

Before Independent Commissioners

In Taupō

Under the Resource Management Act 1991 (the Act)

In the matter of of Plan Change 43 (Industrial), being a
proposed plan change to the Taupō District Plan
in accordance with Schedule 1 to the Act

**Statement of evidence of Jerome Stephane Philippe Feuillade for
Mega Food Services Limited**

Dated 7 September 2023

1. Introduction

- 1.1. My full name is Jerome Stephane Philippe Feuillade. This statement of evidence is given on behalf of Mega Food Services Limited (**Mega Food**).
- 1.2. I hold the position of Principal at McKenzie & Co Consultants Limited (**McKenzie and Co**). I am the Manager of McKenzie & Co Taupō & Rotorua regions. I have been in this position since 2017.
- 1.3. I hold a Diploma of Topography and Land Surveying Engineer from E.S.G.T. in France (Engineering School of Topography and Land Surveying). The Bureau of Assessment for Overseas Qualifications (Australia & New Zealand) assessed my qualifications as being "of a standard at least equivalent to a bachelor's degree in surveying in Australia or New Zealand". Since 2015, I have held the status of a Licensed Cadastral Surveyor under the Cadastral Survey Act 2002. I have 25-years' experience within the surveying field, encompassing diverse aspects of land development, including 15 years in New Zealand.

2. Involvement in the project

- 2.1. McKenzie & Co offers land development advisory, design and delivery services, using the expertise of its team of civil engineers, surveyors and planners. McKenzie & Co was engaged on August 8th 2023 by Damin Lun, the owner of Mega Food, in relation to Mega Food's land at 63 Broadlands Road, Taupō (**the site**) and Plan Change 43 (**PC43**) to the Taupō Operative District Plan,
- 2.2. McKenzie & Co's role is to provide advice and support in relation the development of the Property and, specifically to represent Mega Food and present evidence at the hearing of PC 43 which affects the property of Mega Food at 63 Broadlands Road, Taupō.
- 2.3. I am the Project Manager for Mega Food. My responsibilities include liaising with the client, organising and coordinating the preparation leading up to the hearing, and seeking the best potential future use(s) of the site while considering client's aspirations as well as the site's characteristics and constraints.
- 2.4. As McKenzie and Co's manager for Taupō and Rotorua, I am familiar with the Taupō district, Taupō urban area and the area surrounding the site. I also conducted a site visit on August 18th, 2023.
- 2.5. I have read and am familiar with the parts of PC 43 and the s42A report and evidence of submitters relevant to the ecological and geothermal features of the site.

3. Mega Food's current business operation

- 3.1. Mega Food is a family-owned and operated business that provides import, export and distribution of quality meat, and protein products. It has been operating since the 1990's. Mega Food initially started operations as a poultry-only business but after acquiring two other food distribution companies in 2006 and 2008 expanded into the whole meat market. Currently Mega Food's operation covers the whole of the North Island. It is the 3rd largest fresh and frozen food distribution company in New Zealand, and the largest Asian-owned food distribution company, with 100 million dollars annual turnover.
- 3.2. Mega Food has over 100 employees and distributes approximately 10,000 tonnes of product per year. These products are distributed mostly by a fleet of 34 company-owned vehicles. Mega Food supplies a range of different businesses from local restaurants to large companies. Mega Food is the main supplier to a number of large, well known food businesses such as Hello Fresh New Zealand Limited, My Food Bag Group Limited, Texas Chicken South Pacific Limited and LSG Sky Chef NZ limited.
- 3.3. Mega Food sources its products from both New Zealand and Europe. Mega Food receives approximately 200 - 300 containers of product from Europe each year. Its New Zealand products, mainly chicken and beef, come from the biggest suppliers all over the country, such as Inghams, Tegel, Van Der Brinks Poultry, Silverfern Farms, Ken Wilson Meats, Wilson Hellaby, among others. All of these products are transferred to its Auckland distribution centre (East Tamaki) via a combination of truck freight and ferry. Mega Food's operation currently makes around 28 freight movements per day.

