

BEFORE THE INDEPENDENT HEARINGS PANEL

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

AND

IN THE MATTER Resource consent applications by Te Puna Industrial
Limited in relation to 297 Te Puna Station Road

**STATEMENT OF EVIDENCE OF MARGARET MEGAN CROSS
HARRIS ON BEHALF OF TE PUNA INDUSTRIAL LIMITED**

(CORPORATE – OPERATIONS)

25 JUNE 2024

1. EXECUTIVE SUMMARY

- 1.1 My name is Margaret Megan Cross Harris and I am the General Manager of Strategy and Innovation at Container Co Limited and the project specialist seconded by ContainerCo to the Applicant, Te Puna Industrial Limited ("TPIL").
- 1.2 ContainerCo and TPIL are working together to build a world-class, sustainable business park. ContainerCo (who is the anchor tenant on the site at 297 Te Puna Station Road ("**Site**")) intends to move appropriate support services to this area in line with its zoning and location.
- 1.3 In a technical sense, the Site will allow us to improve health and safety by removing our light functions from co-location with high density operations, reduce traffic flow through the two Bethlehem roundabouts by allowing trucks to stage the timing of their movements, better support local exporters and related employment, electrify functions that are currently conventionally powered, and provides a home for our training team with specialist infrastructure providing a low-intensity space to build trade and skilled work skills.
- 1.4 The works on the Site include extensive landscaping, bunds and stormwater management features.
- 1.5 From a sustainability perspective, the development also includes extensive wetland, overland flow paths, planting, walkways, and cycle paths, as well as opportunities for Pirirākau to partner with us in the co-design of the wetland and overland flowpath.
- 1.6 This Site was selected for ContainerCo's operations for a number of reasons including proximity to the Port of Tauranga and primary producers and exporters, the zoning applying to the Site, the size of the Site, and the cost and availability of the Site (given TPIL must be able to purchase the Site on an open market).
- 1.7 I have considered the appropriateness of other alternative sites for the activity proposed (for example business or rurally zoned land, land on or near the Port, or land outside the Bay of Plenty Region) and have determined, from our perspective, that the Site selected is the most appropriate. We searched for a significant length of time before discovering the Te Puna Business Park zoned land and deciding to purchase it for our intended operations and as a long term home for our low intensity essential operations.

2. INTRODUCTION

- 2.1 My name is Margaret Megan Cross Harris. I am the General Manager of Strategy and Innovation at Container Co Limited ("**ContainerCo**"), and also the project specialist seconded by ContainerCo to the Applicant, Te Puna Industrial Limited ("**TPIL**"). This secondment was made on the basis of my expert knowledge, as set out further below.
- 2.2 I have been in my current role at ContainerCo for five years. I am responsible for large-scale projects, including physical construction projects, corporate and strategic planning, information technology systems, electrification and sustainability projects, and other large projects. I was seconded to TPIL in 2021 to help develop the physical plans for the Site based on my prior experience building safe, compliant, and sustainable industrial sites in Napier and in Auckland. I report to Jesse Reynolds as the TPIL Director for ContainerCo, and Ken Harris in my role as General Manager at ContainerCo.
- 2.3 In my ContainerCo role, I also develop our sustainability plan, oversee the development or redevelopment of ContainerCo sites (including in coordination with iwi), and I have worked across ContainerCo in a variety of operational roles as needed. These experiences are directly relevant to the TPIL project. Most of my non-physical or non-operational projects are information technology projects. Previous to the GM role I was the Manager – Information Technology and Projects, and prior to that I was the IT Administrator.
- 2.4 I have obtained a range of university degrees, including an Master of Business Administration, a PhD, a Master of Science, a Bachelor of Arts (Hons) and a Bachelor of Military Science.

3. SCOPE OF EVIDENCE

- 3.1 My evidence relates to the proposal by TPIL to develop its Site. In this statement of evidence I will:
- (a) explain how TPIL will develop the Site;
 - (b) describe how the activities on the Site will operate once established, particularly with respect to the use of the Site by ContainerCo which will be the anchor tenant;
 - (c) explain how TPIL identified the Site as a suitable site for its proposal; and

- (d) respond to submissions relating to the function and operation of the Site.

