

11.0 ECONOMICS

General Comment

The Pokeno Structure Plan not only provides for increased residential development but also increased business / commercial and a significant area for the development of industry. The combination of these factors will result in economic gains at a number of scales – ranging from the individual property owner, to the District, to the wider Auckland / Waikato regions.

As outlined in the supporting technical documents Development Prospects for Pokeno (Phil McDermott Consultants Ltd, 2008), the integration between residential and employment land uses in PC24 contributes to the balance between workplace and place of residence, providing opportunities for local employment, that if utilized by residents will result in positive benefits by reducing commuting to employment (and services) elsewhere in the district and region. It is estimated that the proposed development of industrial land could accommodate close to 2,000 jobs. The additional population associated with Pokeno's development is likely to generate a requirement for around 2,700 jobs. The majority of additional work needs could, in theory, be satisfied locally. This is especially the case because additional jobs are likely to flow from the industrial and related investment planned for Pokeno, many of which may be focused on the town centre. Likely economic areas of growth as a result of PC24 have been forecast as the business service sectors and, in response to household growth, in personal, household and community services, retailing and related activities.

The combination of residential, business and industrial fulfills the objectives of the Auckland Regional Growth Strategy¹ (as made relevant by the Local Government Auckland Amendment Act 2004 for those areas of Franklin in the Waikato region) and the Franklin District Growth Strategy for compact development that minimises work travel needs. As Pokeno matures it will provide local job opportunities to residents elsewhere in Franklin, as well to those moving into Pokeno. In essence, through its contribution to regional development, Pokeno will become an important part of the evolving network of towns that give Franklin much of its current character and which the Franklin District Growth Strategy sees as underpinning a distinctive local economy.

11.1 Economic implications of the Plan Change

Submission 62.2 (Franklin Enterprise) considers developing Pokeno will make an important economic contribution, with positive flow-on effects, including stimulating new business activity and employment. Similarly **Submission 62.34** (Franklin Enterprise) considers that if the current economic condition continues, this development can provide further economic stimulus for the district.

Submissions 62.2 and 62.34 are supported in part by:

- Helenslee Investments Limited (FS05),
- Hynds Pipe Systems Limited (FS06),
- Dines Infrastructure and Development Limited (FS07),
- Village Lifestyle Limited (FS08); and
- Stuart PC Limited (FS09).

Assessment

Instinctively the creation of residential development of the scale proposed, the 100 hectares of industrial land and the increased business area will undoubtedly result in positive economic effects.

The integration of residential with industrial and commercial is a key factor in the potential economic success of Pokeno. As outlined in the analysis undertaken by Property Economics, the provision of Pokeno's industrial land, given its size, price and location, is likely to make the Franklin District more attractive to business and residential demand and potentially improve Franklin's regional and national competitiveness. This business land will lead to development of an employment node that will help fuel the residential development and growth in Pokeno. Some of this growth will be development that would not have gone to Franklin if Pokeno were not advanced.

The table below taken from Pokeno Industrial Report (Property Economics, 2008) estimates the level of employment within the Pokeno catchment and projects this to 2028 by employment sector. The analysis implies

¹ Though Pokeno is within the Waikato Region, the Local Government Auckland Amendment Act 2004 establishes that for land transport and integration purposes the relevant statutory provisions and plans of the Auckland Region apply.

that as the number of residents and businesses increases there is an increased likelihood of employment staying within the catchment.

TABLE 2: PROPERTY ECONOMICS POKENO EMPLOYMENT PROJECTIONS

	2011	2016	2021	2026	2028
A Agriculture, Forestry and Fishing	10	22	32	28	28
B Mining	3	6	9	9	9
C Manufacturing	84	199	288	261	261
D Electricity, Gas and Water Supply	4	12	20	22	22
E Construction	39	110	193	215	215
F Wholesale Trade	32	95	174	201	201
G Retail Trade	66	176	295	314	314
H Accommodation, Cafes and Restaurants	22	62	106	116	116
I Transport and Storage	14	37	59	61	61
J Communication Services	1	3	4	5	5
K Finance and Insurance	7	22	42	52	52
L Property and Business Services	33	89	148	156	156
M Government Administration and Defence	8	24	39	41	41
N Education	29	50	82	86	86
O Health and Community Services	26	71	120	128	128
P Cultural and Recreational Services	9	29	53	62	62
Q Personal and Other Services	14	39	68	75	75
Total Industry	401	1,044	1,732	1,830	1,830

Source: Property Economics

It is recommended that Submission 62.2 and Submission 62.34 are accepted on the basis that PC24 enables new business activity and employment opportunities.

Recommendation 11.1

Economic implications of the Plan Change

That the Council:

Accept Submission **62.2, 62.34** Franklin Enterprise

Accept in part further submissions *FS05 Helenslee Investments Limited*
FS06 Hynds Pipe Systems Limited
FS07 Dines Infrastructure and Development Limited
FS08 Village Lifestyle Limited
FS09 Stuart PC Limited

Required Amendments to Provisions Of The Plan Change:

None

Other Actions Required:

None

Reasons For Recommendation:

PC24 enables new business activity and employment opportunities.

