11th February 2026

Bonisch Ref: 7895

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Property Group
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Dear Mishka

Reply to Request for Further Information – Tulloch Limited Private Plan Change, North Road, Invercargill

Council reference: MIC20253

Thank you for your letter dated 10 December 2025 requesting further information in relation of the Tulloch Limited private plan change. We respond as follows:

Wastewater Servicing

The preliminary modelling indicates that the existing Council network in this area may have limited capacity to accommodate additional flows from the proposed development. Further modelling is required to confirm if and where a connection to the network would be feasible. Please confirm:

1. *The proposed additional wastewater flows from your development.*

The proposed wastewater flows associated with the plan change were provided in the tables in Section 6.2 of the Servicing Report.

2. *Whether you are willing to cover the costs associated with the required modelling work to determine network capacity and connection options.*

We acknowledge ICC's request for further wastewater modelling to confirm network capacity and feasible connection points. We agree this is a reasonable approach, noting that it would be onerous for the applicant to directly model the wider Council wastewater network solely for this development.

The applicant is willing to meet the reasonable costs associated with ICC commissioning this modelling work. We are awaiting an estimate of these costs from ICC, which we anticipate will be modest (likely less than $5,000).

Development Details

3. *Please provide details on the proposed minimum lot size and/or maximum number of lots for the development. This information is critical for assessing servicing options.*

At this stage, the plan change is intended to enable light industrial development in general terms, rather than prescribe a specific subdivision outcome. Earlier concept plans have indicated a development yield in the order of approximately 12–15 lots; however, the applicant does not wish to commit to a minimum lot size or a maximum number of lots through the plan change process.

The final number, size, and configuration of lots will be determined through the subdivision consent process, informed by detailed engineering design and servicing constraints at that time.

In relation to wastewater, the applicant acknowledges the modelled wastewater flows that underpin the proposed zone rules. These will be recognised within the plan framework, while also acknowledging that further engineering solutions at subdivision stage may allow additional wastewater capacity to be achieved. The plan change will be drafted to ensure that such matters can be addressed through engineering design, without the need for a further plan change.

Stormwater Servicing

4. *Please confirm whether the internal road is proposed to be vested in Council ownership. If so, note that privately owned stormwater infrastructure within a Council-owned road reserve would not be desirable.*

Stormwater servicing has been identified as a key issue, particularly ICC's preference not to take ownership of stormwater assets given the site's location outside the current and future stormwater rating area.

While it would be unusual for private stormwater infrastructure to treat runoff from a road, this is not unprecedented. One potential outcome is that the internal roading and associated stormwater infrastructure remain privately owned and maintained, with private stormwater management provided accordingly. Alternatively, there may be scope for the stormwater infrastructure to be included within ICC's stormwater rating area in the future, subject to agreement at that time.

Importantly, these matters can be appropriately resolved at the subdivision stage, provided it can be demonstrated that there are reasonable and practicable stormwater management solutions available. The proposed zoning framework will be drafted to retain flexibility, allowing stormwater assets to either vest in Council ownership or remain private, without requiring a further plan change.

Policy Framework

5. *It is acknowledged that additional rules have been proposed to help align the proposed plan change within the Light Industrial Zone. However, no corresponding objectives or policies have been included to provide the necessary policy framework to support proposed rules. Please provide suggested wording for any new objectives and policies, or amendments to existing objectives and policies, to ensure the proposed rules are appropriately supported.*

In preparation of the Private Plan Change (PPC) a review of all the existing Light Industrial Zone (IND1Z) objectives and policies was undertaken. The existing IND1Z objectives and policies are adopted in their totality as they provide the appropriate umbrella and framework for the IND1Z and there were no special or unique outcomes sought for the PPC that warranted additional objectives and policies. For the functionality and streamlined use of the Invercargill City District Plan (the Plan), additional objectives and policies need to add value or be necessary to warrant a change.

The Section 32 analysis in the PPC provides a comprehensive overview of the relevant IND1Z objectives and policies and there are no 'gaps' in terms of policy outcomes for the IND1Z as they relate to the PPC. The existing IND1Z policies comprehensively cover the universal environmental outcomes in managing noise, odour, glare, light spill, signage, building scale, access and connectivity, amenity, state highway function, screening and site utilisation. It is further noted that where concept plans are mentioned in policies in the Industrial Zone it is around a specific environmental issue that needs to be managed outside of the regular objective and policy framework.

In summary, the existing umbrella of objectives and policies for the IND1Z are considered appropriate, and a clear link between rules and the objective and policy frameworks are provided for.

