



BEFORE

Independent Commissioners appointed
by Tasman District Council

IN THE MATTER

of the Resource Management Act 1991

AND

IN THE MATTER

of an application by CJ Industries Ltd
for land use consent RM200488 for
gravel extraction and associated site
rehabilitation and amenity planting and
for land use consent RM200489 to
establish and use vehicle access on an
unformed legal road and erect
associated signage

**EVIDENCE OF DR WILLIAM HENRY KAYE-BLAKE ON BEHALF OF CJ
INDUSTRIES LTD
SUPPLEMENTARY EVIDENCE ON NATIONAL POLICY STATEMENT FOR
HIGHLY PRODUCTIVE LAND**

4 November 2022

1. INTRODUCTION

1.1 My full name is Dr William Henry (Bill) Kaye-Blake. I am a Principal Economist at the New Zealand Institute of Economic Research (NZIER).

1.2 The applicant has applied for resource consents authorising the extraction of gravel, stockpiling of topsoil, and reinstatement of quarried land, with associated amenity planting, signage and access formation at 134 Peach Island Road, Motueka:

- (a) RM200488 land use consent for gravel extraction and associated site rehabilitation and amenity planting, and
- (b) RM200489 land use consent to establish and use vehicle access on an unformed legal road and erect associated signage.

- 1.3 The applicant has also subsequently applied for resource consent for discharges associated with the proposed activities (RM220578).
- 1.4 Since the applicant lodged its initial application, the Government has produced the National Policy Statement on Highly Productive Land 2022 (“NPSHPL”). My evidence provides an economic analysis of the proposal in relation to Clause 3.2(1)(c) and Clause 3.9(2)(j)(iv) of the NPSHPL.

Qualifications and Experience

- 1.5 My qualifications and experience were set out in my evidence of 15 July 2022.

Code of conduct for expert witnesses

- 1.6 I have read the Code of Conduct for Expert Witnesses in the Environment Court Practice Note 2014 and I agree to comply with it. My evidence is within my area of expertise, however where I make statements on issues that are not in my area of expertise, I will state whose evidence I have relied upon. I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed in my evidence.

Evidence

- 1.7 Clause 3.2(1)(c) instructs territorial authorities to practice “Integrated management” of highly productive land, specifically that they should be “taking a long-term, strategic approach to protecting and managing highly productive land for future generations.”
- 1.8 Clause 3.9(1) tells territorial authorities to avoid the inappropriate use or development of highly productive land that is not land-based primary production. A use or development of highly productive land is inappropriate unless it meets one or more of the criteria in clause 3.9(2) and the measures in clause 3.9(3) are applied.
- 1.9 Clause 3.9(2)(j)(iv) makes specific provision for aggregate extraction that “provides significant national or regional public benefit that could not otherwise be achieved using resources within New Zealand.”
- 1.10 My evidence of 15 July 2022 provides economic analysis relevant to these clauses.

- 1.11 Clause 3.2(1)(c) instructs territorial authorities to take a long-term view when managing highly productive land, rather than a short-term view. My earlier evidence considered the expected length of time that the use of the land in agriculture would be affected. It stated, “The long-term impact on agricultural production depends on the rehabilitation of the site. Expert evidence indicates that the site can be reinstated and long-term productivity will not decline (Hill, 2022).” Given that the site’s use in agricultural production can be restored over the long term, the loss to agricultural production appears to be temporary. Allowing gravel extraction on the site appears to be consistent with an integrated management approach to the economy that considers both production of aggregate and agricultural production.
- 1.12 Clause 3.9(2)(j)(iv) makes a provision for considering whether the benefit “could not otherwise be achieved.” Furthermore, an addendum (Bernsdorf Solly, 2022a) to the Section 42A report (Bernsdorf Solly, 2022b) stated, “The applicant has provided evidence from Mr [sic] Kaye-Blake (the economic evidence) which outlines the economic benefit of the proposal. However, this does not demonstrate that there is ‘significant national or regional benefit that could not otherwise be achieved using resources in the district’, let alone within New Zealand.”
- 1.13 This language provides an opportunity for me to clarify the meaning of the cost-benefit analysis in my evidence of 15 July 2022. The net benefit described in my economic evidence cannot be produced in the local area unless aggregate is extracted from the local area. The nature of hauling aggregate means that sourcing it from farther away increases costs and reduces the net benefit of the aggregate and the economic activity that relies on aggregate. In addition, the cost to the environment through the production of greenhouse gases is increased when aggregate is hauled from more-distant sources. This increase in emissions is a loss to the local, regional and national environment, and is given an economic value in my evidence.
- 1.14 To achieve a similar level of economic and environmental regional benefit as allowing gravel extraction at the Peach Island site, both the production of aggregate and the consumption of aggregate would need to shift to some other location. For example, concrete pads and foundations that would have been poured in the Motueka area would need to be poured somewhere else, closer to other sources of aggregate, and the related economic activities would need to occur there rather than in the Motueka area. I also understand from the evidence of Wayne Scott on the availability of aggregate in the

region (Scott, 2022) that suitable places for extraction of aggregate are limited. This lack of availability would further restrict the locations where economic activity could relocate without economic loss to the region. Restricting the spatial distribution of economic activity in this way could be considered a “significant” change to the economy.

- 1.15 Thus, in relation to the NPSHPL and the addendum to the Section 42A report (Bernsdorf Solly, 2022a), I am of the opinion that aggregate extraction at the Peach Island is consistent with long-term integrated management of highly productive land for the economy (NPSHPL Clause 3.2(1)(c)) and provides a significant benefit whose spatial distribution could otherwise not be achieved (Clause 3.9(2)(j)(iv)).

Bill Kaye-Blake

4 November 2022