

RMA HEARINGS PANEL REPORT



To: Independent Hearings Panel

From: Damien McGahan, Principal, Aurecon on behalf of the Waipā District Council

Subject: **Section 42A Hearing Report on Proposed Plan Change 26 – Financial Contributions / National Policy Statement for Indigenous Biodiversity**

Meeting Date: 20 September to 22 September 2023 (to be confirmed)

EXECUTIVE SUMMARY

This report is prepared under the provisions of Section 42A of the Resource Management Act 1991 (RMA) and is separated into two parts.

- Part 1 assesses Proposed Plan Change 26 to the Waipā District Plan (PC26) against the provisions of the National Policy Statement for Indigenous Biodiversity (NPS-IB).
- Part 2 assesses information provided in the submissions relating to Financial Contributions on PC26.

As a result of the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 (Amendment Act) the Waipā District Council (Council) is required to notify an Intensification Planning Instrument (IPI) to incorporate new medium density residential standards (MDRS) and to give effect to the National Policy Statement on Urban Development (NPS-UD). In accordance with Section 77T of the RMA Council chose to review its existing Financial Contribution provisions as part of the IPI process. PC26 was heard in April/May 2023, except for the Financial Contributions provisions that were determined to be heard separately with Hamilton City Council's substantive hearing due to the collaborative process that had occurred between councils to amend the provisions. Hamilton City Council however requested to delay their IPI hearing so Waipā's financial contribution hearing is being heard individually in September 2023.

PC26, including amendments to the Financial Contributions section of the Plan, was publicly notified on 19 August 2022 with a submission period of 30 working days, attracting 79 submissions. 15 of these submissions raised financial contributions. The summary of submissions (by submitter and by topic) was notified on 28 November 2022, with a further submission period of 10 working days, 8 further submissions were lodged. Two of the further submissions related to financial contributions.

Following the receipt of submissions, Council has reviewed the financial contribution provisions and has recommended amendments to the provisions regarding formatting, the methodology used for the financial contributions and the quantum amount for each new financial contribution. These recommended amendments and recommended changes as a result of submissions received are summarised in this report and amendments are outlined in the updated plan change text, included as **Appendix A**.

Subject to contrary or additional information being presented at the Hearing, it is recommended that the Hearing Panel recommends that PC26 be approved with modifications in accordance with revised provisions set out in **Appendix A** to this report.

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1. INTRODUCTION

- 1.1.1. My full name is Damien Ryan McGahan, and I am a Principal with Aurecon New Zealand Limited ("Aurecon"), a full list of my experience is outlined in the first s42A report. My role in respect of PC26 is to support the Council in the summary and analysis of submissions received and as lead author in this Section 42A Report and any associated amendments recommended to PC26, in response to submissions received.
- 1.1.2. Melissa Needham, a Senior Planner with Aurecon has co-authored this Section 42A Report. Melissa's experience includes 15 years' working in local government and private consultancies in New Zealand and Australia in both policy and resource consenting.

2. CODE OF CONDUCT

- 2.1.1. I can confirm that I am familiar with the Code of Conduct for Expert Witnesses as set out in the Environment Court Practice Note 2023. I have read and agree to comply with the Code. Except where I state that I am relying upon the specified evidence or advice of another person, my evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.
- 2.1.2. I am authorised to prepare and present this Section 42A Report on the Council's behalf to the PC26 Independent Hearings Panel (Hearings Panel).

3. CONFLICT OF INTEREST

- 3.1.1. To the best of my knowledge, I confirm that I have no real or perceived conflict of interest in relation to PC26, and specifically the topic of financial contributions in PC26.

PART 1 NATIONAL POLICY STATEMENT FOR INDIGENOUS BIODIVERSITY (NPS-IB)

4. STATUTORY AND POLICY CONTEXT

4.1. INTRODUCTION

- 4.1.1. An extensive statutory and policy context has been set out in the Section 32 report and the initial Section 42A report prepared for PC26.¹ The following statutory and policy context is specifically concerned with the National Policy Statement for Indigenous Biodiversity (NPS-IB) in regard to PC26 as it comes into effect in August 2023.
- 4.1.2. In accordance with Direction 18 from the Independent Hearing Panel any matters to be addressed by the release of the NPS-IB can be done so as part of Waipā's deferred financial contributions hearing in September 2023.

4.2. NATIONAL POLICY STATEMENT FOR INDIGENOUS BIODIVERSITY (NPS-IB)

- 4.2.1. The NPS-IB comes into effect on 4 August 2023. As PC26 was originally notified in late 2022 the NPS-IB was not assessed, however, the draft exposure document of the NPS-IB was assessed in the Green Infrastructure / Public Open Space Network Assessment (Appendix 7 of the Section 32).
- 4.2.2. The NPS-IB was developed to help protect and maintain New Zealand's unique biodiversity in the terrestrial (land) environment. Since the RMA was introduced, all councils have had to protect areas with significant native biodiversity. The NPS-IB introduces criteria for identifying and managing areas of significant native biodiversity to ensure a consistent approach is applied across Aotearoa.
- 4.2.3. The preliminary provisions, objectives and policies (Parts 1 and 2) and some of the implementation policies (Part 3) in the NPS-IB have immediate effect and Councils need to apply them when an application for resource consent is received that may affect an area of significant indigenous biodiversity. Regional biodiversity strategies and identification of Significant Natural Area's (SNAs) in District Plans will need to be implemented by regional and local councils over the next 10 years.
- 4.2.4. The objective of the NPS-IB is as follows:
- (a) *to maintain indigenous biodiversity across Aotearoa New Zealand so that there is at least no overall loss in indigenous biodiversity after the commencement date; and*
 - (b) *to achieve this:*
 - (i) *through recognising the mana of tangata whenua as kaitiaki of indigenous biodiversity; and*
 - (ii) *by recognising people and communities, including landowners, as stewards of indigenous biodiversity; and*

¹ Section s42A Report for PC26 dated 17 March 2023 (Section 7)

- (iii) by protecting and restoring indigenous biodiversity as necessary to achieve the overall maintenance of indigenous biodiversity; and*
- (iv) while providing for the social, economic, and cultural wellbeing of people and communities now and in the future.*

4.2.5. Critical policies in the NPS-IB of relevance to PC26 include:

- A precautionary approach is adopted when considering adverse effects on indigenous biodiversity (Policy 3)
- SNAs are protected by avoiding and managing adverse effects from new subdivision, use and development (Policy 7)
- The importance of maintaining indigenous biodiversity outside SNAs is recognised and provided for (Policy 8)
- Restoration of indigenous biodiversity is promoted and provided for (Policy 13).
- Increased indigenous vegetation cover is promoted in both urban and non-urban environments (Policy 14).
- Areas outside of SNAs that support specified highly mobile fauna are identified and managed (Policy 15).

4.2.6. Other key points from the NPS-IB of particular relevance to PC26 include:

- That the protection, maintenance and restoration of indigenous biodiversity does not preclude subdivision, use and development in appropriate places and forms (3.5(1))(b).
- Local authorities must adopt a precautionary approach toward proposed activities where: the effects of indigenous biodiversity are uncertain, unknown or little understood; but those effects are potentially significantly adverse (3.7).
- Local authorities must ensure that adverse effects from new subdivision, use or development are avoided on SNAs (3.10(2)).
- Local authorities must ensure that adverse effects on an SNA are managed by applying the effects management hierarchy (3.10(4)).
- Local authorities must manage the effects of new subdivision, use and development on significant indigenous biodiversity outside of an SNA by applying the management hierarchy (3.16).
- The regional council must set targets for indigenous vegetation cover for urban and non-urban environments that are not less than 10% which local authorities must promote through their policy statements and plans (3.22)(3)&(4)).

4.2.7. The Waipa District Plan currently identifies SNAs in Appendix N5. The identified SNAs are located throughout the district, but in relation to PC26, are only located in the town of Cambridge. No SNAs are currently identified in the towns of Te Awamutu and Kihikihi. A separate plan change process will need to be carried out by Council to confirm that the SNAs identified in the Plan meet the criteria outlined in the NPS-IB and to assess whether any further SNAs should be mapped.

4.2.8. PC26 has not proposed any changes to the mapping of SNAs under the District Plan. However, PC26 has included modifications to the MDRS to the extent necessary to accommodate the

protection of biodiversity corridors, significant indigenous vegetation and significant habitats of indigenous fauna as qualifying matters in the MDRZ with the following rules:

- Rule 2A.4.2.6(f) – On sites adjoining a Significant Natural Area (SNA), a setback of 20 metres is required along the boundary of the SNA for two or more dwellings.
- Rule 2A.4.2.8.1 – On sites located within the River / Gully Proximity Qualifying Matter Overlay as shown on the Planning Maps, the maximum building coverage must not exceed 40% of the net site area.
- Rule 2A.4.2.24A – Within the River / Gully Proximity Qualifying Matter Overlay as shown on the Planning Maps, a residential dwelling at ground floor level must have a landscaped area of a minimum of 30% of a developed site with native plants and can include the canopy of trees regardless of the ground treatment below them.

4.2.9. The PC26 rules outlined above are considered to give effect to the objective and policies of the NPS-IB as follows:

- The 20 metre SNA setback specifically gives effect to sub part 2 of the policy framework which addresses SNAs in particular section 3.10 (managing adverse effects on SNAs of new subdivision, use and development) and section 3.16 (indigenous biodiversity outside SNAs) utilising application of the management hierarchy. This is also emphasized by policies 7 and 8.
- Limiting maximum building coverage to 40% on sites within the River / Gully Proximity Overlay recognises already identified biodiversity corridors in the District Plan and takes a precautionary approach (section 3.7 / Policy 3) to ensure the ability to protect and restore (section 3.21) these biodiversity corridors.
- The requirement for residential dwellings at ground level to provide a landscaped area using native plants (minimum 30% of the developed site) within the River / Gully Proximity Overlay aligns with section 3.22 and Policy 14 which requires local authorities to promote the increase of indigenous vegetation cover.

4.2.10. On the basis of the preceding analysis, the NPS-IB is considered to strengthen the basis for the inclusion of the identified rules as identified in the Green Infrastructure / Public Open Space Network Assessment undertaken by XYST for the section 32 evaluation and the further evidence provided by Ms McElrea during the Waipā substantive hearing.

4.2.11. Financial contributions relating to Te Ture Whaimana are assessed in more detail against the NPS-IB in section 7.5 of this report.

PART 2 FINANCIAL CONTRIBUTIONS

5. SCOPE OF REPORT

5.1. MATTERS ADDRESSED BY THIS REPORT

- 5.1.1. This report has been prepared to address the financial contributions portion of PC26 which is being heard separately from the substantive hearing for PC26, which was held in April/May 2023.
- 5.1.2. The financial contribution provisions in PC26 were proposed to be heard alongside Hamilton City Council's Plan Change 12 financial contributions chapter given the similar approach and methodology that was proposed and notified in the respective plan changes. However, due to Hamilton City requesting a delay their IPI hearing, Waipā District Councils proposed financial contribution provisions are now being heard independently.
- 5.1.3. PC26 must be prepared in accordance with the Council's functions under Section 31 of the RMA, Part 2 of the RMA, and its obligation to have particular regard to an evaluation report prepared in accordance with Section 32 of the RMA, any further evaluation required by Section 32AA of the RMA, and to be in accordance with matters to be considered by a territorial authority as set out in Section 74 of the RMA.
- 5.1.4. In preparing this report I have relied on the Section 32 Evaluation prepared in support of PC26 and additional expert advice sought from Council's economic specialist (Lawrence McIlrath) and where appropriate, evidence provided on behalf of Council at the Joint Opening Hearing and the Substantive Hearing. The financial contribution provisions of PC26 have been reviewed by Mr McIlrath and his input has been provided on this report to help guide and inform the assessment of PC26 and the recommendations on the submissions and further submissions.