National Policy Statement for Highly Productive Land (HPL)

6. *As per clause 3.6(5) of the NPS-HPL:*

> *(5) Territorial authorities must take measures to ensure that the spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment.*
>
> *Please demonstrate (in line with the above request) that the spatial extent of the urban zone is the minimum necessary to provide the required development capacity.*

Based on the Ministry for the Environment (MfE) guidance, this clause should inform how urban rezoning proposals are designed and assessed and to ensure any urban rezoning of HPL is an efficient use of that land (e.g. it provides a high yield of housing to meet the demand for housing, rather than lower density residential development which depletes more HPL). However, unlike residential land, industrial site size requirements are not as uniform, and therefore efficient use of land relates more to the type and site size required to meet industrial use needs and market demand which is a lot broader and complex than residential development.

The MfE guide identifies that the loss of HPL should only be considered if required to provide enough development capacity. The minimum amount of HPL should be lost to provide that capacity. Providing capacity in regard to this clause is linked to the National Policy Statement on Urban Development (NPS-UD) which refers to providing at least sufficient development capacity, significant additional development capacity (beyond that required for the next 10 years) should not be provided on HPL. Below is an extract from the NPS-UD as it relates to business development.

> *Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:*
>
> *b. have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and*
>
> *c. have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and*
>
> *d. support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets.*
>
> *Policy 2: Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term.*

A key test is whether the proposed site is the 'minimum necessary' to provide enough development capacity for Industrial 1 Zone activities, which is linked to the outcomes sought in the NPS-UD where sufficient capacity is up to 10 years of supply. Using this as the baseline for defining the 'minimum necessary' the PPC is considered to meet this test for the following reasons:

- An economic assessment by 'Insight Economics' identified that:
    - Occupier demand for local industrial premises is positive while supply is limited, with a particular shortage of industrial space in Invercargill.
    - The rezoning will directly increase industrial land supply and address a shortage of larger lots. There is a lower share of vacant parcels in larger size lots over 6,000m^2. There is high occupancy for 6,000 – 8,000m^2 land areas, where there is exceptionally low vacancy.

- A key driver of industrial floorspace demand is the sustained shift towards online shopping and the associated growth of the logistics sector. These activities require modern, high-stud, large-footprint warehousing space, which is usually located in light industrial zones.

- The PPC includes a desktop analysis of the potential capacity of the existing IND1Z land. That analysis showed that 80% of the IND1Z land is already developed, and the remainder of technically 'available' land represented a total of 15.5ha. The PPC will increase IND1Z greenfield supply to a total of 22ha.
- Based on 22ha, this would provide for an annual IND1Z greenfield supply of 2.2ha a year over 10 years. There are no recorded trends on greenfield IND1Z land uptake in Invercargill, however, based on market demand for larger site sizes (6,000-8,000m^2) it is more than fair to conclude that 2.2ha a year may not even be 'sufficient' to meet capacity requirements within the next 10 years.
- CBRE, October 2025 (refer Attachment A), looks at all Industrial property in Invercargill (not just IND1Z land) and shows a vacancy rate of 2.8%, with close to 18,000m^2 of vacant stock (buildings, not land). A majority of the vacant building stock (97%) was in Grade C submarket space, and a majority of this vacancy was in Bluff. Grade A stock had an exceptionally low vacancy rate of 0.4 percent, and there was no vacancy in Grade B building stock.
- CBRE article[1] (refer Attachment B) identifies that the extremely low availability of industrial space reflects the region's healthy rural based economy and a flight to quality among industrial occupiers. Tenants want efficient loading facilities, better yard circulation and high-quality on-site offices, which is pulling demand toward newer builds. As a result, established industrial areas are close to full. It is noted that Industrial land supply is tight, with limited releases of land for new industrial estates currently in the pipeline. The limited number of transactional activities in industrial land is also sighted as a constraint making market demand high. Refer to Attachment B.

The desktop analysis of IND1Z land, along with the market trends showing the need for new high quality light industrial premises, the existing low vacancy rates for these, and the constrained and slow release of industrial land to the market, demonstrate that the proposed PPC site is the 'minimum necessary' to provide enough development capacity for Industrial 1 Zone activities. Additionally, the market information and desktop analysis show that there is unlikely to be a 'sufficient' 10-year supply under NPS-UD.

The second part of the consideration for clause 3.6(5) is achieving a well-functioning urban environment. This is discussed in the PPC under 8.2.1 on the NPS-UD.

7. *As per Clause 3.9(g) of the NPS-HPL, the AEE indicates that the balance area is subject to significant constraints for long-term primary production. However, the Land and Water Science assessment concludes that the soil quality is adequate to support the current land use of low-intensity pastoral grazing.*

   Please provide further discussion on this point to establish a clear pathway through Clause 3.9(g). While Table 2 of the AEE offers some assistance, it would be helpful to expand on the conclusion that "the size of the site would not make the activity sustainable or economic." For example, evidence demonstrating that pastoral grazing within the remaining productive land is not economically viable would strengthen the assessment. This could include analysis of the scale required for viable grazing operations compared to the available area, or any relevant economic benchmarks.

