



## Memorandum

Date: 31 August 2020

To: Stuart Penfold, BBO

From: Robert Quigley, Director, Quigley and Watts Ltd

Subject: Social and cultural wellbeing for fast track application

### **Background: What is social and cultural wellbeing**

Ambury Properties Limited (APL) seek approval for the Sleepyhead Ohinewai Foam Factory and Rail Siding via the Covid-19 Recovery Fast Track consenting process. This memorandum has been prepared to support the application for referral of the project to an Expert Consenting Panel via the Minister of the Environment.

The application seeks an assessment of the *'project's effects on the social and cultural wellbeing of current and future generations.'* To answer that, it is first important to understand what social and cultural wellbeing outcomes are and what drives them.

New Zealand has a long history of assessing wellbeing (in impact assessments), measuring wellbeing (e.g. Treasury's Living Standards Framework) and reporting wellbeing outcomes (e.g. BNZ's Wellbeing Index, or Statistics NZ's Wellbeing reporting). Such approaches were further supported by The Local Government (Community Well-being) Amendment Act 2019 and the 2019 Wellbeing budget.

The most common definition of wellbeing in New Zealand includes four domains (groupings or sets):

- i. **Social** - individuals, their families, whanau, hapu, iwi, and a range of communities being able to set goals and achieve them, such as education, health, the strength of community networks, financial and personal security, equity of opportunity, and rights and freedoms
- ii. **Economic** - whether the economy can generate the employment and wealth necessary to provide many of the requirements that make for social well-being, such as health, financial security, and equity of opportunity.
- iii. **Cultural** - considers the shared beliefs, values, customs, behaviours and identities reflected through language, stories, visual and performing arts, ceremonies and heritage that make up our communities.
- iv. **Environment** - whether the natural environment can sustainably support the activities that constitute healthy community life, such as air quality, fresh water, uncontaminated land, and control of pollution (SOLGM, 2020).

However, assessment does not start with a checklist of potential domains or impacts but must identify the potential social and cultural impacts from an awareness of the project and an understanding of how the project might affect what is important to the project's stakeholders (IAIA, 2015). Fortunately, data is available on the masterplan, on the local communities of Te Kauwhata,

Huntly and Ohinewai. As such, the determinants of social and cultural wellbeing which are the most likely, and most substantial, to be affected by the proposal are discussed below:

#### **A. Employment**

Employment and consequent income are the two largest determinants of a person's (and their household's) health and wellbeing (Canadian Institute of Advanced Research, 2002). Nothing else affects wellbeing like a job can, as clearly articulated by The World Bank Development Report (2013):

*"Jobs are transformational. They are more than just the earnings and benefits they provide. They are also the output they generate, and part of who we are and how we interact with others in society. Jobs boost living standards, raise productivity and foster social cohesion"*

Therefore, any consideration of effect on social and cultural wellbeing from this project must start with employment.

Employment projected from factory construction is substantial, with a five-year construction employee count of over 2,100. While such jobs are temporary, they support the pipeline of work which exists in the construction industry.

Operationally and longer term, the factory is projected to create 15 jobs in stage one and 35 jobs in stage two (total of 50 long term permanent jobs). Ohinewai already has approximately 200 existing jobs, but just 152 residents. In contrast, Te Kauwhata has a population ten times the size but only about 400 jobs (many of which are in teaching and residential care). While there will likely be some transfer of employees from Auckland and fifty additional jobs is a modest number to begin with, it continues to position Ohinewai as place of work (greatly outstripping its population). The proposal brings additional scale and value, and will further support Ohinewai as a place to work for another fifty families.

Also, Stages one and two of the Sleepyhead Factory are a catalyst to a larger goal. The New Zealand Comfort Group (parent entity of APL) are proposing to change the zoning for the surrounding land (178ha) and seek resource consent for additional factory stages, as well as other industrial units and a residential zone. Once the Comfort Group have left their constrained Auckland manufacturing site the company will expand its operations. Together with other employers, the number of employees is projected to increase to 2,072 at the site. The total number of operational positions created by development in accordance with the Masterplan is projected to be approximately 2,600.

To encourage local employment, the Comfort Group is working alongside Waikato-Tainui and Wintec. Eight local Maori already have permanent positions and are commuting (in a van) to the Auckland factory each day. They are the first wave of a local workforce for the fifty to be employed at the factory.

Also initiated by the Comfort Group is a School of Secondary Tertiary Studies. Students for whom school is not working instead get to attend a vocation-based learning institute. The long-term prospects for them and their families can be transformative. Local schools and their students also benefit as the children who are usually somewhat disruptive are no longer able to disrupt the learning of others. This school of tertiary studies will not just benefit The Comfort Group, but also other large employers in the area, such as Max Birt Sawmills and Cobb Vantress (chicken hatchery) who are also engaging in the partnership to set up the school.