5.2. FINANCIAL CONTRIBUTIONS IN PC26

- 5.2.1. PC26 includes amendments to the Waipā District Council District Plan Financial Contributions Section (Section 18). Section 18 of the District Plan includes financial contributions for three waters infrastructure, road corridors and heavy vehicles. Up until now these provisions have only been used for roading contributions in one instance as outlined in Mr Quickfalls evidence. PC26 has introduced two new matters that financial contributions can be collected for, which include a contribution to give effect to Te Ture Whaimana and a contribution to provide for residential amenity. The proposed contributions are proposed to be taken to account for 'unplanned' growth brought about as a result of the requirement for Council to implement the MDRS.
- 5.2.2. The updated proposed provisions provide for a financial contribution of money, land or a combination of both money and land. The amended provisions also include the use of financial contributions for permitted activities that do not require resource consent.
- 5.2.3. As outlined in the Section 32 report the changes to Section 18 have been made to implement the legislation, and to provide Council with the ability to take contributions to fund for the effects of unplanned and unanticipated development. These changes:

- Clarify the purpose for financial contributions and the relationship between financial contributions and development contributions.
- Clarify when financial contributions apply, including for permitted developments that don't need resource consent.
- Incorporate adverse effects consideration on the Waikato and Waipā Rivers (and their catchments) as expressed through Te Ture Whaimana.
- Incorporate adverse effects consideration associated with maintaining and improving residential amenity through public open spaces and streetscapes.
- Provide a dollar figure per bedroom or per dwelling for financial contributions for residential amenity, Te Ture Whaimana and non-residential development.

5.2.4. The formula for calculating the existing financial contributions for three waters, roading and heavy vehicles remains unchanged.

5.2.5. More specifically the amendments to Section 18 include:

- The introduction of new definitions that apply to section 18 only including the terms 'bedroom', 'betterment', 'developer', 'development' and 'greenfield development'.
- Amendment to the introduction of section 18 to provide an overview of the new financial contribution regime provided.
- A new section that outlines the purpose of the financial contributions (existing and new financial contributions).
- The introduction of resource management issues, objectives and policies for the new residential amenity and Te Ture Whaimana financial contributions.
- New purposes for the use of financial contributions.
- New figures for the amount of a financial contribution per bedroom and per dwelling as well as a new figure payable for non-residential developments.
- New rules in terms of general rules and the purpose of financial contributions which relates to residential amenity and Te Ture Whaimana.
- New performance standards for the residential amenity and Te Ture Whaimana financial contributions.

6. PROCESS SUMMARY OF PROPOSED PLAN CHANGE 26

6.1.1. PC26 was presented to the committee for approval to notify on 9 August 2022 and was publicly notified on 19 August 2022 for a period of 30 working days. The summary of submissions was notified on 28 November 2022, with a further submission period of 10 working days.

6.1.2. Key aspects of the process post notification that are relevant to the financial contributions component of PC26 are set out below:

- A Joint Themes and Issues Report was provided by Waipā District Council, Waikato District Council and Hamilton City Council on 15 December 2022. This included comment on the financial contributions aspects of PC26 (Waipā) and PC12 (Hamilton City).

- On 20 December 2022 the Waipā District Council provided a statement of evidence on behalf of Tony Quickfall, Manager District Plan and Growth for the Joint Opening Hearing which included evidence on the preparation of the financial contributions section of PC26.
- A Joint Opening Hearing was held in Hamilton from 15 to 17 February for the purpose of providing a strategic overview of the Waikato IPIs for the Hearing Panel.
- Following the Joint Opening Hearing, Direction #10 was issued by the Hearing Panel. This Direction provides for all submissions on Section 18: Financial Contributions of PC26 to be heard jointly with submissions on section 24 of Plan Change 12 to the Hamilton City District Plan, at the end of the hearing of Plan Change 12.
- The substantive hearing of PC26 was held 26 to 28 April and 2 May 2023 in Cambridge.
- Direction #16 confirms that Waipā District Council’s financial contribution provisions will be heard separately from Hamilton City’s due to the delayed timetable of PC12.

7. STATUTORY AND POLICY CONTEXT

7.1. INTRODUCTION

- 7.1.1. An extensive statutory and policy context has been set out in the Section 32 report and the initial Section 42A report prepared for PC26². The following statutory and policy context is specifically concerned with the topic of financial contributions.

7.2. RESOURCE MANAGEMENT ACT 1991 (RMA)

- 7.2.1. While financial contributions have been enabled by the RMA since 1991, specific changes were made by the Amendment Act in 2021. Section 77E of the RMA provides the ability for Council to make a rule requiring a financial contribution for any class of activity other than a Prohibited Activity. This means that district plans can now require the payment of a financial contribution in respect of permitted activities.
- 7.2.2. The ability for Council’s to levy financial contributions to address effects stemming from residential intensification was a discretionary tool that was specifically provided for in the housing intensification legislation through the insertion of section 77T (Review of financial contributions provisions) of the RMA.
- 7.2.3. A rule requiring a financial contribution must specify (s77E(2)):
- The purpose for which the financial contribution is required (which may include the purpose of ensuring positive effects on the environment to offset any adverse effect); and
 - How the level of financial contribution will be determined; and
 - When the financial contribution will be required.

² Section s42A Report for PC26 dated 17 March 2023 (Section 7)

7.3. LOCAL GOVERNMENT ACT 2002

7.3.1. Section 102 of the Local Government Act 2002 (LGA) requires that local authorities must have a number of funding and financial policies to provide predictability and certainty about sources and levels of funding. These listed policies include a policy on development contributions or financial contributions. Section 106 of the LGA sets out the requirements for a policy on development contributions or financial contributions. The requirements include:

- Summarise the total cost of expenditure identified in the long-term plan to meet the increased demand for community facilities resulting from growth.
- State the proportions of the total cost of capital expenditure funded by development contributions, financial contributions, and other funding sources.
- Explain the reasons for these funding sources.
- Identify separately each activity or group of activities for which a development contribution or a financial contribution will be required and, specify the total amount of funding to be sought by development contributions or financial contributions.
- If development contributions will be required, comply with the requirements set out in sections 201 to 202A of the LGA.
- If financial contributions will be required, summarise the provisions that relate to financial contributions in the district plan or regional plan prepared under the Resource Management Act 1991.

7.3.2. The purpose of development contributions, and the development contribution principles are set out in sections 197AA and 197AB of the LGA. The purpose of development contributions is as follows:

The purpose of the development contributions provisions in this Act is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

7.3.3. Section 198 of the LGA gives Council the power to require a contribution for developments for example if a resource consent is required, a building consent is granted or an authorisation for a service connection is granted.

7.3.4. Section 200 of the LGA outlines limitations to development contributions including that they cannot be collected if funds have already been collected to fund the same purpose.

7.4. NATIONAL POLICY STATEMENT FOR URBAN DEVELOPMENT (NPS-UD)

7.4.1. The NPS-UD directs councils to plan for growth and ensure a well-functioning urban environment for all people, communities, and future generations.

7.4.2. Councils must give effect to the objectives and policies of the NPS-UD in their resource management decisions. Waipā District Council is considered a 'tier 1' local authority, and as such all policies of the NPS-UD are relevant.

- 7.4.3. Relevant to the inclusion of financial contributions is Objective 6 of the NPS-UD which outlines that local authority decisions on urban development that affect urban environments should be *(a) integrated with infrastructure planning and funding decisions.*
- 7.4.4. Under the NPS-UD additional infrastructure means public open space and community infrastructure. Community infrastructure is defined under s 197 of the LGA 2002 and means land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and includes land that the territorial authority will acquire for that purpose.
- 7.4.5. Section 3.2(2)(b) outlines that in order to be *sufficient* to meet expected demand for housing, the development capacity must be infrastructure ready. This means (s3.4(3)) in the medium and long term either there is adequate infrastructure to support the development or funding is identified by local authorities in their infrastructure strategy or long-term plan.
- 7.4.6. The new residential amenity and Te Ture Whaimana financial contributions seek funding for projects not currently funded where a portion of the projects can be attributed to adverse effects associated with unplanned population growth in Cambridge, Te Awamutu and Kihikihi (refer to section 10.5 and 10.6 of this report). In the medium and long term these contributions will ensure that the towns have the infrastructure in place to support this unplanned growth.

7.5. NATIONAL POLICY STATEMENT FOR INDIGENOUS BIODIVERSITY

- 7.5.1. The NPS-IB was developed to help protect and maintain New Zealand’s unique biodiversity in the terrestrial (land) environment. Since the RMA was introduced, all councils have had to protect areas with significant native biodiversity. The NPS-IB introduces criteria for identifying and managing areas of significant native biodiversity to ensure a consistent approach is applied across Aotearoa.
- 7.5.2. The residential amenity and Te Ture Whaimana financial contributions as set out in section 18 of PC26 which collect funds for urban public open spaces and streetscapes and restoration, enhancement and protection of the Waikato and Waipā Rivers and their catchments. Costs will be collected for the following:
- Where urban public open spaces can be improved or extended, the cost of land acquisition and development.
 - Where streetscape amenity can be enhanced, the cost of that enhancement.
 - Riparian enhancement.
 - Wetland creation/protection/restoration/enhancement.
 - Erosion control measures.
 - Ecological/biodiversity.
 - Public access improvements to the Waikato River, including its tributaries.
 - Weed control measures.
 - Sediment reduction measures.
 - Waikato and Waipā Rivers / Te Ture Whaimana education.

- Restoration / protection / enhancement of waahi tapu and sites of significance.

7.5.3. The new financial contributions will assist Council to achieve the policy direction of the NPS-IB and in particular Policies 13 and 14 which seek the restoration of indigenous biodiversity and for local authorities to promote an increase in indigenous vegetation cover in both urban and non-urban environments especially the Te Ture Whaimana contribution.

7.6. WAIPĀ DISTRICT COUNCIL DEVELOPMENT CONTRIBUTIONS POLICY JUNE 2022

7.6.1. Council's Development Contribution Policy summarises and explains:

- the capital expenditure identified in the Long Term Plan that Council expects to incur to meet the increased demand for infrastructure resulting from growth in the District.
- the development contributions payable by developers, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution required

7.6.2. Council has determined in their Development Contribution Policy that growth should generally pay for the cost of infrastructure impacts as a result of growth.

7.6.3. In relation to the use of development contributions or financial contributions the policy currently states that development contributions should be used as the main funding tool for growth related infrastructure provided by Council, however, also outlines that where a development results in Council incurring capital expenditure that is not covered by the DCP Council may impose financial contributions as outlined in section 18 of the District Plan.

7.6.4. Development contributions are calculated in 22 geographical demand catchments (funding areas) and are charged for:

- Roading
- Stormwater
- Water
- Wastewater
- Community Infrastructure
- Reserves

7.6.5. The Development Contributions Policy is currently under review by the Council.

8. CONSULTATION

8.1. KAINGA ORA

8.1.1. Council and Kāinga Ora met in a without prejudice pre-hearing meeting on 26 July 2023. At this meeting Council presented a summary of proposed changes to PC26 prior to the finalisation of the s42a report.

8.2. WAIKATO TAINUI

- 8.2.1. Council have reached out to Waikato-Tainui for a without prejudice pre-hearing meeting on the week beginning 31 July 2023.

9. REVIEW OF FINANCIAL CONTRIBUTION PROVISIONS

- 9.1.1. Consistent provisions were proposed for the Hamilton City and Waipā financial contribution provisions. Following submissions, a planning review by Aurecon and economic review by Lawrence McIlrath of Market Economics were subsequently undertaken on Waipās financial contribution provisions as notified and a number of amendments are recommended to the notified provisions based on these reviews.
- 9.1.2. In summary the principles of the economic review of the financial contributions outlined in Mr McIlraths evidence, are that the process must be fair, equitable and proportionate and proportional to the persons who will benefit from the projects to be provided (including the community as a whole), as well as those who create the need for those projects. A model has been established by Mr McIlrath that estimates the financial contribution on a per dwelling basis, using a range of assumptions about the distribution of costs and benefits. The model can consider the spread across existing households (dwelling or ratepayers) and growth (intensification or greenfields). Mr McIlrath recommends in his evidence that the quantum of the residential amenity and Te Ture Whaimana financial contributions is amended to be based on a formula that will provide a dollar amount for each contribution per dwelling. This quantum is based on the assumptions that will need to be refined to reflect a finer understanding of the spread of costs and benefits (and the effects of the projects), and the projects associated with the residential amenity and Te Ture Whaimana financial contributions.
- 9.1.3. The review and possible amendments were signalled in a submission by Waipā District Council (submission point 32.15) as outlined further in section 10.8 of this report. The changes to the provisions due to the review of the provisions can be summarised as follows:

Residential amenity financial contribution

- Revision of the quantum for the residential amenity financial contribution to ensure alignment with the methodology established for the new contributions.
- Amendment to the residential amenity financial contribution to be collected from the Medium Density Residential Zone only to align with location of additional growth and identified adverse effects.
- Addition of the word ‘urban’ public open spaces to explain where the costs of the residential amenity financial contribution will be applied.
- Deletion of the percentage for greenfield development to contribute to the residential amenity financial contribution. This percentage reduction is replaced in the application of the financial contribution process by using an adjustment factor to reflect recognition of onsite activities that reduce the need for the residential amenity projects.

