

Evidence to Subdivision Hearing SR & BJ Williams Charitable Trust.

1. SR and BJ Williams Charitable Trust

- a. My name is Lawrence Yule, and I am the Acting Chair of the SR and BJ Williams Trust. I have an Honours Degree in Agricultural Engineering and am a Fellow of the Institute of Professional Engineers.
- b. I am the longest-serving Trustee and have been on the Trust since 2002. I am currently overseeing the land development and forestry opportunities at the Station.
- c. Other Trustees include John Springford, a retired accountant who has a long professional connection with Mangakuri Station including currently with Mrs Janet Williams and formerly with the late Mr Pat Williams.
- d. Peter Tod and Danny Angland are more recent Trustees and are Hawke's Bay Farming leaders who have both won the title of Hawke's Bay Farmer of the Year respectively.
- e. Pat and Janet Williams had no children and in 1984 Pat set up the SR and BJ Williams Charitable Trust in honour of his parents.
- f. My Father Donald Yule was a first cousin of Pat Williams, and the Yule family has had a long association with Mangakuri.

2. History

- a. Mangakuri Station has significant Māori archaeological and cultural significance.
- b. The station has some of the most significant Māori archaeology in Hawkes Bay with three large Pa sites that are protected in the Central Hawke's Bay District Plan. In addition, there are dozens of middens, vegetable garden sites and kainga sites occupied by Māori. Many of these sites are on prominent ridges overlooking Kairakau, Mangakuri Beach and the Mangakuri Stream.
- c. The Trust has a programme to survey all land that is subject to land use change including forestry, tracking, and building sites to identify, register and avoid these sites. This archaeological survey work is completed by Elizabeth Pishief from Heritage Services and Wikitoria Moore and Stella August from the Kairakau Lands Trust.
- d. This is an expensive and time-consuming process, but the Trustees are committed to protecting the significant heritage and eventually, the whole property will be surveyed with all the sites being registered, protected, and avoided.

- e. Mangakuri was originally part of a large 279,000-acre parcel of land known as the Waipukarau purchase and has been owned by well-known New Zealand leaders including Sir Andrew Russell and Rev Sam Williams who was a missionary, educationalist and farmer and held several senior roles in the Anglican Church.
- f. Mangakuri is now 1,500 ha in size following generational family land dispersal and the acquisition of a neighbouring property by the SR and BJ Williams Trust.
- g. The northern end of the property overlooking Kairakau has been recently registered as an Outstanding Natural Feature (ONF) in the Proposed Central Hawke's Bay District Plan. The Trustees are supportive of this protection.

3. The Mangakuri Beach Settlement

- a. The late Sam Williams allowed close and extended family members to build houses on this strip by way of a gift, discounted lease, or commercial leasehold rights on the coastal margin from the mid-1950s. Records held by the Trust indicate that he intended the land to be leasehold land but was subsequently made freehold after his death.
- b. Before 1952 there were only two buildings in the coastal strip including the current Mangakuri Beach House and the original woolshed, which is now a Beach house owned by the Salmond family who are Williams descendants.
- c. By 1964 aerial photography shows around fifteen houses at the settlement. Most of these houses were built on old slip debris flows.
- d. Okaihau Holdings Limited was incorporated in 1967 to facilitate the arranged development of the sections and road access.
- e. Okaihau Holdings secured the title of the coastal strip and then subdivided the land into individual titles in 1983 as well as funding the public access road.
- f. The Mangakuri Beach Management Society was incorporated in 2004.
- g. Today there are twenty-four houses at Mangakuri Beach in the Mangakuri Large Lot Coastal Zone with five sites large enough to allow further subdivision as a controlled activity subject to satisfying RMA Section 106 requirements.

4. Mangakuri is a farming business.

- a. Mangakuri is a difficult farm, suffering from summer dry, wet winters, and the fertile flats are subject to frequent flooding which has historically involved significant stock losses. A lot of the land is marginal for pastoral production and is better suited to forestry.
- b. Mangakuri has old buildings, and many are coming to the end of their economic life. The Trust recently sold the homestead due to its age, condition and ongoing maintenance requirements. The Trust has previously demolished one house and

relocated one to Williams Road following flooding from the Mangakuri Stream. The main woolshed needs a complete refurbishment or rebuild, and the Kairakau Road woolshed is no longer used.

- c. The Station has two remaining residential houses which are more modern but the smaller shepherd's cottage requires a significant upgrade or sale. Both are dating and struggle to keep up to the standard expected of farming staff.
- d. 6 years ago, it became clear to the Trustees that protein production from Sheep and Beef was not producing enough income to make the business sustainable.
- e. This lack of profitability has prevented charitable distributions and a lack of maintenance and capital investment.
- f. The Trustees enlisted the expertise of leading Farm Consultant John Canon and Forestry Valuer and Emissions Trading Scheme (ETS) consultant Mark Morice.
- g. Trustees also enlisted the advice of Tim Forde in 2023 who is Chair of the Hawke's Bay Farm Forestry Association and erosion expert around poplar planting.
- h. Recently released MPI data for 2024 shows sheep and beef farm returns in Hawke's Bay are expected to make a loss of \$23 per hectare and in Mangakuri's case this would likely equate to a loss of over \$350k.

