.
- 2.4** Under PC42 conditions the submission site at Whakaroa has the potential² to result in an over 100³ additional rural lifestyle sites⁴. This level of rural capacity would contribute significantly to the overall potential supply of rural residential within the Taupō District.

¹ Statement of Evidence of Fraser Colegrave, 9 August 2023

² This does not consider site constraints of any other specific limiting factors.

³ The sum of potential 2 hectare blocks with 4 hectares at the rural interface

⁴ In comparison to the 110 to 115 smaller sites identified in evidence

- 2.5** As outlined in my evidence in chief the areas identified in the notified version of PC42 have the potential to provide the market with a material level of capacity at approximately 380⁵ additional Rural Lifestyle sites. Importantly, for Taupō Council, the additional rural residential capacity provided for under PC42, is located in areas that have existing levels of residential development and seeks to provide an environment which manages the relationship and effects between different land uses as well as the potential impacts of rural residential development.
- 2.6** While, I acknowledge the position of Mr Colegrave at his paragraph 67, relating to the utilisation of demand figures from the 2019 report, it should be recognised that while not simply seeking to meet demand, utilising the same approach as the 2019 report and applying the updated household growth projections would result in, at most, an increase in potential demand of 60 rural residential sites. It is important to note that while the capacity of PC42 would still meet this demand it is important to consider the land use efficiencies of the district continuing to provide for wider rural residential demand. This is clear in TD2050 which seeks to provide for growth within urban growth areas not within the rural environment.
- 2.7** In assessing the Whakaroa submission in light of PC42 provisions it is important to also have regard for the potential economic impacts (as well as other impacts) of the proposed site being identified as an Outstanding Natural Landscape (ONL). Safeguarding the natural landscape within Taupō is fundamental to the districts economy with nearly \$400m annually being spent by visitors within the area.
- 2.8** Rezoning the Whakaroa site under PC42 is unlikely to provide general capacity required to meet demand over the longterm. Additionally, as a location there are a number of potential impacts that would need to be assessed in order to better understand the potential net economic benefits and risks associated with this rezoning.
- 2.9** The economic evidence of Mr Colegrave has been undertaken based on a particular proposal rather than a rezoning under PC42. As such he has assessed the potential levels of economic activity that are likely to result from

⁵ Economic Evidence of Philip Osborne, 21st July 2023, paragraph 6.5

the development and operation of the proposed facilities. I agree with his assessment of the ensuing economic activity and not that the facility would provide for a high end market and potentially lead to an increase in overall demand for rural residential (in relation to 3,000 – 5,000sqm lots). It is important to note that I have not specifically looked at the opportunities that currently (or under PC42 as notified) exist within the market to provide for this product.

- 2.10** I would suggest that if the submission was assessed under a consent application the economic benefits identified by Mr Colegrave would be set against potential economic costs such as the loss of ONL.

Phil Osborne

24 August 2023