Te Ture Whaimana financial contribution

- Revision of the quantum for the Te Ture Whaimana financial contribution to ensure alignment with the methodology established for the new contributions.

- Amendment of the Te Ture Whaimana financial contribution to apply to the Medium Density Residential and Commercial Zones only to align with location of additional growth and identified adverse effects.
- Deletion of the non-residential Te Ture Whaimana financial contribution as the information to support collection of contributions for non-residential development is not currently available.

General

- Deletion of the general non-residential financial contribution as the information to support collection of contributions for non-residential development is not currently available.
- The addition of a cumulative effects policy and the addition of cumulative effects to the performance standards of the new contributions as this is a key element of the adverse effects associated with the new contributions which was not outlined in the provisions.
- Amendments to clarify the purpose section relating to three waters and transport network financial contributions to align them with their existing and unchanged purpose in the District Plan.
- Review of the definitions section following amendments to section 18 to remove redundant definitions (bedroom, betterment, greenfield development, gross floor area, non-residential development) and include a definition for 'residential development' that was not originally notified but on review assists in clarifying the intent of the amendments.
- Deletion of the repetition of the residential amenity and Te Ture Whaimana financial contribution purpose rules in the performance standards.
- Addition of a 'circumstances where financial contributions will be taken' section to the residential amenity and Te Ture Whaimana contributions to align with the existing rule set out in section 18.
- Addition of a 'timing of calculation and payment' to the residential amenity and Te Ture Whaimana financial contributions to align with the existing rule set out in section 18.

10. ANALYSIS OF SUBMISSIONS

10.1. INTRODUCTION

- 10.1.1. A total of 79 submissions and 8 further submissions were received on PC26. Of these 15 submissions and 2 further submissions raised the topic of financial contributions.

10.2. OVERVIEW

- 10.2.1. There are a range of positions put forward by submitters on the financial contributions provisions of PC26. Many seek specific changes including a specific request by CKL NZ Ltd that greenfield developments not be required to pay financial contributions as the submitter states that infrastructure required for this type of development is already covered by the Development Contribution Policy. In line with this submission Ryman Healthcare Ltd submitted that the

financial contribution provisions may result in ‘double dipping’ when the development contribution and financial contribution regimes are applied.

- 10.2.2. Ryman Healthcare Ltd goes on to oppose the residential amenity financial contribution as it does not recognise the amenity that residential intensification can provide.
- 10.2.3. A number of submitters support or support in part the financial contribution provisions as proposed.
- 10.2.4. TA Projects is neutral but considers the financial contribution provisions may not produce timely outcomes for funding necessary infrastructure, no specific relief is sought in this case.
- 10.2.5. Kāinga Ora supports the general purpose of financial contributions but does not believe the approach for collecting contributions to give effect to Te Ture Whaimana is fully justified or that it should be applied in a blanket approach. Kāinga Ora also opposes the inclusion of a financial contribution for parks / reserves / open space network as they state that although intensification may result in a change in character or amenity, this is not an adverse effect that requires offsetting through financial payments. Kāinga Ora also seeks deletion of the existing financial contributions for three waters as they state that the development contribution regime already fund these.
- 10.2.6. For the purpose of discussion and analysis, seven subtopics have been identified and will be discussed separately. These are:
 - General or partial support
 - Inclusion of purpose statement for existing financial contributions
 - Residential amenity financial contribution
 - Te Ture Whaimana financial contribution
 - Greenfields developments
 - Specific amendments to section 18
 - Other matters
- 10.2.7. Sections 10.3 to 10.9 of this report provide discussion and recommendations under these topic headings. **Table 1** below shows which submitters lodged a submission point on the various topics.

Table 1: Financial contribution submitters by topic

Section	Topic	Submitter(s)
10.3	General or partial support	Waikato Regional Council (30) Waipā District Council (32) Fire and Emergency New Zealand (47) Waikato Tainui (49) Barnes, Paul Charles Ian (60) Bannon, Kim (62) Waka Kotahi New Zealand Transport Agency (63) Kāinga Ora – Homes and Communities (79)
10.4	Inclusion of purpose statement for existing financial contributions	Kāinga Ora – Homes and Communities (79)
10.5	Residential amenity financial contribution	Ryman Healthcare Limited (70) Metlifecare Limited (72) Shears, Sam (76) Retirement Villages Association of New Zealand Incorporated (73) Kāinga Ora – Homes and Communities (79)
10.6	Te Ture Whaimana financial contribution	Waikato Tainui (49) Shears, Sam (76) Kāinga Ora – Homes and Communities (79)
10.7	Greenfields developments	CKL NZ Limited (65)
10.8	Specific amendments to section 18	Waikato Regional Council (30) (FS4 – Support – Waka Kotahi New Zealand Transport Agency) Waipā District Council (32) CKL NZ Limited (65) (FS8 – Oppose – Kāinga Ora – Homes and Communities) Kāinga Ora – Homes and Communities (79)
10.9	Other matters	Henwood, Margaret Jean (37) TA Projects Limited (50) Ryman Healthcare Limited (70) Retirement Villages Association of New Zealand Incorporated (73) Kāinga Ora – Homes and Communities (79)

10.3. GENERAL OR PARTIAL SUPPORT

Introduction

10.3.1. General support or support for specific provisions proposed in Section 18 has been provided by 7 submitters.

Submissions

10.3.2. Seven submissions have generally or partially supported the financial contribution provisions proposed in PC26. The submissions can be summarised as follows:

- The Waikato Regional Council (30) has specifically supported provisions 18.4.2.6 and 18.5.1.3(b), and have generally supported the Te Ture Whaimana financial contribution and the purpose of financial contributions as notified.
- Waipā District Council (32) has put in a general submission that the provisions in section 18 are retained.
- Fire and Emergency New Zealand (47) generally support the imposition of financial contributions as a mechanism to recover infrastructure network costs associated with residential development and have requested the retention of the rules, purpose and provision 18.5.1.3 as notified.
- Waikato Tainui (49) have supported specific provision 18.2.3(b), which outlines the purpose of the Te Ture Whaimana financial contribution; and have requested the notified financial contributions section be retained, other than the amendments sought in their submission.
- Paul Barnes (60) and Kim Bannon (62) have concerns about funding the infrastructure required for intensification and both support Council seeking financial contributions for permitted activities if this is applied in a fair manner and is not used to make intensification financially unviable.
- Waka Kotahi NZ Transport Agency (63) supports the use of financial contributions to offset any adverse environmental effects or infrastructure upgrade that cannot otherwise be avoided, remedied or mitigated and has requested that the section 18 provisions be retained as notified.
- Kāinga Ora (79) supports the definitions in 18.1.1 as notified.

Assessment of submissions

10.3.3. Support for the financial contribution provisions generally, or for specific provisions in Section 18 is noted.

Recommendation on submissions

10.3.4. No changes to PC26 are recommended.

Recommended amendments to PC26

Nil.

10.4. INCLUSION OF PURPOSE STATEMENTS FOR EXISTING FINANCIAL CONTRIBUTIONS

Introduction

10.4.1. Purpose statements were included in PC26 for the new and existing financial contributions in section 18 of the Plan. Section 77E(a) of the RMA requires that a rule requiring a financial contribution must specify the purpose for which the financial contribution is required. The purpose statements were intended to clarify the existing financial contributions in the Plan which cover:

- Reticulated water services
- Wastewater collection services
- Stormwater services
- Road corridor services
- Heavy vehicle impact fee

10.4.2. The existing financial contributions can be required in the following circumstances (underlined has been added by PC26):

- (18.5.2.9) Reticulated water services - where a development or subdivision located outside Council's water supply area seeks to connect, and Council approves such connection, and where development contributions have not been paid or are not payable.
- (18.5.2.12) Wastewater collection services - where a development or subdivision located outside any of Council's wastewater service areas seeks to connect, subject to Council having wastewater disposal capacity, and where development contributions have not been paid or are not payable.
- (18.5.2.15) Stormwater services - where a development or subdivision located immediately outside any of Council's stormwater systems seeks to connect, subject to Council having the necessary resource consent to discharge and where development contributions have not been paid or are not payable.
- (18.5.2.18) Road corridor services – Council may require as part of a subdivision or development the payment of a financial contribution. A financial contribution may be payable where infrastructure for vehicles and pedestrians that is located off the site of the activity that is subject to consent:
 - Requires construction, upgrading or improving; and
 - The funding of the required works has not, for any reason, been fully or adequately provided for by other funding instruments available to Council; and
 - Where a development or subdivision will, or is likely to, adversely ~~effect~~ affect existing or proposed public roads managed by a road controlling authority other than Council, financial contributions may at Council's sole discretion and with appropriate justification, and in consultation with the appropriate road controlling authority, be assessed and used as though the road controlling authority was Council.

- (18.5.2.21) Heavy vehicle impact fee – Council may require as part of a development (including permitted), subdivision or land use consent, the payment of a financial contribution where:
 - Routes and other infrastructure for vehicles and pedestrians off the site subject to consent requires construction or upgrading; and/or
 - Increases in heavy traffic are likely to lead to infrastructure renewal; and/or
 - Construction or upgrades are required earlier than expected; and/or
 - Where the effects of the development adversely affect public roads managed by other agencies, any financial contribution taken may be used by those agencies to upgrade those roads.

10.4.3. The notified purpose for the existing financial contributions was worded as follows:

18.2.3 *The general purpose of ~~In this Plan~~, financial contributions are used for the following reasons:*

(a) *To recover from developers and/or applicants a contribution in the form of money, or land, or a combination of both money and land, which:*

(i) *Avoids, remedies, or mitigates adverse effects of the proposed activity on the environment, or ensures positive effects on the environment to offset any adverse effect, including but not limited to, effects associated with:*

- *Three waters/transport network connections;*
- *Three waters/transport network improvements;*
- *Three waters/transport capacity upgrades;*

...

10.4.4. The purpose statement of the existing financial contributions is also outlined in 18.5.13 as follows:

Three waters/transport infrastructure network

18.5.1.3 *To avoid, remedy and mitigate the adverse effects of residential development, or ensure positive effects on the environment to offset any adverse effect, through the recovery of infrastructure network costs associated with the following:*

- (a) *Three waters connections, network improvements, and capacity upgrades; and*
- (b) *Transport connections, network improvements, and capacity upgrades.*
- (c) *These costs will include:*
 - (i) *Where an existing supply is available, the cost of connection with the existing system;*
 - (ii) *Where an existing supply is available, but the capacity of the system is inadequate to meet the additional generated demand, the cost of connection and capacity upgrading of the*

existing system;

- (iii) Where an existing supply is available, but the network requires capacity upgrades or network improvements to ensure the connection does not compromise the network, the costs of those capacity upgrades or network improvements; and
- (iv) Where an existing network is not available, the cost of extending the network;
- (v) Any infrastructure works otherwise funded via Council's Development Contributions Policy are excluded.

Submissions

10.4.5. Kāinga Ora (79) requested amendment of the purpose of Financial Contributions 18.2.3 to remove reference to three waters improvements and upgrades.

Assessment of submission

10.4.6. In response to the request to amend 18.2.3 to remove reference to three waters improvements and upgrades it is agreed that the purpose statements do not adequately reflect the purpose of the existing financial contributions. The inclusion of the purpose statements is however recommended to be retained, in an amended form, as the existing financial contributions are unchanged by PC26 and adding the purpose statement ensures consistency between the new and existing financial contributions in section 18. The purpose statements are not intended to alter how and when the existing three waters financial contributions are required.

Recommendation on submissions

10.4.7. The submission is rejected. The purpose statements of the existing three waters financial contributions are recommended to be retained but amended (in accordance with the review of the financial contributions outlined in section 9) to better reflect the purpose of the existing financial contributions as distinct from development contributions.