4. DEVELOPMENT OF THE TE PUNA BUSINESS PARK

- 4.1 The Te Puna Business Park ("**Business Park**") will be a light-use business park with significant planting and a large wetland. This is consistent with the industrial zoning of the land under the Western Bay of Plenty District Plan.
- 4.2 The intention and planning is for multiple attractive sub-leased yards on the Site inside its treated boundaries, of which ContainerCo will be an anchor tenant. Other potential tenants will be rurally focused support businesses that are consistent with those activities envisaged by the Structure Plan (ie they will not be "heavy" industrial activities and rather will be compatible with the surrounding rural environment).
- 4.3 The plans developed envision the Business Park will be constructed in stages on 11.96ha of the 12.6ha Site, similar to previous projects undertaken by ContainerCo in Napier (of which I can provide detail, should that be useful). This approach in the past has allowed slower, careful-and-correct construction, as well as allowing the plants and trees establish to reduce visual impact. That same approach is what is intended here.
- 4.4 The yards themselves are for non-noxious commercial and light industrial purposes only, with a suitable paving system. They are not suitable for intensive industrial processes, which would involve much heavier paving systems, and extensive outdoor lighting. ContainerCo does not discharge contaminants or odour at any of our locations, and the intention is to limit tenancy to similarly non-impactful tenants. As our light-industrial operations only occur during the hours of daylight, we are not proposing outdoor lighting.
- 4.5 In terms of permanent structures, ContainerCo is proposing a permanent workshop shed for any light container repair. There is also a shed onsite, which is currently retained in plans. There is also a farmhouse, which is also retained in current plans.
- 4.6 Finally, the Overseas Investment Office has also laid out a timetable which obligates ContainerCo to install an overhead electric gantry crane greatly reducing the need for a traditional empty container handler system. This structure will be semi-permanent. As it is electric, it will produce little noise and vibration. Its use is mandated as a trial for a new form of electrification which may benefit all of New Zealand over time.

- 4.7 As stated, the Business Park will be developed in stages. Stage one is intended to commence in 2024. This will comprise of enabling works such as shaping the Site and aesthetic landscaping ("**Stage 1**"). Earthworks will then be done to shape the site in a way appropriate to the stormwater design. The Stage 1 works will enable ContainerCo (and future tenants) to operate from the Site. Specific landscaping, stormwater and roading mitigation will be developed first before any commercial activities are undertaken. This would include:
- (a) construction of bunds along the southern boundary of the Site to the current low-lying floodable area;
 - (b) construction of a bund along the western boundary of the Site outside of the current low-lying floodable area;
 - (c) construction of a bund along the current low-lying floodable area in the south, as well as along the eastern boundary of the Site;
 - (d) simultaneous planting of five rows of mixed trees and shrubs, with quick-growing exotics adding height and depth to support the slow-growing native rows (it is proposed to remove the exotics once the natives reach a height as to continue to provide aesthetic relief to neighbours;
 - (e) earthworks likely consisting of the removal of clean-fill from the area designated for the wetlands to shape this so that it is suitable for water and is in accordance with a suitable detailed design. This earth will be moved to other areas of the Site. It is likely that further importation of clean-fill will be required during later stages of the Business Park Development to level and raise the Site as appropriate, as well as contouring all areas in accordance with an audited detailed design;
 - (f) earthworks to create the large green swale shapes which will run along the front and back of the roadside bund, as well as the internal south of the property. This earth will also be moved to other areas of the Site. These swales will attenuate and slow water entering the wetlands, and prevent the loss of soil, reducing stress on the wetland system;
 - (g) stabilisation of the proposed grounds of the yards in accordance with the design;

- (h) the wetlands, once earthworks are complete, will be extensively landscaped, as they form a crucial piece of stormwater retention and mitigation design for the Site, as well as providing a positive ecological impact;
- (i) the stormwater areas will also be extensively landscaped, as the plants and ponds in tandem produce compliant stormwater which is suitable to release from the Site and into the culvert; and
- (j) the culvert and the proposed intersection of Te Puna Station and Te Puna Road are also inside my remit. The proposed design of the culvert increases the ability of water to flow, while allowing explicitly for fish passage both up and downstream. The design is modern and in accordance with best practice. With regards to the intersection, the proposed intersection allows for a right turn bay and widening for the southern approach of that road. This design is outside my scope of experience and I defer to our expert traffic design consultants, Mr Bruce Harrison and Mr Brett Harries. The sequencing of these are to be determined in discussions with Western Bay of Plenty District Council and Bay of Plenty Regional Council.