4. Mega Food's plans for future expansion

- 4.1. **Logistics and distribution Centre:** In the upcoming 5 years, Mega Food intends to expand its operations to achieve nationwide product distribution. A key component of Mega Food's expansion strategy involves investing \$30 million in the construction of a larger logistics and distribution centre, along with multiple large-scale cold storage facilities. These cold storage units will serve Mega Food's internal requirements and will also be available for leasing to other businesses and distributors (cold stores, courier services, dry goods stores, distribution centre). The logistics and distribution centre is projected to provide 20 to 100 local workers ranging from on-site personnel to truck drivers. Mega Food's anticipates that the development of the logistics centre will facilitate other Auckland-based companies to decentralise towards a secondary distribution hub located in Taupō or allow local businesses to utilise the existing facilities to expand their operations.
- 4.2. **Industrial Hub:** If the development proceeds on this site, the logistics centre will represent only a portion of the available land. The balance of the developable land will be designed to accommodate other businesses with comparable requirements, primarily focusing on warehouse facilities.

5. Positives for Taupō

- 5.1. Mega Food's plan aligns logically with the industrial area's growth, given it adjoins the bypass and is located at an appropriate distance from the Taupō town centre, decreasing the adverse interactions between large trucks and the town, while maintaining a convenient access for workers, services providers and customers.
- 5.2. Mega Food's plan is for this expansion to be a catalyst for the development of the new Taupō Industrial area.
- 5.3. The Logistics Centre and Industrial Hub is intended to attract investment into the region, generate job opportunities for the local community, increase Taupō's economic activity and productivity and make it even more attractive for future investment.

6. Development of industrial land for logistics and distribution centres

- 6.1. The ability to efficiently distribute and supply food is of obvious importance to New Zealand. The recent challenges to the global supply chain during and following the pandemic brought these issues into sharp focus and there is now a general awareness that where these logistics systems fail the result is either no food (i.e. supply shortages) and / or very expensive food, neither of which is desirable.
- 6.2. Logistics and distributions centres are an integral part of the supply chain. Locating distribution centres in the right place and on a site with the right attributes is crucial to developing a successful distribution centre.
- 6.3. The location of distribution centres relative to other land uses is also important. While warehousing is generally accepted as a lower effects generating activity than other heavier industrial uses, traffic generation, visual effects, light spill and noise are potential effects that need to be managed. Where warehousing involves cool store then hazardous goods such as ammonia for refrigeration will need to be managed on site.
- 6.4. Access to infrastructure and utilities (i.e. freight network, electricity three waters) with sufficient capacity is key. In terms of business continuity there may be a need for back up infrastructure to be provided on site given the potential 24 hour a day seven day a week nature of operations. This means that there needs to be sufficient space on site to accommodate such services on site.
- 6.5. One of the key challenges for the industry can be getting workers to site. A location close to residential areas where people live is helpful but as discussed above the effects on the environment of light industrial land uses mean that ideally there will be some separation or buffer between light

industrial and more sensitive land uses. Transport links are key not just for the distribution of freight but for ensuring that the people that work on the site each day can safely get to and from work each day at the times they need to be at work. This may not be your standard business hours given the potentially round the clock operation of some distribution centres. Unless public transport networks can provide a safe and reliable means of getting to site at non-peak times, practically this means that there needs space dedicated to parking on-site. Similarly, the ability to have flexibility on site to develop more attractive working environments can also be a key aspect of attracting people to work on sites in industrial areas.

- 6.6. The ability to maximise site coverage has always been key to being able to develop an efficient and well-functioning distribution centre. However, this is the case now more than ever as the nature of how distribution and logistics centres operate is also changing. There is a trend toward increased building size and height and modern automated distributions centres are capable of processing a much greater volume in a warehouse of a given size than in the past. The flow on effect of this is that greater space is needed for onsite truck movements.
- 6.7. In terms of the future efficient operation of the logistics and distribution centre, the layout design needs to allow sufficient space around building elements for access and maintenance to be carried out in a non-disruptive way.
- 6.8. As will be apparent, the configuration of large-scale warehousing buildings, internal traffic circulation (preferably a through site arrangement), parking, on-site infrastructure, and any land required to mitigate offsite effects can quickly become constrained. Accordingly, one of key requirements for a successful logistics and distribution centre development is a large site with few constraints. This ensures that there is sufficient flexibility to configure the various structural elements in the most efficient way possible.