Recommended amendments to PC26

18.2.3 The general purpose of In this Plan, financial contributions are used for the following reasons ~~(a) To~~ (32.15) recover from developers and/or applicants a contribution in the form of money, or land, or a combination of both money and land, which:

~~(i)(a)~~ Avoids, remedies, or mitigates adverse effects of the proposed activity on the environment, or ensures positive effects on the environment to offset any adverse effect, including but not limited to, effects associated with:

(i) ~~Three waters/transport network connections~~ Three waters connections, network improvements or capacity upgrades when a development is located outside of Councils reticulated service area(s) and seeks to connect; subject to Council; (32.15)

- Approving the connection; and/or
- Having wastewater capacity; and/or

- Having the necessary resource consent to discharge. (32.15)

(ii) Three waters/transport network improvements Transport network connections, improvements or capacity upgrades located off the subject site that are not provided for by any other Council funding mechanism that are required or are likely to be required as a result of a subdivision application, land use consent application or development (including permitted activities). (32.15)

~~(iii)~~ Three waters/transport capacity upgrades; (32.15)

(iv) ...

18.5.1.6 To avoid, remedy and mitigate the adverse effects of residential development, or ensure positive effects on the environment to offset any adverse effect, through the recovery of infrastructure network (32.15) costs associated with the following:

(a) Three waters connections, network improvements, and capacity upgrades when a development is located outside of Councils reticulated service area(s) and seeks to connect; subject to Council:

- Approving the connection; and/or
- Having wastewater capacity; and/or
- Having the necessary resource consent to discharge. (32.15)

and

(b) Transport connections, network improvements, and capacity upgrades located off the subject site that are not provided for by any other Council funding mechanism that are required or are likely to be required as a result of a subdivision application, land use consent application or development (including permitted activities). (32.15)

~~(c)~~ These costs will include:

(a) Where an existing network/system/supply (32.15) is available, the cost of connection with the existing system;

(b) Where an existing network/system/supply (32.15) is available, but the capacity of the system is inadequate to meet the additional generated demand, the cost of connection and capacity upgrading of the existing system;

(c) Where an existing network/system/supply (32.15) is available, but the network requires capacity upgrades or network improvements to ensure the connection does not compromise the network, the costs of those capacity upgrades or network improvements; and

(d) Where an existing network/system/supply (32.15) is not available, the cost of extending the network/system/supply; (32.15)

(e) Any infrastructure works not otherwise funded via Council's Development Contributions Policy are excluded. (32.15)

10.5. NEW RESIDENTIAL AMENITY FINANCIAL CONTRIBUTION

Introduction

- 10.5.1. The residential amenity financial contribution seeks to avoid, remedy, mitigate, offset or compensate adverse effects on urban amenity. As outlined in the purpose statement for the contribution (18.2.3 (iv and (v)) these include but are not limited effects associated with parks, reserves and open space network enhancement and improvement and streetscape amenity improvements.
- 10.5.2. The financial contribution may be monetary, a contribution of land or a combination of both.
- 10.5.3. The notified quantum of the financial contribution was:
- A fixed financial contribution of \$400 for each additional bedroom at the site created by the development (Rule 18.5.2.3).
 - Greenfield development will be required to pay 80% of the above rate (Rule 18.5.2.4).
- 10.5.4. The collection of the residential amenity financial contribution is for the following costs (18.5.1.4(a)(i) and (ii)):
- (i) Where public open spaces can be improved, the cost of land acquisition and development; and
 - (ii) Where streetscape amenity can be enhanced, the cost of that enhancement.

Submissions

- 10.5.5. Five submitters have raised concerns with the residential amenity financial contribution as follows:
- Ryman Healthcare Limited (70) and Retirement Village Association of New Zealand (73) have raised the same submission points regarding the residential amenity financial contribution. The submitters' state that the financial contribution that will be required is not clearly set out as the residential amenity financial contribution does not recognise the amenity that residential intensification can provide. The submitters have requested:
 - More certainty on the financial contributions to be paid be provided; or
 - The residential amenity financial contribution be deleted.
 - Metlifecare Limited (72) has submitted that they have concerns with the Council requiring financial contributions to offset any adverse effects on the environment as the submitter states that if an application for consent is granted, that it is accepted that the resulting level of effect is appropriate (because adverse effects are avoided, remedied, mitigated or offset). In relief Metlifecare Limited have requested that the purpose of the residential amenity financial contribution be deleted (18.5.1.4).
 - Sam Shears (76) has sought clarity on the amounts that will be collected for the residential amenity financial contribution and the locations it would be applied.
 - Kāinga Ora (79) seeks the deletion the residential amenity financial contribution, including the deletion of provision 18.5.1.4 and overall seeks that the full set of provisions proposed on financial contributions are deleted, reviewed and proposed in a separate plan change

process. Kāinga Ora (79) have opposed the inclusion of a financial contribution relating to parks / reserves / open space network and streetscape amenity as although intensification of the district will contribute to a change in character and amenity, this is not an adverse effect that they believe requires offsetting through financial payments.

Assessment of submissions

- 10.5.6. The purpose of the residential amenity financial contribution is to provide streetscape and urban open space improvements or expansions in response to additional growth resulting from the introduction of the MDRS.
- 10.5.7. In her evidence (dated 24 March 2023, section 6.28) Ms McElrea outlines that intensification has potential to create several adverse effects in respect to the functionality and amenity of parks and reserves and street trees including but not limited to:
- loss of natural character as well as a loss of the viewshafts to and from the Waikato River and Karāpiro Stream.
 - loss of amenity and usable space as a result of visual dominance of adjoining buildings and increased overland flows from adjoining developments.
 - restrictions on activities and development on parks and reserves as a result of reverse sensitivities.
 - negative impacts on the health of large specimen trees within reserves and streets.
- 10.5.8. The additional growth that will occur overtime will be expected to have good urban design outcomes, however, inevitably the growth will result in less private open space for recreation and fewer large mature trees. The public sphere, including the streetscape, will therefore become increasingly important. The development contribution framework for parks and reserves only caters for planned capital expenditure projects to respond to growth in greenfield locations. Financial contributions can be used for growth not planned for or covered by the development contribution framework within existing urban areas, or infill development and additional growth not planned for in greenfield locations. The residential amenity financial contribution will therefore be used to fund ‘urban’ parks, which are currently not funded by the development contribution regime.
- 10.5.9. For the above reasons the residential amenity financial contribution is considered to be justified and is recommended to be retained and not deleted as requested by Ryman Healthcare Limited (70), Metlifecare Limited (72), Retirement Village Association of New Zealand (73) and Kāinga Ora (79).
- 10.5.10. Metlifecare Limited (72) requests that financial contributions should not be sought to offset adverse effects on the environment as the submitter states that if an application for consent is granted, that it is accepted that the resulting level of effect is appropriate. This statement is not accepted. Not all effects of increased intensification can be addressed by individual development. It is appropriate to require financial contributions as a contribution to identified cumulative effects and to offset adverse effects. Even if a resource consent is granted the Act allows local authorities to require contributions to fund the impacts of growth. This point is emphasized as the Act now clarifies that funds can be sought by local authorities in relation to any activity other

than a prohibited activity, therefore including activities that are permitted and do not require resource consent³.

- 10.5.11. In reply to the question by submitter Sam Shears (76) the location that the residential amenity financial contribution will be collected for is recommended to be limited to development in the MDRZ only as this is the focus of PC26 and where additional growth is enabled by PC26.
- 10.5.12. In response to the amounts that will be collected for the residential amenity financial contribution as raised by Ryman Healthcare Limited (70), Retirement Village Association of New Zealand (73) and Sam Shears (76); Mr McIlrath has reviewed the methodology and quantum for the contribution in his evidence and has recommended updates to the provisions. The revised amount will be based on a cost per dwelling, rather than per bedroom.

Recommendation on submissions

- 10.5.13. The residential amenity financial contribution is recommended to be retained. Submission points requesting it be deleted by Ryman Healthcare Limited (70), Metlifecare Limited (72), Retirement Village Association of New Zealand (73) and Kāinga Ora (79) are therefore rejected.
- 10.5.14. The residential amenity financial contribution is recommended to be amended in response to submission points 70.116; 73.116; 76.18 and as outlined in the planning and economic review of the contribution and summarised below.

Recommended amendments to PC26

Recommended amendments to the residential amenity contribution as follows: (32.15)

- Revision of the quantum for the residential amenity financial contribution. (32.15; 70.116; 73.116; 76.18)
- Amendment to the residential amenity financial contribution to be collected from the Medium Density Residential Zone only. (32.15; 76.18)
- Addition of the word ‘urban’ public open spaces to explain where the costs of the residential amenity financial contribution will be applied. (32.15)
- Deletion of the percentage for greenfield development to contribute to the residential amenity financial contribution. (32.15)
- Deletion of the repetition of the residential amenity financial contribution purpose rules in the performance standards. (32.15)
- Addition of a ‘circumstances where financial contributions will be taken’ section to the residential amenity financial contribution to align with the existing rule set out in section 18. (32.15)
- Addition of a ‘timing of calculation and payment’ to the residential amenity financial contribution to align with the existing rule set out in section 18. (32.15)

³ Section 77E(1) Resource Management Act 1991

10.6. NEW TE TURE WHAIMANA FINANCIAL CONTRIBUTION

Introduction

- 10.6.1. The purpose of the Te Ture Whaimana financial contribution (18.2.3(vii)) is to give effect to Te Ture Whaimana including positive effects on the environment to offset adverse effects and its requirement for restoration and protection of the Waikato and Waipā Rivers (and their catchments) and the relationship between the Waikato and Waipā Rivers (and their catchments) and Waikato-Tainui, Waikato and Waipā River Iwi, and the Waikato Region’s communities and all other objectives and strategies contained within Te Ture Whaimana.
- 10.6.2. The financial contribution may be monetary, a contribution of land or a combination of both.
- 10.6.3. The notified quantum of the financial contribution was:
- A fixed financial contribution of \$400 for each additional bedroom at the site created by the development (Rule 18.5.2.6).
 - For non-residential development \$2,000 per 100m² of Gross Floor Area (Rule 18.5.2.7).
- 10.6.4. The collection of the Te Ture Whaimana financial contribution is for the following costs (18.5.1.5(a)(i)-(ix)):
- (i) Riparian enhancement;
 - (ii) Wetland creation/protection/restoration/enhancement;
 - (iii) Erosion control measures;
 - (iv) Ecological/biodiversity;
 - (v) Public access improvements to the Waikato River, including its tributaries;
 - (vi) Weed control measures;
 - (vii) Sediment reduction measures;
 - (viii) Waikato and Waipā Rivers / Te Ture Whaimana education; and
 - (ix) Restoration / protection / enhancement of waahi tapu and sites of significance.

Submissions

- 10.6.5. Three submitters raised concerns with the Te Ture Whaimana financial contribution.
- Waikato Tainui (49) have raised the following submission points:
 - Requested clarity over who will administer and have oversight for the funds collected for the Te Ture Whaimana financial contribution.
 - Requested clarity on the purpose of land collected for financial contributions will be and if the land be exempt from development.
 - Raised concerns if the costs listed in 18.5.1.5(a)(i-ix) will be enough to offset the effects of the development on the awa as well as providing for betterment.
 - Sought consistency between the approach of Te Ture Whaimana financial contributions and the purposes for which contributions are applied between districts.

- Sam Shears (76) has sought clarity on the amounts that will be collected for the Te Ture Whaimana financial contribution and the locations it would be applied.
- Kāinga Ora (79) have opposed the Te Ture Whaimana financial contribution for several reasons including:
 - They do not support monies collected to be paid to Council or a Council established group where the intent and purpose of collecting the monies is unclear.
 - There is an opportunity for a joint-management approach to be achieved that can deliver an enhanced outcome for the Waikato River and this an option not explored by Council in the Section 32 analysis.
 - Kāinga Ora seeks to ensure that any such financial contribution is fully justified both in terms of the purpose and the quantum of contribution.
 - Kāinga Ora considers that the proposed approach by Council is not considered to be in the spirit of Te Ture Whaimana and does not acknowledge the role that the Waikato River Authority plays in the management of the Waikato River, and the ties between that authority and local iwi through board representation.