5. OPERATION OF THE SITE

- 5.1 Once the Stage 1 works are completed, the Business Park will provide for commercial and non-noxious light industrial activities.
- 5.2 ContainerCo will be the anchor tenant. ContainerCo's wider business context is explained in the corporate evidence of Mr Ken Harris.¹
- 5.3 On the Site itself, ContainerCo will hold a small supply of containers (up to 350) for local kiwifruit growers and packers to cope with summer harvest demands. ContainerCo will also provide for a range of supply chain services including possibly vanning and devanning. These containers will, from time to time, be picked up and placed atop one another for storage and security, or to be taken off-site. This will be done via a mix of the mandated electric crane and empty container handlers.
- 5.4 In addition, a small stock of refrigerated containers may from time to time be upgraded and tested prior to delivery to primary produce exporters. These

¹ Statement of Evidence of Ken Harris dated 25 June 2024 at [2.4]-[2.6].

might require power to get to, or maintain, the required temperature before they switch off.

- 5.5 Hire and Sales will likely store a small stock of ready-to-go containers for showing potential customers, selling them throughout the western Bay of Plenty and eastern Waikato regions.
- 5.6 The Site will also over time become a home to supporting office (possibly based in the current farmhouse or another existing structure) and technical staff. We have also suggested it could be a secure place for charging our ultra-quiet Electric Vehicle container shuttles.
- 5.7 To be clear, the Business Park will not serve as a large depot or terminal. Containers will only be stored up to three containers high, which is one third of the stack height used by intensive operations and is a height generally consistent with the anticipated height of buildings at the Business Park. This is 9m as a permitted activity. These objects are inherently temporary, and will be stored only until they are delivered to exporters or to port. For example, a job-lot of kiwifruit containers might be there once per year (in the kiwifruit season) and remain there less than three days before embarking on a ship. Screening and landscaping will mitigate the visual impacts from the storage of the containers as detailed in the evidence of Mr Tom Watts (Landscape and Visual).² As I understand it, all these activities are consistent with the Light industrial zoning of the Site as detailed in the evidence of Mr Vincent Murphy (Planning).
- 5.8 The other tenants on the Site are not yet determined but will be operations that support primary produce exporters particularly those operating in the local area. The other tenant activities may include non-noxious light industrial operations permitted as part of the zoning such as, packing, manufacturing and engineering, building and construction wholesale, storage and warehousing, depots, commercial services, medical and scientific facilities, retail outlets for primary produce with a maximum floor area of 100m², garden centres and plant nurseries and farm vehicle and machinery sales.

6. SITE SELECTION

- 6.1 The purpose of this section of my evidence is to explain the process that we followed which led to the selection of the Site. I also discuss potential alternatives to the Site, none of which are as ideal as the current Site from

² Statement of Evidence of Tom Watts dated 25 June 2024 at [1.3].

TPIL's perspective.

- 6.2 I set out below the primary reasons we selected the Site as appropriate for our intended operations.

Proximity to primary producers and exporters (customers)

- 6.3 Tauranga is the largest ContainerCo market out of all our divisions across New Zealand. From our high-intensity industrial sites on the Port of Tauranga, ContainerCo provides roughly 50% of containers for exporters in Tauranga and the Waikato.
- 6.4 Land at the port is a constant constraint. Moving our low-intensity but local businesses from the high-intensity sites on-port lets us use that on-port land in a more efficient way to support the export market. It also leaves our low-intensity businesses (Hire and Sales – electric container transport – refrigerated workers) close to their customers (pack-houses for eHV transport and refrigerated workers and farmers throughout the Western Bay of Plenty for Hire and Sales).
- 6.5 The Site is close to good road links west into the Waikato and, with the NorthLink project, will also have good access to the eastern Bay of Plenty, bypassing the city. The operations proposed for the Site are quiet, do not need outdoor lights, and are essential (as Mr Harris explains) to rural businesses, particularly local exporters.³ Other businesses in the area (such as self-storage, large-scale growers, and robotics facilities) also take advantage of these locational factors.

Location relative to the Port of Tauranga

- 6.6 The Site sits on the confluence of three major roads which lead from:
- (a) Auckland (and the NorthLink project will expand this further) from where a lot of Container Co's special modified containers are delivered;
 - (b) Tauriko, where a lot of containers are sold;
 - (c) the wider rural area where we also sell most of our containers, and
 - (d) the port, where the kiwifruit and other primary produce needs to go. From the Site, we are able to service farms all the way to Matamata

³ Evidence of Kenneth Harris dated 25 June 2024 at Section 5.

and Paeroa. It is also a good place for a head office, as many of our staff live on the western bay side of Tauranga and there are roads bypassing Tauranga for ContainerCo's Papamoa based staff.

- 6.7 The Site is appropriate for the low-intensity work we need to separate from the high-intensity port operations for health and safety reasons, and removing the low-intensity and non-complimentary operations allows the land made free to ease capacity on port.