5. Evaluated Options

- a. Conversion of the entire property to forestry. This is a permitted activity in the CHB District Plan, but some parts may require Restricted Discretionary resource consent under the National Environmental Standards for Commercial Forestry around roading, harvesting and wilding pine risk.
- b. Sale of the entire property to purchase a better more profitable farming business. The most likely purchaser would have been forestry interests.
- c. Sale of some of the property to forestry interest.
- d. Sale of the Coastal margin to a developer.
- e. Leasing the property out.
- f. Subdivision of land.
- g. Tourism opportunities centred around visitor accommodation, glamping and farm walks.

6. Trustee Considerations

- a. The very generous legacy provided by Pat Williams in establishing the SR &BJ Williams Trust and the history of the Station in the Williams family.

- b. Many of the late Rev Sam Williams's properties in the Mangakuri area have now been sold to forestry interests, some of which are foreign-owned. Apart from Waipari Station, Mangakuri is one of the only remaining pastoral farms.
- c. The Beach residents had expressed their wish that they did not want to be surrounded by pine trees.
- d. Forestry is a Permitted Activity in both the Operative District Plan and the Proposed District Plan. Under the National Environmental Standard on Plantation Forestry (including the 2023 changes) Forestry is a permitted activity outside Red Zone land. On Red Zone land (including the Mangakuri Coastal Margin) up to two hectares per annum of new afforestation is a Permitted Activity. Over this consent will be required from Hawke's Bay Regional Council. HBRC is granting consent for large-scale afforestation on Red Zone land.
- e. The coastal location provides subdivision value and tourism opportunities that cannot be generated by any form of other farming activity. This would not be at the expense of farming production.
- f. The current Trustees do not want to see the property sold.
- g. Trustees are reluctant to have randomly positioned lifestyle blocks across the property due to reverse sensitivity issues, significant infrastructure costs, and impacts on cultural and landscape values.
- h. Trustees expressed a preference to complete a small family-orientated development that was close to Mangakuri Beach.
- i. Trustees reviewed the Operative District Plan and latterly the Proposed District Plan and understand that the title subject to this application is allowed four residential units, one small residential unit and one visitor accommodation unit up to 100m² as Permitted Activities including in the Coastal Zone.
- j. The Trustees also noted clause five of the Trust Deed which provides for the sale, subdivision, or lease of the property.

(c) To sell (either for cash or on any terms) subdivide exchange hire let or sublet on lease or any other form of tenancy and for any period and at any rental and upon and subject to such conditions as the Trustees in their discretion may impose or agree to all or any part or parts (real or personal) of the trust property.

- k. Consideration was given to a controlled activity lifestyle subdivision within the Mangakuri Large Lot Residential Zone at 42 Okura Road under the Operative District Plan. Trustees discounted this as it was too close to existing neighbours

and restricted farm access to the residual land.



- l. Consideration was given to 5,000m² of Large Lot Residential land at the southern end of the existing houses, but this land would require significant work to satisfy RMA Section 106 Natural Hazard requirements.



7. Trustee Decisions

- a. Development of an 8-lot subdivision directly behind Okura Road on land that does not interrupt the day-to-day farming operations.

- b. The Trustees preferred option is to complete the staged subdivision themselves and retain the balance of the land for farming purposes.
- c. The Trust principally focus on farming rather than becoming a long-term property developer.
- d. House sites are to be located outside of existing slip zones and to allow space between existing baches and the new sites.
- e. Use part of the funds generated to fund deferred capital requirements around fencing and buildings and to repurpose the property by planting up to 300ha of mixed species forestry, natives and open-spaced erosion protection poplars.
- f. Transfer some funds to non-farming related investment opportunities to enhance the distribution activity of the Trust.
- g. When funds allow, invest in new infrastructure including a new manager's house, a new shepherd's house, woolshed and tourism accommodation. An employee would likely use the current manager's house to run the tourism and farm maintenance operations.
- h. Invest in on-farm tourism tracking and forestry roads.
- i. Due to considerable time delays, costs and poor farming returns, the Trust is also considering one lifestyle subdivision away from the coastal margin and other opportunities on Kairakau Road.

8. RM 230016 Subdivision

- a. In 2018 the Trust was granted an 8-lot subdivision for the land behind Okura Road as a Controlled activity RM 180095. This consent was subject to further geotechnical evaluation of each site and normal engineering controls.
- b. The Central Hawke's Bay District Council granted consent on a non-notified basis.
- c. In 2021 the Mangakuri Beach Management Society Limited sought a Judicial Review of the CHBDC decision. The Trust was named in this action.
- d. In 2022 the Trust advised the Society it would seek a new consent and parties agreed to delay advancement of the Judicial Review while this was undertaken. The Judicial review proceedings have now been mutually terminated following the lapse of the consent.
- e. In informal Judicial Review meetings with the Society concerns were expressed about a requirement for notification, geotechnical issues, and management of stormwater.
- f. As the Trustee responsible for progressing the subdivision I had significant dialogue with the closest neighbours to understand how we might mitigate any

concerns. I also attended a Society AGM where I outlined the Trust rationale for the subdivision. This dialogue was unfortunately stopped due to a request that all consultations go through the Society and their lawyer.