Assessment of submissions

- 10.6.6. As outlined above, the purpose of the Te Ture Whaimana financial contribution is to give effect to Te Ture Whaimana and provide for restoration and protection of the Waikato and Waipā Rivers (and their catchments). As outlined by Ms McElrea in her evidence (s5.4, dated 24 March 2023) recent residential expansion in growth cells identified in Council’s District Growth Strategy, intensification of brownfield areas in the three main centres and industrial growth in Cambridge have highlighted the challenges and opportunities that growth presents in relation to identifying, protecting, restoring and/or enhancing open space values; including biodiversity, mana whenua, historic heritage, recreation and amenity values. It has highlighted the importance of a strong planning framework to achieve Council’s desired open space network outcomes and meet its responsibilities under Te Ture Whaimana and national policy statements.
- 10.6.7. In his evidence Mr Chapman also outlined the importance of giving effect to Te Ture Whaimana in PC26 to manage the effects of water quality and stream erosion on receiving environments (s8.17(b) dated 27 March 2023).
- 10.6.8. In response to Waikato Tainui’s (49) request regarding who will administer the funds collected for the Te Ture Whaimana financial contribution it is noted that Council is responsible for the use of financial contributions for the purpose which they have been received⁴. Council is currently updating their Development Contribution Policy, which will include commentary on Financial Contributions. The updated Development Contribution Policy is intended to set out the administration of financial contributions and may include partnerships with Waikato Tainui or the Waikato River Authority. An advice note in the PC26 provisions is recommended to be amended to include the Waikato River Authority and Waikato Tainui as entities that contributions may be undertaken by.

⁴ Section 111 Resource Management Act 1991

- 10.6.9. In response to Waikato Tainui’s (49) question on what the purpose of land collected for financial contributions will be and if the land will be exempt from development, as required by Policy (18.4.2.4) of PC26, financial contributions in the form of land must vest in Council prior to the completion of the activity or development. The vesting requires the purpose of the land to be specified. The purpose of the contribution is to give effect to Te Ture Whaimana (18.2.3(vii)). The costs associated with the contribution are also specified in the provisions (18.5.1.5(a)(i)-(ix)). Any land is likely to be vested for reserve purposes to meet the requirements of section 18.
- 10.6.10. In response to the concerns raised by Waikato Tainui relating to if the costs listed in 18.5.1.5(a)(i-ix) will be enough to offset the effects of the development on the awa as well as providing for betterment a change to the wording of provision 18.5.13 is recommended as outlined in the recommendations below.
- 10.6.11. Responding to Waikato Tainui’s request for Te Ture Whaimana provisions to be aligned across the region the Council has endeavoured to create consistency with Hamilton City Council’s provisions in drafting the Te Ture Whaimana financial contribution. Unfortunately, the joint hearing of both councils’ provisions is no longer possible as Hamilton City has requested to delay their hearing for PC12. Formatting changes are recommended to Waipā’s provisions to better align them with Hamilton City’s notified provisions. Therefore, although the provisions in each Council will not be the same, I believe Waipā has sought consistency between the approach and the purposes for which contributions are applied between districts as requested by Waikato Tainui (49).
- 10.6.12. In response to submission points raised by Sam Shears (76) and Kāinga Ora (79) the amounts that will be collected for the Te Ture Whaimana financial contribution has been reviewed by Market Economics. In his evidence Mr McIlrath has recommended changes to the methodology and quantum collected for this.
- 10.6.13. Sam Shears (76) has also queried the location that the Te Ture Whaimana financial contribution will apply to. The notified provisions for PC26 did not limit where the Te Ture Whaimana financial contribution applied to, however this has been revised and the Te Ture Whaimana contributions are recommended to be collected from the Medium Density Residential and Commercial Zones only as this is the focus of PC26 and where additional growth is expected to occur.
- 10.6.14. In response to the submission point raised by Kāinga Ora (79) on the Te Ture Whaimana financial contribution, including that a joint management approach has not been explored with Waikato Tainui as outlined above (10.6.8), the Development Contribution Policy review will address the administration of financial contributions. The administration of financial contributions is considered to sit best outside of the District Plan and in this Policy. In terms of the approach by Council not being in the spirit of Te Ture Whaimana it is noted that Waikato Tainui supports the general approach taken by Council for the Te Ture Whaimana financial contribution. It is unclear exactly why the submitter considers that the Council’s approach is not in the spirit of Te Ture Whaimana.
- 10.6.15. In response to the submission that the intent and purpose of the Te Ture Whaimana financial contribution is unclear, it is considered that this has been addressed in the evidence from Mr Quickfall and the revised provisions as follows:
- Purpose (18.5.1.3)

- To give effect to Te Ture Whaimana, including positive effects on the environment to offset any adverse effect and its requirement for restoration and protection of the Waikato and Waipā Rivers and their catchments, and the relationship between the Waikato River and Waikato- Tainui, Waikato River Iwi, and the Waikato Region’s communities and all other objectives and strategies contained within Te Ture Whaimana.
- Intent (18.5.1.3)
 - Riparian enhancement
 - Wetland creation/protection/restoration/enhancement
 - Erosion control measures
 - Ecological/biodiversity
 - Public access improvements to the Waikato River, including its tributaries
 - Weed control measures
 - Sediment reduction measures
 - Waikato and Waipā Rivers / Te Ture Whaimana education
 - Restoration / protection / enhancement of waahi tapu and sites of significance.

Recommendation on submissions

10.6.16. It is recommended that the Te Ture Whaimana financial contribution be retained.

10.6.17. It is recommended that the application of costs for the Te Ture Whaimana financial contribution be amended as per the submission from Waikato Tainui.

10.6.18. It is recommended that the application of the Te Ture Whaimana financial contribution be clarified to only be collected from the Medium Density Residential and Commercial Zones.

Recommended amendments to PC26

- Amend the advice note following the rules under 18.5.1 as follows:
Advice Note (applies to 18.5.1): (32.15)
Financial contributions may be used towards the provision, upgrading or future operation of network infrastructure owned and/or operated by any of the following: Waipā District Council; a Council Controlled Organisation; any other community infrastructure management entity; any adjoining Territorial Local Authority; Waka Kotahi (New Zealand Transport Agency); and towards waterway enhancement undertaken by the Waikato River Authority. (32.15)
- Amend 18.5.13 as follows:
18.5.13 These costs ~~will~~ may include but are not limited to: (49.13)
- The following changes to the Te Ture Whaimana financial contribution based on the planning and economic reviews of the provisions: (32.15)

- Revision of the quantum for the Te Ture Whaimana financial contribution.
- Amendment of the Te Ture Whaimana financial contribution to apply to the Medium Density Residential and Commercial Zones only.
- Deletion of the non-residential Te Ture Whaimana financial contribution.
- Deletion of the repetition of the Te Ture Whaimana financial contribution purpose rules in the performance standards.
- Addition of a ‘circumstances where financial contributions will be taken’ section to the Te Ture Whaimana contribution to align with the existing rule set out in section 18.
- Addition of a ‘timing of calculation and payment’ to the Te Ture Whaimana financial contribution to align with the existing rule set out in section 18.

10.7. GREENFIELD DEVELOPMENT

Introduction

10.7.1. Greenfield development is defined in Section 18 as follows:

Greenfield development means subdivision and/or urban development of previously undeveloped rural land. (18.1.1(e))

10.7.2. Greenfield development was required in PC26 Section 18 to pay 80% of the residential amenity financial contribution rate specified in 18.5.2.3 for each additional bedroom created on the site as part of the development (18.5.2.4).

Submission

10.7.3. One submission has been received from CKL NZ Limited opposing rule 18.5.2.4. The submitter states that in a greenfield development the Plan outlines what is considered appropriate in terms of amenity and therefore a proposal consistent with the Plan should not require a financial contribution to offset the adverse effects from amenity.

Assessment of submission

10.7.4. Mr McIlrath has reviewed the methodology and quantum for the new financial contributions and overall growth in his evidence. If the greenfield development adequately reflects the streetscape amenity requirements, then this should be reflected in the financial contribution charge that is recovered from that development. This acknowledges that investment in greenfield streetscapes and amenity is typically less than in infill areas. There is also flexibility that can be sought when greenfield sites go through the resource consent process to be subdivided and developed. Although there may be a structure plan in place, the structure plan process may not have envisaged medium density development, and any increased (or decreased) demands will be captured on a case-by-case basis when calculating contributions using the revised methodology and formula.

Recommendation on submission

10.7.5. The submission is accepted in part and the separate greenfield contribution to the residential amenity financial contribution is recommended to be deleted.

Recommended amendments to PC26

- Delete the percentage for greenfield development to contribute to the residential amenity financial contribution.

10.8. SPECIFIC AMENDMENTS TO SECTION 18

Introduction

- 10.8.1. Waipā District Council lodged a submission signalling that the financial contribution provisions in PC26 may need to be amended following additional review, which was not possible due to timing prior to notification (submission point 32.15).
- 10.8.2. The financial contribution provisions notified for PC26 were consistent with the financial contribution's provisions proposed by Hamilton City Council. Following receipt of submissions, a review of Waipā's financial contribution provisions was undertaken and formatting changes are recommended to better align the provisions with Hamilton City Council's Plan Change 12 and with the current layout of the District Plan.
- 10.8.3. Following receipt of submissions, a review of the methodology and quantum of Waipā's financial contribution provisions was undertaken by Mr McIlrath from Market Economics. As outlined in Mr McIlrath's evidence the review determined that the principles of the financial contributions, are that the process has to be fair, equitable and proportionate and proportional to the persons who will benefit from the projects to be provided (including the community as a whole), as well as those who create the need for those projects. A model has been established by Mr McIlrath that distributes the funding load (associated with Council identified projects) across existing households (dwelling or ratepayers) and growth (intensification or greenfields) using a series of assumptions. These assumptions need to be confirmed and refined to ensure that the applied financial contribution charge is robust. Mr McIlrath recommends in his evidence that the quantum of the residential amenity and Te Ture Whaimana financial contributions is amended to be based on a formula that gives a dollar amount for each contribution per dwelling.
- 10.8.4. The changes recommended as a result of the reviews can be summarised as follows:

Residential amenity financial contribution

- Revision of the quantum for the residential amenity financial contribution.
- Amendment to the residential amenity financial contribution to be collected from the Medium Density Residential Zone only.
- Addition of the word 'urban' public open spaces to explain where the costs of the residential amenity financial contribution will be applied.
- Deletion of the percentage for greenfield development to contribute to the residential amenity financial contribution.

Te Ture Whaimana financial contribution

- Revision of the quantum for the Te Ture Whaimana financial contribution.
- Amendment of the Te Ture Whaimana financial contribution to apply to the Medium Density Residential and Commercial Zones only.
- Deletion of the non-residential Te Ture Whaimana financial contribution.

General

- Deletion of the general non-residential financial contribution.

- The addition of a cumulative effects policy and the addition of cumulative effects to the performance standards of the new contributions.
- Amendments to clarify the purpose section relating to three waters and transport network financial contributions.
- Review of the definitions section following amendments to section 18 to remove redundant definitions and include a definition for ‘residential development’.
- Deletion of the repetition of the residential amenity and Te Ture Whaimana financial contribution purpose rules in the performance standards.
- Addition of a ‘circumstances where financial contributions will be taken’ section to the residential amenity and Te Ture Whaimana contributions to align with the existing rule set out in section 18.
- Addition of a ‘timing of calculation and payment’ to the residential amenity and Te Ture Whaimana financial contributions to align with the existing rule set out in section 18.

Submissions

10.8.5. Four submitters have requested specific changes to the provisions in section 18.

- Waikato Regional Council (30) has requested:
 - Amendments to provision 18.4.2.7 to incorporate reference to effects on climate change.
 - Amendments to provisions 18.5.1.3(b) and 18.5.2.18 to refer to multi-modal transport options, cycling and walking and consequential amendments to the advice notes following rules 18.5.2.19 and 18.5.2.20 as necessary.
- Waipā District Council’s (32) submissions request specific changes to 18.5.1.1, 18.5.2.10 and 18.5.2.16 to amend drafting errors. More generally, the Council has also requested any further amendments to Section 18 that are necessary to accurately and effectively calculate the quantity of financial contributions are included. The results of this review are outlined in detail in the introduction to this section above (see section 10.8.4).
- CKL NZ Ltd (65) has requested several specific amendments to the financial contribution provisions as follows:
 - Amend rule 18.5.1.2 to be an advice note.
 - Amend Rule 18.5.1.6(c) to refer to the scale of residential development.
 - Amend Rule 18.5.1.6(d) to refer to distance from network and performance standards.
 - Amend Rule 18.5.1.4 to refer to the performance standards.
 - Amend numbering of rule 18.5.1.1.
 - Delete rules 18.5.2.1, 18.5.2.3, 18.5.2.5, 18.5.2.6, 18.5.2.8 and 18.5.2.10
 - Amend order of rules
- Kāinga Ora (79) has requested several specific amendments to the financial contribution provisions as follows:

- Amend provision 18.1 to relate financial contribution policy to 'identified matters' rather than 'any' adverse effect.
- Relate the financial contributions policy to 'identified' matters rather than in relation to 'any' adverse effect.
- Retain District Plan 18.3.1 objective concerning planned, financed growth.
- Amend Objective 18.4.1 to add where effects cannot be managed on-site and delete (b) and (c).
- Amend policy 18.4.2.6 to refer to capacity constraints rather than the cost of ensuring positive effects on the environment to offset and adverse effect.
- Delete 18.5.2 Performance standards; Rules 18.5.2.5, 18.5.2.6, 18.5.2.7 and advice note below those rules; Rule 18.5.2.8 and 18.2.3 (b)
- Financial contributions are not appropriate as a 'blanket' approach to offsetting and therefore the reference to 'any' adverse effect should be removed.