7. Mega Food site and surrounds

- 7.1. The site is an approximately 20.7 ha site located approximately 1km from the urban edge of Taupō and buffered from more sensitive land uses by the existing industrial area to the west of the site and the surrounding rural land use. The current activity on site is a 200m² general storage shed. There is a general yard area around the shed and metalled accessway. Routine grass cutting and baling operations are carried out. No other activities are conducted on the site.
- 7.2. The site is strategically significant due to its proximity to State Highway 1 and major freight routes, as well as other industrial areas.
- 7.3. Mega Food acquired the site from Taupō District Council in 2018 with the sole purpose of facilitating Mega Food's expansion. Mega Food selected Taupō as the ideal location for Mega Food's expansion due to its central positioning within New Zealand, being 3.5 hrs from Auckland and 4.5 hrs from Wellington.

7.4. The central location of the site will enable truck drivers to return home every night without necessitating truck exchanges.

8. Mega Food and PC 43

8.1. Mega Food supports the rezoning of its site from rural to industrial and agrees with the Council and its experts that the location and attributes of the site make it highly suitable for industrial land use. Based on my experience in land development, I agree and consider that it would be underutilising the land for it to remain rural, which would be a loss of an economic opportunity for the district and region.

8.2. Mega Food is pleased that Council has taken a proactive approach to identifying and addressing the deficiencies in industrial land in its district and agrees with Council's conclusion that this is a preferred location for providing that industrial land.

8.3. However, the aim of PC 43 should not just be to increase the supply of industrial zoned land but to do so on a basis that facilitates the development of that land for industrial purposes. As explained above, this requires ensuring that there is flexibility in planning provisions to enable the site to be developed and configured in the most efficient way. I comment:

8.3.1. PC43 as notified already introduces greater restrictions than the current operative and proposed rural zone (which already would [enable] some industrial type activities) and introduces the sensitive land provisions requiring discretionary activity land use and subdivision consents that will require appropriate technical assessment to be undertaken and the consenting stage.

8.3.2. Mr Clark's planning evidence explains the difficulties with the proposed SNA restrictions in the s42A report from a technical planning point of view. From a land development perspective mapping geothermal features that move is problematic because it fixes restrictions on the site that may well be unnecessary and adds an additional layer of cost.

8.3.3. In terms of the need for an efficient configuration of onsite elements applying an additional buffer area, that significantly increases the area of land affected by the controls is overly restrictive. This is particularly the case given the overlay directive nature of the proposed provisions that require avoidance of certain activities (including within the buffer areas) without any consideration of the ways in which those activities could potentially be appropriately undertaken.

8.3.4. The requirement for an ecological management plan to be submitted with the first subdivision, regardless of the extent or scale of the subdivision proposed, is unduly onerous given that the large site size and the location of geothermal features within the site means that subdivision

and development could take place on the northeastern part of the site, a considerable distance from the geothermal features.

8.3.5. Finally, I note that Council is only proposing to rezone 12.4 hectares of the southeast part of the site to Taupō Industrial Zone, while the northwestern portion of the site will remain rural zone. This will result in a split zone on the property, which makes consenting and development more administratively complex and costly. From a land development perspective it would have been preferable to recognise the strategic location of the site relative to the Taupō urban area and key transport links by rezoning the entire site (and then allow the existing overlays in the district plan to manage environmental constraints on that part of the site).

9. Conclusion

9.1. Mega Food wishes to secure the usability of the site and supports the industrial zoning proposed under PC 43.

9.2. However, the proposed SNA restrictions, if implemented, could significantly hinder the development of a new distribution centre and would reduce significantly the available developable area of the site. Given the strategic value of the site's location and the attributes that make the site so suitable for industrial development, Mega Food's considers that it would be regrettable if an overly restricting planning regime reduced the flexibility required to develop the site efficiently or made such development uneconomic.

9.3. While acknowledging the ecological significance of the small parts of the land where geothermal features have been identified, Mega Food considers that could be achieved through PC43 provisions as notified the resource consent process, as well as thoughtful design and construction.

Jerome Stephane Philippe Feuillade

7 September 2023