Appropriate zoning of the land

- 6.8 ContainerCo intends to use this Site for its low-intensity businesses (whose customers are predominantly rurally based), its head office, and to lease the rest of the land to businesses that fit our criteria which includes light industrial and commercial activities that will comply with the zoning restrictions of the Site. We are building the Business Park to suite this intention. Our intensive operations to be efficient need to be on or immediately adjacent to port, and these operations will continue to be accommodated on existing sites on or immediately adjacent to port.

Site size and available land area

- 6.9 ContainerCo anticipates using circa 2 hectares (excluding the farmhouse) of the Site. The remainder will be made into attractive and useful yards which can be leased to businesses whose activities will comply with the light industrial zoning rules. The size of the land parcel is attractive and difficult to substitute. ContainerCo is a growing business, that adds complimentary pieces from time to time. If a low-intensity business is added to the group, it can be relocated to Te Puna to enjoy the economies of scale, and substitute rent, as soon as a yard becomes free. The size of the land parcel is almost unique in the area.

Land costs and availability

- 6.10 TPIL is a private company and costs are a significant factor when purchasing a site. TPIL cannot compulsorily acquire land under the Public Works Act 1981, and has to buy it on the open market. This means our options are limited by budget and availability. TPIL together (ie the joint venture partners) could afford to purchase Te Puna and all its benefits.

7. ALTERNATIVE SITES

7.1 Inherently we did due diligence on the Site and considered carefully before we decided to make our significant investment in the Site. Ultimately, we determined, as we were entitled to do as a private business, that there were no better options for our intended operations.

7.2 In preparing for this hearing, I have since given consideration to the potential alternatives. None of these are palatable from our perspective and we would be very unlikely to invest in them. But they are set out briefly below because I understand they may be one of the many matters the Commissioners may have regard to in making their decision on our consent application.

7.3 Other alternative sites considered for the Business Park are set out below.

On or near the Port of Tauranga

7.4 This is not a real alternative, in that it would be impossible. But taking it at face value, it would be:

- (a) hugely expensive, and beyond the capacity of ContainerCo;
- (b) impossible to find, as the port is attempting to expand; and
- (c) also entirely inappropriate for the low-intensity businesses we hope to move off-port to an area more appropriate for them. There are significant health and safety challenges having ContainerCo's low intensity operations so close to heavy industry (hence why we wish to move them). The port land we currently have is land needed for high-intensity container storage, which is what ContainerCo seeks to maximise. The port land we currently have is also on a timer in that the port has indicated our leases will be removed over time to be reallocated to itself.

Other light industrial zoned land

7.5 We searched for a significant length of time for options throughout the region before deciding on the Te Puna Business Park industrial zoned land.

7.6 It would be challenging to replicate the excellence of the transport links, or the proximity to the packhouses. The shape and scale of the Site and its current zoning, would also be a challenge to replicate. Other places inside our budget were strange shapes (a container is a rectangle and yards should also be roughly rectangular), in inappropriate places (for example Bayfair, which is not

near any of our customers and they would have to go through Tauranga to get to us) or were small. Other places were zoned inappropriately, or we judged would not have the roading infrastructure to support a business nearby. Frankly, much of the industrial land in areas of Tauranga like Judea or Tauriko simply was not for sale and would be needed for intensive or heavy industrial activities which meant that if had been available, it would be priced inappropriately as land supporting high-intensity operations.

Business zoned land

- 7.7 This is not the right zoning as our operations, which are light industrial. Trying to set up the businesses we have in this zoning would not be appropriate and is unlikely to be consented.

Rural zoned land

- 7.8 This could potentially have been appropriate, but in all likelihood we would have needed a plan change first to develop any rural zoned land. The Site was attractive as it was already zoned Industrial (from rural) and we proceeded with the purchase because of this prior plan change. In short, the prior plan change to establish the Structure Plan and its underlying industrial zoning is what made the Site so attractive to purchase in the first place.

Land outside the Bay of Plenty region

- 7.9 This would not have been appropriate as it is not close enough to our workforce, the Port of Tauranga (for the stored containers to be transferred), or ContainerCo's customers who are largely local exporters.
- 7.10 All the of the alternatives are hypothetical. Even if we tried, we may not be able to purchase the required land elsewhere for our operations at a commercially acceptable price, and there is no guarantee we would receive Overseas Investment Office approval to do so. I reiterate, we are not commercially considering these alternatives, but rather I have briefly addressed them here because of the RMA allows the Commissioners to have regard to these matters, should they consider them relevant.