Assessment of submissions

- 10.8.6. In response to the request from Waikato Regional Council (30) to incorporate reference to effects on climate change into provision 18.4.2.7 the recognition of climate change in the policy on 'costs relating to effects' is not disputed but it is considered too specific to list this one type of effect in a policy that deals broadly with a range of adverse effects.
- 10.8.7. In response to the request from Waikato Regional Council (30) to incorporate amendments to provisions 18.5.1.6(b) and 18.5.2.18 to refer to multi-modal transport options, cycling and walking and consequential amendments to rules 18.5.2.19 and 18.5.2.20 and the advice notes as necessary the addition of multi-modal transport options fits with other objectives and policies throughout the Plan so is accepted. The deletion of capacity upgrades is not supported as this is still considered relevant for all transport connections.
- 10.8.8. In response to the Waipā District Council's (32) requested amendments to the financial contribution provisions, planning and economic reviews were undertaken on the notified provisions. The reviews recommended amendments including a number of formatting updates and methodology and quantum amendments as summarised in section 9 and the introduction of this section of the report (see sections 9 and 10.8.1-10.8.4).
- 10.8.9. In response to the specific requests from CKL NZ Ltd (65):
- In relation to amending rule 18.5.1.2 to be an advice note, the submission is accepted in part, this section has been redrafted to make more sense.
 - In response to the request to amend Rule 18.5.1.6(c) to refer to the scale of residential development these calculations are based on demand so reference to the scale of the development in the rule is not required.
 - In response to amending Rule 18.5.1.6(d) to refer to distance from network; it is not considered that there should be a maximum distance attached to this rule as the application of the rule is location and case-by-case specific, so a maximum distance is not relevant.

- In response to amending Rule 18.5.1.3 and 18.5.1.4 to refer to the performance standards this is accepted but is recommended to be included at the beginning of all of the rules rather than repeated in each rule (18.5.1.5).
- In response to amending the numbering of rule 18.5.1.1 this is accepted and has also been requested by Waipā District Council (32).
- In response to deleting rules, these are addressed individually below:
 - In relation to Rule 18.5.2.1, 18.5.2.5 although it is agreed this does not read like a rule this is how Waipā sets out their performance standards in the District Plan, this section has been reformatted and re-written to align better with the District Plan layout and to make more sense.
 - In relation to Rule 18.5.2.3, 18.5.2.6 the methodology for calculating the financial contributions has been amended to refer to new dwellings not bedrooms.
 - In relation to Rule 18.5.2.8 the rule on non-residential development has been deleted.
 - In relation to Rule 18.5.2.10 this rule does not require deletion as the previous rule (18.5.2.9) confirms that financial contributions for reticulated water services only apply where the development or subdivision is outside of Council’s water supply area.
 - In response to amending the order of rules 18.5.2.24 and 18.5.2.25 (contribution of land / contribution of land and money) it is not agreed that these rules need to be at the start of the section, however an additional heading above the rules is recommended to separate them from the other groups of rules.

10.8.10. In response to the specific requests from Kāinga Ora (79):

- In response to the use of the word ‘any’ adverse effects should be revised to ‘identified’ adverse effects so as not to infer a blanket approach to financial contributions; this point is accepted in part and provisions [18.2.3, Table 18.1, 18.2.3(a), 18.2.3(a) (vii), 18.4.1, 18.4.2, 18.5.1.6, 18.5.1.2, 18.5.1.3] are recommended to be amended to remove reference to ‘any’, however, the addition of ‘identified’ is not considered to be needed as the adverse effects have been identified adequately in the provisions of PC26.
- In response to the request to amend Objective 18.4.1 to add where effects cannot be managed on-site and delete (b) and (c) this is rejected as financial contributions are not limited to off-site effects in the Act and the Act allows for ensuring positive effects⁵. The Te Ture Whaimana financial contribution is discussed in section 10.6 of this report and is recommended to be retained.
- In response to the request to amend policy 18.4.2.6 to refer to capacity constraints rather than the cost of ensuring positive effects on the environment to offset an adverse effect the Act allows for the cost of ensuring positive effects on the environment to offset an adverse effect⁵ and policy 18.4.2.6 is not just referring to financial contributions regarding capacity constraints only so should not be limited in this way.
- The requested deletions are addressed individually below:

⁵ Section 77E(2)(a) Resource Management Act 1991

- The request to delete the performance standards (18.5.2) is rejected. This aligns with the layout of the existing District Plan and forms a second layer of rules with the methodology included in this.
- The request to delete the Te Ture Whaimana performance standards (18.2.3 (b); Rules 18.5.2.5, 18.5.2.6, 18.5.2.7 and advice note below those rules) is discussed in section 10.6 of this report and is recommended to be retained.
- The request to delete Rule 18.5.2.8 regarding non-residential development is accepted and has also been recommended in the review of the provisions.

Recommendation on submissions

10.8.11. The recommendations on submissions are outlined individually in **Table 2, Appendix B**.

Recommended amendments to PC26

- Amend 18.5.1.6 as follows:
18.5.1.6(b) Transport connections [including for multimodal transport options \(30.25\)](#), network improvements, and capacity upgrades.
- Amend 18.5.18 and the advice note following to refer to ‘cycling and walking’ rather than ‘pedestrians’ [\(30.26\)](#).
- Undertake amendments recommended in the planning and economic review of the provisions as outlined in section 9.9.4 and other minor amendments [\(32.15, 32.21, 32.22, 65.21, 65.22, 65.25, 65.26, 65.34\)](#) including:
 - Residential amenity financial contribution
 - Revision of the quantum for the residential amenity financial contribution.
 - Amendment to the residential amenity financial contribution to be collected from the Medium Density Residential Zone only.
 - Addition of the word ‘urban’ public open spaces to explain where the costs of the residential amenity financial contribution will be applied.
 - Deletion of the percentage for greenfield development to contribute to the residential amenity financial contribution.
 - Te Ture Whaimana financial contribution
 - Revision of the quantum for the Te Ture Whaimana financial contribution.
 - Amendment of the Te Ture Whaimana financial contribution to apply to the Medium Density Residential and Commercial Zones only.
 - Deletion of the non-residential Te Ture Whaimana financial contribution.
 - General
 - Deletion of the general non-residential financial contribution.
 - The addition of a cumulative effects policy and the addition of cumulative effects to the performance standards of the new contributions.

- Amendments to clarify the purpose section relating to three waters and transport network financial contributions.
- Review of the definitions section following amendments to section 18 to remove redundant definitions and include a definition for ‘residential development’.
- Deletion of the repetition of the residential amenity and Te Ture Whaimana financial contribution purpose rules in the performance standards.
- Addition of a ‘circumstances where financial contributions will be taken’ section to the residential amenity and Te Ture Whaimana contributions to align with the existing rule set out in section 18.
- Addition of a ‘timing of calculation and payment’ to the residential amenity and Te Ture Whaimana financial contributions to align with the existing rule set out in section 18.
- Add a new heading ‘Rule – Circumstances where financial contributions may be taken’ to describe that rule 18.5.2.1 outlines when financial contributions may be taken (65.24).
- Add a new heading ‘Financial contributions of land’ to separate the contribution of land rules from those above (65.28).
- Delete the word ‘any’ adverse effects in the following provisions (79.291, 79.295, 79.296, 79.298):
 - 18.2.1
 - Table 18.1
 - 18.2.3(a)
 - 18.2.3(a) (vii)
 - 18.4.1 (b)
 - 18.4.2.7
 - 18.5.1.6
 - 18.5.1.7
 - 18.5.1.8

10.9. OTHER MATTERS

Introduction

10.9.1. A number of other matters were raised in relation to the Financial Contributions section.

Submissions

10.9.2. Other matters concerning the financial contribution provisions were raised by six submitters, these other matters included:

- Margaret Henwood (37) has requested that the Council require extensive financial contributions from developers, including for transport matters.
- TA Projects Ltd (50) has questioned whether financial contributions will provide timely outcomes in terms of the necessary upgrades to infrastructure including stormwater management and wastewater services.
- Ryman Healthcare Limited (70) and Retirement Villages Association of New Zealand Incorporated (73) have raised a number of other matters and sought amendments to ensure:
 - The dual financial and development contribution regimes will not result in double dipping.
 - The calculation methodology takes into account the cost of works undertaken as part of the development.
 - A retirement village specific regime is provided that takes into account their substantially lower demand profile compared to standard residential developments.
- Sam Shears (76) has sought clarity on the amounts that will be collected for the three waters financial contribution and the locations it would be applied.
- Kāinga Ora (79) has opposed the existing financial contributions in Section 18 (relating to three waters and transport infrastructure) as they state that development contributions already apply to developments to contribute to three waters and transport improvements and capacity upgrades, and any additional contributions should not be sought for these aspects of development except where required to create capacity within the local catchment at the point of connection for the development.

Assessment of submissions

10.9.3. In relation to Margaret Henwood's (37) submission, support for Council taking financial contributions is noted. Financial contributions for roading matters are already included in the District Plan and are not proposed to be removed by PC26.

10.9.4. In relation to TA Projects (50) submission that financial contributions will not provide timely outcomes the point of the submission is noted, however, the means for local authorities to recover costs to fund growth related impacts are set out in the RMA and LGA and include development contributions, financial contributions and rates. To upgrade infrastructure prior to development occurring would require funding from rates. Waipā Council's direction on funding of growth-related infrastructure, as outlined in its current Development Contribution Policy (2022), is that the funding burden should rest with developers rather than ratepayers.

10.9.5. In relation to Ryman (70) and Retirement Villages (73) submission points:

- The RMA and LGA allow for both development contributions and financial contributions to be taken, however, not for the same projects, thus avoiding double dipping. The distinction between projects funded by development contributions and financial contributions is important. In Mr McIlrath’s methodology, he assumes that the development contribution component is separate and the projects to be funded via financial contributions are distinct. In addition, there are potential interplays with rates that he considers in estimating the financial contribution charge.
- Financial contributions are calculated on a case-by-case basis based on the attributes of the demand created by the proposed development. Therefore, if a development such as a retirement village has a differing set of attributes, based on its general use or if on-site solutions have been provided that will lessen the effects of the development on the matters being addressed by the Te Ture Whaimana or the residential amenity projects, then this should be reflected when calculating the financial contributions payable by that development. The formula in Mr McIlrath’s evidence illustrates how the relevant project costs are related to dwelling growth.

10.9.6. In response to the submission point raised by Sam Shears (76) regarding the amounts that will be collected for the three waters and transport financial contributions these amounts have not been amended by PC26. The three waters and transport financial contributions can apply to any new or expanded development that may impact this infrastructure throughout the Waipā district but are limited to specific circumstances.

10.9.7. In response to Kāinga Ora’s (79) submission on the existing financial contributions in Section 18 (relating to three waters and transport infrastructure), as outlined above (10.9.5) the development contribution and financial contribution regimes take funding for different projects based on the current growth scenario for development contributions and the additional growth anticipated by the introduction of the Medium Density Residential Standards for financial contributions. The three waters and transport financial contributions are also already in the District Plan and the methodology and quantum set out for these has not been amended by PC26.