These positive effects are highly likely to be inter-generational because of the nature of outcomes arising from employment, the targeting of school students and the strong relationship with local Maori.

Overall, the potential social and cultural effects of employment on each township's existing labour pool, students and local Maori within Ohinewai, Te Kauwhata and Huntly are positive and substantial. Social and cultural effects are experienced at an individual level, at the level of the individual's family including children, and at the school and community level. At the individual and family level, employment contributes to outcomes such as living standards, health and wellbeing, mental health, social connection, personal identity and life satisfaction. It gives people a reason to get up each morning and provides structure to their lives. At the family and community level, employment contributes money and resources, social capital and social cohesion, and contributes more broadly to achieving societal goals<sup>1</sup>.

The proposed rail siding also has the potential to underpin future employment. Such a facility dictates a newly available destination for a rail mode of travel, thereby enabling different types of freight to be sent and received in the area. Rail is best at transporting bulk freight/cargo, where double handling is avoided and the volumes/tonnages are large (Bolland Report, 2010). Rail customers pay per shipping container (volume), not weight and volume as per trucking. Furthermore, when bulk cargo is transported direct to a destination (say a port), double handling is avoided.

For businesses who need to receive or send large-volume freight, Ohinewai could become a potential site for their establishment. The rail siding creates the destination to enable further business investment, thereby driving economic, social and cultural wellbeing.

Container handling jobs (packing in and out from the rail siding) can be matched to local people as the necessary skills can be quickly taught, if the skills are not already present.

### **B. Relationships**

Since inception, Craig Turner from The Comfort Group has described his desire to create inter-generational change. This strongly resonates with hapu and iwi. Together, with other government agencies, the key stakeholders have developed formal and informal relationships built on trust and respect. Such relationships are hard won over many years, and unlike transactional/contract-based 'deals', true collaborative relationships have the potential to deliver lasting processes and benefits to all involved. From a social research perspective, such high-quality relationships are rare, but local Maori leaders describe that such relationships exist with this project. Such relationships strongly support social and cultural outcomes, including achieving equity.

### **C. Aspirations**

Local employment and the rail siding (as a destination) provides additional assurance to hapu and iwi regarding their proposed Papakainga. Up to 50 houses are planned near Matahuru Marae. Even short-term employment, for a decade or so, is long enough to mean that people can pay off their houses. Local Maori leaders describe how secure housing has the potential to flow into multiple positive social and cultural outcomes for individuals, whanau and their communities e.g. healthy housing; the financial ability to fully engage in education, sport, entertainment etc; as leverage for other investments; greater access to social networks; etc. Iwi and hapu do not want to rely on housing provided by others (which, sooner or later, is withdrawn) and instead want greater control

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<sup>1</sup> Quigley and Watts Ltd (2014). Social value of a job. Wellington: MPI.

over housing. Maori leaders describe how this project strongly supports their Papakainga aspirations.

Waikato Tainui have a strong history of a vibrant export economy, secure housing and a treasured environment. Colonisation and its affects undermined these achievements but this project has a chance to support iwi aspirations. Local leaders are strongly supportive of the relationship developed with The Comfort Group, the inter-generational aspirations of all involved and the consequent work (in partnership) that is occurring. It is more than just talk and these high quality relationships have the potential to underpin social and cultural wellbeing outcomes.

For Lumsden Road residents (western side of road), these residents will experience social effects arising from the change of their rural outlook (to the east only) to massed plantings. For the wider community of Ohinewai, there are several medium and large employers (and their factories) in the surrounding area already (Max Birt Sawmill, Lumbercorp, Ceracell, Compac Homes). The presence of another 50-staff business is in keeping with the existing environment.

#### **D. Environment**

The natural environment is a determinant of wellbeing, contributing up to 15 per cent of a person's (and their household's) health and wellbeing (Canadian Institute of Advanced Research, 2002). Determinants include air quality, fresh water, uncontaminated land and control of pollution.

For this project, APL have sought to enhance the existing environment via remediation of an area of historic site contamination, retiring a portion of the existing dairy farming operation and providing enhancement plantings surrounding stormwater wetlands. Neutral effects include no effect regarding access to Lake Rotokawau for hunting and fishing. APL have worked with the local property owners and tangata whenua groups to address effects of the development such as noise and vibration, traffic effects, monitoring of earthworks by kaitiaki and installing world class air quality filters at the factory. Wastewater and stormwater management will also provide for best practice treatment measures to ensure effects on the downstream Lake Rotokawau, Lake Rotokawau and Whangamarino wetland are negligible. Together these mitigate any potential environmental effects of the proposal. Therefore, in relation to environment, the potential effects on wellbeing are assessed to be neutral.

Robert Quigley



**Director, Quigley and Watts Ltd**  
**31 August 2020**