8. RESPONSE TO ISSUES RAISED IN SUBMISSIONS

- 8.1 I have reviewed relevant submissions that raise matters relating to the operation and function of the Site. Submissions raising specific concerns regarding potential adverse effects (for example, visual amenity effects, noise

effects, traffic effects etc) are addressed in the evidence of the subject matter experts.

- 8.2 Some of the submissions expressed concern that the proposed activity would not be in-keeping with the rural environment.⁴ The activity that we are proposing is a light industry activity, as opposed to heavy industry. We are essential to the New Zealand supply chain, especially with regards to kiwifruit exports.
- 8.3 Giving our customers the option of small temporary storage pre-port would be primarily for the benefit of kiwifruit and avocado growers. The majority of our hire and sales customers are rural, buying or leasing for sheds and supplementary storage. Our head office, not included in the current consent effort, is likely over time to be relocated inside the current farmhouse building.

Biosecurity concerns

- 8.4 There were also a few comments which raised concerns about biosecurity risks associated with the storing of containers at the Site.⁵
- 8.5 The ContainerCo operations at the Business Park will house ContainerCo's own fleet of hire and sales containers. These are already in the country. The Te Puna facility will not receive containers from overseas. Containers held on-site for delivery to port or exporters conform to a strict import health standard, which includes on port inspection. Empty refrigerated containers are unloaded at port and checked there, before being tested (sometimes at a third-party, where they would also be checked) before being sent to packhouses to be loaded – where they are also checked. The full kiwifruit containers we may store at Te Puna from time to time are therefore containers that have already been cleared to be in New Zealand and inspected at least twice and commonly three times.
- 8.6 To be clear, the Business Park will become an Approved Transitional Facility while containers on site will already have been cleared for entry. This means the Site will also be compliant with Ministry of Primary Industries requirements of transitional facilities. ContainerCo, by its own internal policy, checks every container after every trip that container takes for damage, contamination, and / or poor repairs. This helps audit our own and third-party processes. The design proposed already incorporates the elements needed for this, and our certification reflects an excess of caution and prudence. I also support the

⁴ Submissions #43, #132 and #244.

⁵ Submissions #53, #67 and #262.

training of Approved Transitional Facility Persons in a safe environment proximate to our future head office to oversee this, but for clarity by no means will this be a place where containers are stored prior to or for biosecurity inspections.

Chemical Pollution

- 8.7 I note that some submitters are concerned about chemicals used in our processes on the Site.⁶ Containers are washed using either pressurised water, or for some Ministry of Primary Industries applications we wash with steam. We do not do chemical (detergent) washes outside of purpose-built wash facilities with specialised valves.
- 8.8 Most containers do not require a wash a mop or a sweep is sufficient to return them to cleanliness. We use peppermint oil when mopping containers to create a neutral smell. Heavily soiled floorboards or panels are replaced and the waste appropriately disposed. Any welding would occur inside a workshop and if painting is required, the paint used is a special non-toxic, water-based formula which was developed in partnership with PaintsPlus. Nonetheless, it would not escape capture.
- 8.9 This concern also is not consistent with how containers are prepared for our export customers. Containers for this purpose would not be standard at the Business Park for ContainerCo. If and as they are needed, they will be processed in a separate area of the Site. These preparations may involve washing activity with water of various temperatures, contained, and treated inside our mobile wash plant. We use this MPI approved plant on sites where we infrequently need to wash a container. This uses a large capture basin, and a sump. A tanker comes onsite to dispose of the water as trade-waste. When not in use, this system is moved to an out of the way location. It is a system which takes effort, and it is difficult to imagine a scenario in which using this would be common place. We are not building this yard for those kinds of activities, but we are able to safely and appropriately undertake them if the market demands.

⁶ Submitters #1, #49, #55, #81, #91, #92, #110, #114, #117, #120, #141, #146, #147, #150, #151, #153, #156, #158, #161, #166, #170, #172, #173, #176, #180, #183, #184, #186, #200, #201, #202, #215, #242, #248, #253, #259, #263, #264, #265, #268, #269, #272 and Submitter Group 1 (Submitters #3, #4, #6, #8, #9, #10, #11, #12, #14, #15, #16, #17, #19, #20, #21, #22, #23, #24, #27, #28, #29, #31, #32, #33, #37, #40, #41, #42, #45, #47, #48, #51, #52, #57, #58, #61, #62, #63, #64, #66, #71, #72, #100, #105, #111, #112, #127, #187, #194 and #195).

9. CONCLUSION

- 9.1 This Site was selected for a number of reasons as outlined above and, in considering other alternative sites, it is considered that the Site is the most appropriate for the activity proposed.

Margaret Megan Cross Harris

25 June 2024