Recommendation on submissions

10.9.8. The existing financial contributions (three waters / road transport) are recommended to be retained.

<p>Recommended amendments to PC26 Nil</p>
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11. CONCLUSION AND RECOMMENDATION

11.1. CONCLUSION

11.1.1. Following receipt of submissions for PC26, planning and economic reviews of the financial contributions in Section 18 of PC26 have been undertaken. A number of amendments are recommended to the PC26 provisions to take into account:

- Requests raised by submissions received.
- Consistency of the PC26 provisions with Hamilton City Council's provisions.
- Consistency of the PC26 provisions with the existing financial contribution provisions in the Waipā District Plan.
- Formatting and layout corrections.
- The economic review by Market Economics of the underlying methodology of the new financial contributions.

11.1.2. Having considered all the submissions and reviewed all relevant statutory and non-statutory documents, I recommend that PC26 should be amended as set out in **Appendix A** of this report.

11.2. RECOMMENDATION

11.2.1. Recommend that the Hearing Commissioners accept, accept in part, or reject submissions (and associated further submissions) as outlined in **Appendix B** of this report; and

11.2.2. The Waipā District Plan is recommended to be amended in accordance with the changes outlined in **Appendix A** of this report.

Report prepared by:



Damien McGahan
Principal, Aurecon



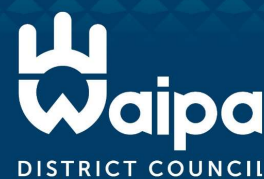
Melissa Needham
Senior Planner, Aurecon

Report reviewed and approved by:



Tony Quickfall
Manager – District Plan and Growth

RMA HEARINGS PANEL REPORT



Appendix A Recommended track change amendments to Plan Change (Section 18 Financial Contributions)

RMA HEARINGS PANEL REPORT



Appendix B Response to submissions summary table (Table 2)

WAIPA DISTRICT PLAN: PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION
(FINANCIAL CONTRIBUTIONS)

Table 2: Summary of submissions on financial contributions by topic

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
General or partial support for financial contributions	30.13	Waikato Regional Council	Support	Supports financial contributions for costs relating to effects.	Retain 18.4.2.6	Submission accepted
General or partial support for financial contributions	30.24	Waikato Regional Council	Support	Supports financial contributions for the transport infrastructure network.	Retain 18.5.1.3(b)	Submission accepted
General or partial support for financial contributions	30.36	Waikato Regional Council	Support	Supports Council using its powers under the RMA to collect financial contributions for activities including riparian enhancement, wetland creation, protection, restoration and enhancement and other betterment activities to give effect to Te Ture Whaimana.	Retain financial contributions in Chapter 18 to give effect to Te Ture Whaimana.	Submission accepted
General or partial support for financial contributions	32.14	Waipā District Council	Support	PC26 proposes amendments to the financial contributions provisions as enabled by s77E of the Act for the purposes of avoiding, remedying, mitigating or compensating for adverse effects of development on the environment and to ensure positive effects to offset adverse effects. It is important that financial contributions introduced by PC26 are retained.	Retain financial contributions provisions in Section 18 as amended by PC26 to ensure that adverse effects on the environment from development are avoided, remedied, mitigated or compensated for and positive effects on the environment offset adverse effects of development.	Submission accepted
General or partial support for	47.32 47.33	Fire and Emergency New Zealand	Support	Generally support the imposition of financial contributions as a mechanism to recover infrastructure	Retain Rules - Purpose of financial contributions as notified (18.5.1). Retain 18.5.1.3 as notified.	Submission accepted

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WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
financial contributions				network costs associated with residential development.		
General or partial support for financial contributions	49.10	Waikato Tainui	Support	Waikato-Tainui support the inclusion of Section 18.2.3(b).	Retain Section 18 other than the amendments sought in other submission points in submission 49.	Submission accepted
General or partial support for financial contributions	60.2	Barnes, Paul Charles Ian	Support	I support the proposed plan change, supported by the evidence-based conclusions from the New Zealand Infrastructure Commission report of March 2022. There is a lack of housing in New Zealand and this proposed plan change will help address housing supply issues. The current local planning rules are excessive and inadequate.	Support the Council seeking financial contributions for permitted activity if this is applied in a fair manner and is not used to make intensification financially unviable.	Submission accepted
General or partial support for financial contributions	62.2	Bannon, Kim	Support	I have concerns about funding the infrastructure required for intensification.	Support the Council seeking financial contributions for permitted activity if this is applied in a fair manner and is not used to make intensification financially unviable.	Submission accepted
General or partial support for financial contributions	63.8	Waka Kotahi New Zealand Transport Agency	Support	Supports the use of financial contributions to offset any adverse environmental effects or infrastructure upgrade that cannot otherwise be avoided, remedied or mitigated.	Retain Section 18-Financial Contributions as notified	Submission accepted
General or partial support for financial contributions	79.290	Kāinga Ora – Homes and Communities	Support in part	Supports the definitions in 18.1.1 as notified.	Retain 18.1.1 as notified.	Submission accepted

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
Inclusion of purpose statements for existing financial contributions	79.292	Kāinga Ora – Homes and Communities	Amend	Supports the general purpose of Financial Contributions; however, ‘development contributions’ already apply to developments to contribute towards three waters& transport network improvements and capacity upgrades, and any additional contributions should not be sought for these aspects of development, except where required to create capacity within the local catchment, at the point of connection for the development. Kāinga Ora opposes the inclusion of a financial contribution relating to parks/reserves/open space network and streetscape amenity. Whilst the intensification of Waipā District will contribute to a change in character and amenity, this is not considered to be an adverse effect that requires offsetting through financial payments.	<p>Amend Purpose of Financial Contributions 18.2.3 to remove reference to three waters improvements and upgrades which are already addressed through development contributions under the Local Government Act, and relate the financial contributions policy to 'identified' matters rather than in relation to 'any' adverse effect:</p> <p>Purpose of Financial Contributions 18.1.3 2.3</p> <p>The general purpose of financial contributions are:</p> <p>(a)To recover from developers and/or applicants a contribution in the form of money, or land, or a combination of both money and land, which:</p> <p>(i)Avoids, remedies, or mitigates adverse effects of the proposed activity on the environment, or ensures positive effects on the environment to offset any <u>identified</u> adverse effect, including but not limited to, effects associated with:</p> <ul style="list-style-type: none"> • Three waters/transport network connections; • Three waters/transport network improvements; • Three waters/transport capacity upgrades; • Parks/reserves/open space network enhancement/improvement 	<p>Submission rejected</p> <p>The purpose statement of the existing financial contributions is recommended to be retained and is a requirement of s77E(a).</p> <p>It is recommended that the purpose statements are amended to better reflect the purpose of the existing financial contributions as distinct from development contributions.</p>

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
					<ul style="list-style-type: none"> Streetscape amenity improvements; Where the capital expenditure items identified in this rule are not otherwise funded via Council’s Development Contributions Policy. 	
Inclusion of purpose statements for existing financial contributions	79.299	Kāinga Ora – Homes and Communities	Amend	Supports the general purpose of Financial Contribution; however, ‘development contributions’ already apply to developments to contribute towards three waters/transport network improvements and capacity upgrades, and additional contributions should not be sought for these aspects of development except where required to create capacity within the local catchment, at the point of connection, for the development. Kāinga Ora considers that the objective should be amended to relate any financial contribution that is levied, to a particular identified adverse effect which is specifically in relation to capacity constraints at the point of connection. Financial contributions should not be applied as a ‘blanket’ approach to offsetting and therefore the reference to ‘any’ adverse effect should be removed.	<p>Amend the provisions as shown to remove reference to three waters improvements and upgrades which are already addressed through development contributions under the Local Government Act, and relate financial contribution policy to 'identified' matter rather than in relation to 'any' adverse effect:</p> <p>Three waters/transport infrastructure network</p> <p>18.5.1.3 To avoid, remedy and mitigate the adverse effects of residential development, <u>relating to capacity constraints at the point of connection to a development</u>, or ensure positive effects on the environment to offset an adverse effect, through the recovery of infrastructure network costs associated with the following:</p> <p>(a) Three waters connections, network improvements, and capacity upgrades; and (b) Transport connections, network improvements, and capacity upgrades.</p> <p>(c) These costs will include:</p> <p>(i) Where an existing supply is available, the cost of connection with the existing system; <u>and</u></p>	<p>Submission accepted in part</p> <p>The three waters FCs purpose has been amended to emphasize their purpose as distinct from development contributions.</p> <p>It is noted that the three waters FCs are not proposed to be altered by PC26.</p>

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
					<p>(ii)Where an existing supply is available, but the capacity of the system is inadequate to meet the additional generated demand, the cost of connection and capacity upgrading of the existing system;</p> <p>(iii)Where an existing supply is available, but the network requires capacity upgrades or network improvements to ensure the connection does not compromise the network, the costs of those capacity upgrades or network improvements; and</p> <p>(iv)Where an existing network is not available, the cost of extending the network;</p> <p>(v)Any infrastructure works otherwise funded via Council’s Development Contributions Policy are excluded.</p>	
Residential amenity financial contribution	70.116	Ryman Healthcare Limited	Oppose	<p>The submitter is concerned that Section 18-does not clearly set out the financial contributions that will be required.</p> <p>The submitter also opposes in particular the proposed “residential amenity” financial contribution which does not recognise the amenity that residential intensification can provide.</p>	<p>Seeks amendments to:</p> <ul style="list-style-type: none"> - Provide certainty as to the financial contributions that will be required to be paid; - Delete residential amenity financial contribution; 	<p>Submission accepted in part</p> <p>The residential amenity FC methodology has been reviewed.</p> <p>The residential amenity FC is recommended to be retained to fund the impact of growth on urban parks and streetscapes that are not funded by the DC regime.</p>
Residential amenity financial contribution	72.30	Metlifecare Limited	Oppose	<p>It is not appropriate that the Council require financial contributions to offset any adverse effects on the environment. If an application for consent is granted, it is accepted that</p>	<p>Delete 18.5.1.4 in full.</p>	<p>Submission rejected</p> <p>The Act allows local authorities to require contributions to fund infrastructure impacted by growth,</p>

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
				the resulting level of effect is appropriate (because adverse effects are avoided, remedied, mitigated or offset). Requiring a developer to contribute to additional offsetting, is not appropriate.		including for activities that are permitted and do not require resource consent
Residential amenity financial contribution	73.116	Retirement Villages Association of New Zealand Incorporated	Oppose	The submitter is concerned that Section 18-does not clearly set out the financial contributions that will be required. The submitter also opposes in particular the proposed “residential amenity” financial contribution which does not recognise the amenity that residential intensification can provide.	Seeks amendments to: - Provide certainty as to the financial contributions that will be required to be paid; - Delete residential amenity financial contribution;	Submission accepted in part The residential amenity FC methodology has been reviewed. The residential amenity FC is recommended to be retained to fund the impact of growth on urban parks and streetscapes that are not funded by the DC regime.
Residential amenity financial contribution	76.18	Shears, Sam	Support in part	Supports the intention behind financial contributions, however, seeks clarification regarding the figures for residential amenity and for what specific residential development locations this applies to.	Supports the intention behind financial contributions, however, seeks clarification regarding the figures for residential amenity and for what specific residential development locations this applies to.	Submission accepted The figures for the residential amenity financial contribution have been reviewed and amended. The location the contribution applies to has been reviewed and is recommended to be limited to the MDRZ only.
Residential amenity financial contribution	79.12 79.26 79.300	Kāinga Ora – Homes and Communities	Oppose	Opposes the inclusion of a financial contribution relating to parks / reserves / open space network and streetscape amenity. Whilst the intensification of the district will contribute to a change in character and amenity, this is not an adverse effect that requires offsetting through financial payments.	Opposes the inclusion of a financial contribution relating to parks / reserves / open space network and streetscape amenity. Delete Rule 18.5.1.4 in its entirety.	Submission rejected Additional residential growth from the MDRS is considered to impact urban parks / reserves / open space networks which are not funded by the DC regime. The residential amenity financial contribution is recommended to be retained.