- g. The prior dialogue did lead to meaningful change especially around lot one at 42 Okura Road which was originally proposed as two separate lots, the siting of the effluent field away from the Keighley property at 40 Okura Road and an offer to allow an outstanding boundary error on the same property to be corrected.
- h. An offer was also made to remove old macrocarpa trees to assist drainage behind the Williams property at 44 Okura Road. This is however not a requirement for the subdivision.
- i. Engineers were asked to channel stormwater away from the coastal margin and existing residents where possible. This has been achieved for five of the eight proposed lots.
- j. Significant resources have been spent on planning advice, geotechnical studies (including our Peer review), 3 Waters, Landscaping, Tree Erosion control expertise and a full cultural evaluation of the site. The Cultural Evaluation resulted in one site being abandoned.
- k. Following Cyclone Gabrielle, the Trustees requested a Geotechnical Peer Review of the RDCL Report by Rick Wentz. This was completed and resulted in changes to the application.
- l. Trustees also requested the stormwater design to be further checked to allow for such large-scale rain events.
- m. Trustees have difficulty reconciling Ms Griffith's report references to the rural environment on Williams Road when the Proposed District Plan allows the Trust Permitted Activity Status for four residential buildings, one small residential building, visitor accommodation (up to 100m²) and unlimited shedding on the site containing the 8 proposed lifestyle lots. Additionally, residential buildings on Lots 7 and 9 are already allowed under RM220210. The Residential Permitted Activity and RMA220210 buildings have no landscaping requirements.
- n. If RM230016 is declined the replacement managers house and shepherds house will likely be sited in the area subject to the consent application. This is a highly desirable area to house our key staff.
- o. Additionally, either area shown as Lot 8 or Lot 9 is desirable for visitor accommodation due to their stunning views.
- p. This is partly because currently identified locations for these station residential and visitor accommodation buildings may have to be used for alternative Controlled or Restricted Discretionary Lifestyle subdivisions.
- q. The Trust finds the Planning Report from Ryan O'Leary disconnected from actual subdivision options previously available under the Operative District Plan and now available under the Proposed District Plan.

- r. If the RM 230016 is declined, the Trust will be forced to use Controlled Activity or Restricted Discretionary Subdivision options across our four co-joined existing large coastal titles to meet its financial objectives. The potential sites are shown in the map below.
- s. By using the one every 3-year Lifestyle Rule in the Proposed District Plan the Trust can gain eight new lifestyle lots in approximately 7 years. In addition, new provisions that allow for an extra lifestyle site in return for protecting a Significant Natural Area (SNA279) or a Site of Significance to Māori (SASM22) will allow an additional three lifestyle lots.
- t. This will allow the Trust to generate up to 11 Controlled or Restricted Activity lifestyle sites outside the coastal margin. Eight sites will have stunning ocean views, and all will have no landscaping controls. Road access will be provided off Williams and Mangakuri roads via existing roads, existing farm tracks and a piece of new tracking. Electricity is available near ten of these sites.

r. 11 Lot Controlled or Restricted Discretionary Activity Lifestyle Site Locations



- s. Additionally, once the infrastructure is provided to these areas, there is a risk that future Trustees could continue with additional lifestyle subdivisions in these locations.
- t. While these options are available under the Proposed District Plan this is a less desirable outcome for the Mangakuri Coastline and the Station itself and as is not the Trustees preference.
- u. Importantly it is likely to result in different purchasers than the families the Trustees wanted to have close access to and enjoyment of Mangakuri Beach.

9. Summary

- a. The SR and BJ Williams Trustees have a primary aim of ensuring the survival of Mangakuri Station as a sustainable and profitable farming business to support the Trust's Charitable purposes.
- b. The development of an 8-lot subdivision will enable this purpose to be met with no disruption to the farming business.
- c. High-quality professional advice has been obtained in advancing the subdivision and note has been taken of resident's concerns and where possible changes have been made to accommodate these.
- d. The Trust has agreed to a consent condition to prevent further SUB-R5(1) Lifestyle subdivision of Coastal Lot 11 should RM230016 be granted.
- e. The Trust has agreed to a Consent Notice to prevent any further SUB-R5(1) Lifestyle subdivisions of the four large Coastal blocks for 9 years should RM230016 be granted.
- f. Once completed this development will allow eight new families to enjoy Mangakuri. The Trust has had several verbal expressions of interest in the sites.
- g. The current rainfall erosion risk to Okura Road properties will be reduced, and the landscaping will ensure a well-vegetated environment overlooking Mangakuri Beach.
- h. Mangakuri Station will return to a viable farming business.



Lawrence Yule

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Acting Chair SR & BJ Williams Trust on behalf of the Trustees.