[1] Tight at the top: CBRE survey shows limited space in high-quality industrial property | CBRE New Zealand

The PPC site has both Class 2 and Class 3 soils. Refer to Figure 2 below from the Manaaki Whenua Landcare Research maps, the site is highlighted in yellow.



Figure 1: Manaaki Whenua Landcare Research LUC Map (site denoted by yellow border)

The Land and Water Science assessment undertook a more detailed site-specific soil assessment and identified that the soils at the site are consistent with Class 3 soils. The summary of the Land and Water Science assessment identifies that soil quality is adequate for the current low intensity pasture grazing, but that longer term use would require fertilizer application, and that the site is limited by aeration and water logging after heavy rainfall, and that the site size is a limiting factor for economic primary productions.

The purpose of the Land and Water Science assessment was to determine the Soil Classification, it was not a robust assessment of the viable economic use of the land, nor did it consider the wider adjoining land use and other physical constraints that restrict its use in the long term for primary production. Agribusiness Consultants undertook a more detailed economic feasibility assessment. The key conclusion of that report was that while the Land and Water Science assessment identifies the land is most suited to pastoral farming, that the scale of the property and very low productive output is not sufficient to support a farm owner and is unlikely to be operated alongside other farming titles. The site is highly unlikely to be re-amalgamated with neighbouring properties, especially given the existing fragmentation of adjoining sites. The location makes the property difficult to be farmed, including in conjunction with other land given the busy State highway does not allow animals to be walked between properties.

The discussion of Clause 3.9g of the NPS-HPL in the PPC under Section 10.2.1.2 is considered comprehensive, along with other consideration of long-term constraints under Clause 10 of NPS-HPL under section 10.2.1.3 of the PPC.

Since the lodgement of the PPC with Council there has been some changes to the NPS-HPL which now exempts urban development and urban rezoning on LUC 3 land from the NPS-HPL restrictions. Approximately one-third of the site is under Manaaki Whenua Landcare Research maps Class 3 soil classification and a site-specific assessment concludes that the site soil classification is Class 3.

Consultation

8. *Section 5 of the AEE mentions that NZTA have agreed to the access location. Please provide written approval from NZTA that they are supportive of the proposed plan change and associated demand on SH6, and that the location of the proposed access is sufficient for the proposed plan change.*

9. *Please provide evidence of consultation with Te Ao Mārama Incorporated (TAMI).*

There has extensive consultation with NZTA around the access location. NZTA were consulted with during the development of the PPC, and the location of the proposed main access was informed by that consultation to ensure it was efficient and safe. A copy of relevant consultation with NZTA is available in Appendix 13 of the Integrated Traffic Assessment and Appendix 14. NZTA do not give affected party approval for Plan Changes, they wait to see if the notified document incorporates their concerns. Apart of access design and location of the access, NZTA did not raise any capacity issue of the proposal on the state highway network.

The applicant did provide a copy of the draft PPC to TAMI for early feedback in August 2025. At that time, some general feedback was provided, but TAMI reserved the right to be involved through the formal notification process. In terms of feedback, at a general level, TAMO identified key issues for mana whenua relating to industrial activity as:

- Potential for direct and indirect impacts of industrial operations on flora and fauna, air, water, soil, mahinga kai species and places. `
- Emissions/discharge of contaminants to air and impacts on the mauri of the air, and on human health. `
- Stormwater management on industrial sites, potential for effects on soils and water. `
- Contaminated run off (stormwater) entering waterways.
- Visual amenity

All the above issues are discussed in the PPC under the AEE.

A few key observations from TAMI as it relates directly to this plan change were:

- noted the site will accommodate light industrial activity which appears to be in keeping with the other activities surrounding the area.
- noted the proposed stormwater management infrastructure as described in the application being a settling area before discharge. It would be a preference that development was directed away from the northeastern corner of the site and not of an overly concentrated nature to reduce the overall volume of stormwater being disposed of into the adjacent creek.
- noted wastewater is to be disposed of to a reticulated system yet to be installed.
- noted landscaping offered to mitigate visual impact.

A copy of this feedback email is in Attachment C.

Demand

10. *The proposal sets out the current land available for development within IND1Z land, however does not provide any evidence that there is demand for further light industrial development beyond the current capacity. While it is acknowledged that demand related to Tulloch Ltd has been stated, please provide evidence that an increase in IND1Z land is required for this demand to be met, with reasoning as to why this demand cannot be met by the current IND1Z land.*

The current land availability for development within IND1Z is covered in the PPC under Section 3.2. This is also referred to and expanded on under point 6 of this letter, with a summary of more recent market data on industrial supply and demand.

Please let me know if you require any further information or clarification of the above.

Yours faithfully



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