11.2 Economic Catchment

Submission 62.33 (Enterprise Franklin) considers the North Waikato Region is a primary rather than secondary catchment.

Submission 62.33 is supported in part by:

- Helenslee Investments Limited (FS05),
- Hynds Pipe Systems Limited (FS06),
- Dines Infrastructure and Development Limited (FS07),
- Village Lifestyle Limited (FS08); and
- Stuart PC Limited (FS09).

Assessment

It is assumed that this submission is referring to the LFR Report (Property Economics, 2008) as this report discusses primary and secondary catchments. No change to PC 24 is sought in the submission. These catchments relate solely to the potential LFR component of the centre if LFR activity was permitted there, rather than the core retail component which is addressed in the Pokeno/Tuakau: Market Assessment Review Report (Property Economics, 2008). The LFR report recommended that LFR is located in Pukekohe (with the exception of the supermarket and building supplies (DIY) stores).

For most day to day purchases (core retail), the primary catchment is likely to be much smaller than that presented in the LFR Report Pukekohe will continue to be the main service centre for LFR, most Northern Waikato residents will more than likely by-pass Pokeno for Pukekohe, Papakura or Manukau which will offer a more diverse range of goods. Analysis shows that the plan change will not increase demand significantly for core retail space because the resident household base is relatively small and there are smaller centres already catering for households day to day needs within this catchment. It is recommended that Submission 62.33 is rejected.

Recommendation 11.2

Economic implications of the Plan Change

That the Council:

Reject Submission

62.33 Franklin Enterprise

Reject in part further submissions

FS05 Helenslee Investments Limited
FS06 Hynds Pipe Systems Limited
FS07 Dines Infrastructure and Development Limited
FS08 Village Lifestyle Limited
FS09 Stuart PC Limited

Required Amendments to Provisions Of The Plan Change:

None

Other Actions Required:

None

Reasons for Recommendation:

Pukekohe will continue to be the main service centre for LFR, most Northern Waikato residents will more than likely by-pass Pokeno for Pukekohe, Papakura or Manukau which will offer a more diverse range of goods. Analysis shows that the plan change will not increase demand significantly for core retail space because the resident household base is relatively small and there are smaller centres already catering for households day to day needs within this catchment.

11.3 Competition Between Centres

Submission 62.40 (Enterprise Franklin) expresses concern that Pokeno may become a higher-order centre that competes with Pukekohe rather than complementing it.

Submission 62.40 is opposed by:

- Helenslee Investments Limited (FS05),
- Hynds Pipe Systems Limited (FS06),
- Dines Infrastructure and Development Limited (FS07),
- Village Lifestyle Limited (FS08); and
- Stuart PC Limited (FS09).

Assessment

Pokeno is constrained by the size of its Business Zone compared with other centres in Franklin District. This constraint will limit the extent of retail development opportunities compared with the larger towns of Tuakau and Pukekohe that have significantly larger areas of land zoned for retail opportunities. On Great South Road within the “Business Centre” (Map 104H) there is only approximately 12 ha of business zoned land in Pokeno (with 2.5 ha recommended to be rezoned from the assessments of submissions in Section 19). In the Pukekohe there is approximately 25 ha along mainstreet and a further 70 ha along Manukau Road.

The total future population of Pokeno will be comparable to what Waiuku is now with its extent and variety of retail.

The small Pokeno town centre is not of a scale to be considered a higher order centre. It is a small centre compared regionally and within Franklin District. Its ability to develop is restricted by its size. It is anticipated that its ability to compete with the larger centre will only be in local retail and service categories such as a supermarket, cafes, local convenience retail. From the perspective of sustainable management these are considered desirable to be provided locally as opposed to residents relying on a larger centre for their daily needs. It is recommended Submission 62.40 be rejected.

Recommendation 11.3

Competition Between Centres

That the Council:

Reject Submission

62.40 Franklin Enterprise

Accept further submissions

FS05 Helenslee Investments Limited
FS06 Hynds Pipe Systems Limited
FS07 Dines Infrastructure and Development Limited
FS08 Village Lifestyle Limited
FS09 Stuart PC Limited
FS04 Winstone Aggregates Limited

Required Amendments to Provisions Of The Plan Change:

None

Other Actions Required:

None

Reasons For Recommendation:

The small Pokeno town centre is not of a scale to be considered a higher order centre. It is a small centre compared regionally and within Franklin District. Its ability to develop is restricted by its size. It is anticipated that its ability to compete with the larger centre will only be in local retail and service categories such as a supermarket, cafes, local convenience retail. From the perspective of sustainable management these are considered desirable to be provided locally as opposed to residents relying on a larger centre for their daily needs.