Plan Change 26 Section 42A Hearing Report (Financial Contributions) – 20 to 22 September 2023 (TBC)

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
Te Ture Whaimana financial contribution	49.11	Waikato Tainui	Amend	It is unclear who will administer and have oversight of the fund for these contributions.	Amend Section 18 to make it clear who will administer and have oversight of the fund for these contributions including that Waikato-Tainui will have oversight.	<p>Submission rejected</p> <p>It is considered that the administration of the FC funds sits best outside of the District Plan and in the DC Policy.</p> <p>Council is required under the Act to deal with money collected for a financial contribution in reasonable accordance with the purposes it was received⁴.</p> <p>The administration of FCs is intended to be addressed in the Development Contribution Policy (currently under review).</p>
Te Ture Whaimana financial contribution	49.12	Waikato Tainui	Amend	Rule 18.5.2.24(a) and Rule 18.5.2.24(b) provide guidelines for financial contributions in the form of land. However, in terms of that land being a financial contribution for the purposes of giving effect to Te Ture Whaimana, it is unclear what the purpose of that land will be, and it is expected that the land would be exempt from further development.	Amend Section 18 to make it clear who will make the decision on the purpose for which the financial contribution will be applied to, including that as a JMA partner, Waikato Tainui will participate in the decision-making for those purposes.	<p>Submission rejected</p> <p>Section 18 sets out what the land collected for FCs must be used for. Policy (18.4.2.4) of PC26, financial contributions in the form of land must vest in Council prior to the completion of the activity or development.</p> <p>Any land is likely to be vested for reserve purposes to meet the requirements of section 18.</p>
Te Ture Whaimana financial contribution	49.13	Waikato Tainui	Amend	The financial contribution purposes applied to give effect to Te Ture Whaimana should not be limited to the costs listed in 18.5.1.5(a)(i-ix), as there may be other purposes that mana whenua deem more	Amend Section 18 to ensure the financial contribution purposes applied to give effect to Te Ture Whaimana are not limited to the costs listed in 18.5.1.5 (a)(i-ix).	<p>Submission accepted.</p> <p>Amendment to 18.5.1.5 is recommended.</p>

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
				<p>appropriate for a specific development or area.</p> <p>In relation to Sections 18.5.2.5, 18.5.2.6, and 18.5.2.7, Waikato-Tainui are concerned that the financial contributions will not be commensurate to the development and the adverse effects it may potentially have on the awa or demonstrate improvement in water quality.</p> <p>Waikato-Tainui do not believe the financial contributions will be enough to offset the effects as well as providing for betterment.</p>		
Te Ture Whaimana financial contribution	49.14	Waikato Tainui	Amend	<p>There needs to be consistency between territorial authorities in terms of the approach to determining financial contributions for the purposes of giving effect to Te Ture Whaimana. This means there will be a consistency in approach to giving effect to Te Ture Whaimana and the purposes the contributions are applied to will not vary between districts.</p>	<p>Amend Section 18 to ensure there is consistency in requiring financial contributions for the purposes of giving effect to Te Ture Whaimana between Hamilton City Council and other territorial authorities within the Waikato and Waipā River Catchments.</p>	<p>Submission accepted</p> <p>Waipā Council has made efforts to align its provisions with HCC.</p>
Te Ture Whaimana financial contribution	76.18	Shears, Sam	Support in part	<p>Supports the intention behind financial contributions, however, seeks clarification regarding the figures for Te Ture Whaimana and for what specific residential development locations this applies to.</p>	<p>Clarification regarding the figures for Te Ture Whaimana and for what specific residential development locations this applies to.</p>	<p>Submission accepted</p> <p>The Te Ture Whaimana FC has been revised to only apply in the Medium Density and Commercial Zones only.</p>

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
Te Ture Whaimana financial contribution	79.10	Kāinga Ora – Homes and Communities	Oppose	<p>Opposed to the proposed provisions and financial contribution for giving effect to Te Ture Whaimana as notified.</p> <p>The submitter does not support monies collected to be paid to Council or a Council established group where the intent and purpose of collecting the monies is unclear.</p> <p>Notes that the section 32 evaluation states that the financial contributions "reflect Hamilton City Council's methodology for their contributions..." and that "it is anticipated that further investigations will be required through the submissions and hearing process to confirm the Waipā dollar amount for amenity and Te Ture Whaimana contributions."</p>	Seeks to ensure that financial contributions for giving effect to Te Ture Whaimana o Te Awa o Waikato is fully justified both in terms of the purpose and the quantum of contribution, for when it is levied.	<p>Submission accepted</p> <p>The purpose and quantum of the TTW FC has been revised.</p>
Te Ture Whaimana financial contribution	79.9 79.301 79.303 79.305	Kāinga Ora – Homes and Communities	Oppose	<p>Opposed to the proposed provisions and financial contribution for giving effect to Te Ture Whaimana as notified. The full suite of provisions and the proposed financial contribution must be deleted in its entirety until a specific policy is developed to address Te Ture Whaimana in consultation with Waikato-Tainui and the Waikato River Authority. There is an opportunity for a joint-management approach to be achieved that can deliver an enhanced outcome for the Waikato</p>	<p>Opposed to the proposed provisions and financial contribution for giving effect to Te Ture Whaimana as notified and seeks that the full set of provisions proposed on the Financial Contributions is deleted, reviewed and proposed in a separate plan change process or reconsidered through a pre-hearing mediation process with submitters and Waikato Tainui and the Waikato River Authority prior to the hearing of PC26.</p>	<p>Submission rejected</p> <p>The Te Ture Whaimana financial contribution has been reviewed and is recommended for inclusion in PC26 to address the effects of growth from the introduction of the MDRS on the waterways and their catchments.</p>

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
				River and is an option not explored by Council in the s.32 analysis.		
Te Ture Whaimana financial contribution	79.24 79.293	Kāinga Ora – Homes and Communities	Oppose	Kāinga Ora seeks to ensure that any such financial contribution is fully justified both in terms of the purpose and the quantum of contribution, for when it is levied and considers that the proposed approach by Council is not considered to be in the spirit of Te Ture Whaimana and does not acknowledge the role that the Waikato River Authority plays in the management of the Waikato River, and the ties between that authority and local iwi through board representation.	That the full package of provisions in relation to Te Ture Whaimana are deleted, reconsidered and reviewed and then any changes or inclusion for financial contributions should be proposed in a separate plan change in consultation with the Waikato River Authority. Kāinga Ora notes that alternatively, this could be reconsidered through a pre-hearing mediation process with submitters and Waikato Tainui and the Waikato River Authority prior to the hearing of PC26.	Submission accepted in part Waipā Council has engaged with Waikato Tainui and the WRA prior to the hearing of PC26.
Greenfield developments	65.23	CKL NZ Limited	Oppose	In a greenfield development, there are specified Development Contributions that cover infrastructure provision, the District Plan then outlines what is considered appropriate in terms of amenity and therefore a proposal consistent with the District Plan should not require a financial contribution to offset the adverse effects from amenity. The Development Contributions Policy dated June 2022 outlines the purpose that ‘Development contributions provide Council with the means to fund infrastructure required due to growth.’ In greenfield areas, the development contributions are established based on the	Delete rule 18.5.2.4 Rule 18.5.2.4 Greenfield development will be required to pay 80% of the rate specified in Rule 18.5.2.3.	Submission accepted in part The greenfield percentage contribution is recommended to be deleted as this is captured in the calculation of FCs in the revised formula.

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
				infrastructure necessary to service the development. For example, the C1 growth cell is \$73,182 and T1 is \$21,925. By introducing a financial contribution on top of this established Development Contribution is putting additional financial burden on developers.		
Specific amendments to section 18	30.14	Waikato Regional Council	Support in part	Supports financial contributions for costs relating to effects but would like recognition of effects relating to climate change.	Amend 18.4.2.6 to "...reflects the cost of avoiding, remedying or mitigating the adverse effects, including from climate change..." or words to similar effect.	Submission rejected The request is considered too specific for the broad nature of the policy.
Specific amendments to section 18	30.25	Waikato Regional Council	Support in part	Financial contributions for multi-modal options should also be considered. Capacity upgrades should only be for the provision of multi-modal transport options.	Amend to "18.5.1.6(b) Transport connections, <u>including for multi-modal transport options, and network improvements, and capacity upgrades.</u> "	Submission accepted in part Amend 18.5.1.6(b) to include multi modal transport options. Retain capacity upgrades as still relevant.
Specific amendments to section 18	30.26	Waikato Regional Council Further Submitter 4 Waka Kotahi New Zealand Transport Agency	Support in part Support	Provision should be made for financial contributions for transport infrastructure other than for vehicles and pedestrians. This will result in an uptake of cycling and other modes of active transport.	Amend 18.5.2.18 to "A financial contribution may be payable where infrastructure for vehicles, <u>cycling, and pedestrians—walking</u> that is located..." or words to similar effect, and consequential amendments to rules 18.5.2.19 and 18.5.2.20 and the advice notes as necessary.	Submission accepted Amend 18.5.2.18 and advice notes for 18.5.2.19 and 18.5.2.20
Specific amendments to section 18	32.15	Waipā District Council	Amend	The amendments to Section 18 introduce sums and formulae for the calculation of financial contributions in the circumstances identified. Given the recent amendment of the Act,	Such further amendments to PC26 that are necessary to accurately and effectively calculate the quantity of financial contributions.	Submission accepted Review of provisions and recommended amendments outlined in section 9 of this report.

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
				complexity of the provisions and the limited timeframe available to Council, it may be necessary to make further amendments to the provisions		
Specific amendments to section 18	32.21	Waipā District Council	Amend	Subparagraphs (e) and (f) of Rule 18.5.1.1 should be renumbered to be subparagraphs of Rule 18.5.1.1(d)	Renumber 18.5.1.1(e) to 18.5.1.1(d)(i) and renumber 18.5.1.1(f) to 18.5.1.1(d)(ii).	Submission accepted in part These provisions have been updated in addition to that requested
Specific amendments to section 18	32.22	Waipā District Council	Amend	PC26 deleted some words from Rule 18.5.2.10 and 18.5.2.16 but retained wording that makes the Rule unclear. Deleting the word 'that' from the first sentence of these Rules will clarify the intent.	Amend Rule 18.5.2.10 and Rule 18.5.2.16 as follows: "The maximum amount of Financial Contribution that taken for connection to..."	Submission accepted
Specific amendments to section 18	65.17	CKL NZ Limited	Amend	This isn't a rule (18.5.1.2).	Amend rule 18.5.1.2 to be an advice note.	Submission accepted in part This rule is not recommended to be an advice note but has been amended to make more sense.
Specific amendments to section 18	65.18	CKL NZ Limited	Amend	This should have "as appropriate for the scale of residential development subject to the proposal", or similar, to ensure that developers are contributing their share to the upgrade works, but not responsible for the capacity associated with other sites within the catchment.	Amend Rule as follows: Rule 18.5.1.3(c)(ii) and (iii) To avoid, remedy and mitigate the adverse effects of residential development, or ensure positive effects on the environment to offset any adverse effect, through the recovery of infrastructure network costs associated with the following: ... (c) These costs will include, <u>as appropriate for the scale of residential development subject to the proposal</u> : ... (ii) Where an existing supply is available, but the capacity of the system is inadequate to meet the additional	Submission rejected The costs are based on demand so it is not relevant to include relative to the scale of the development.

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Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
					generated demand, the cost of connection and capacity upgrading of the existing system; (iii) Where an existing supply is available, but the network requires capacity upgrades or network improvements to ensure the connection does not compromise the network, the costs of those capacity upgrades or network improvements; and ...	
Specific amendments to section 18	65.19	CKL NZ Limited Further Submitter 8 Kāinga Ora – Homes and Communities	Amend Oppose	This should have added “and a development is within XXXm [being some form of appropriate proximate distance to nearby extent of network]”, so that developers are not paying to extend networks large/inappropriate distances away.	Amend Rule as follows: Rule 18.5.1.3(c)(v) ... (iv) Where an existing network is not available <u>and a development is within 250m of the nearest network</u> , the cost of extending the network; ... <u>(d) Calculations for contributions shall be as set out in the performance standards.</u>	Submission rejected It is not considered that there should be a maximum distance attached to this rule as the application of the rule is location and case-by-case specific, so a maximum distance is not relevant.
Specific amendments to section 18	65.20	CKL NZ Limited	Amend	This wording is very vague – it is unclear which assets it is referring to, what are the criteria for determining proximity/relevance of assets to proposals, and how costs will be quantified. Public open spaces and streetscape amenity are both features that can always be enhanced/improved, so without clear parameters on how, that’s a very arbitrary threshold to have.	Amend rule as follows: 18.5.1.4 ... <u>(b) Calculations for contributions shall be as set out in the performance standards.</u> and add relevant performance standards.	Submission rejected The rules and performance standards are relevant to the calculation of the contributions.

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Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
Specific amendments to section 18	65.21	CKL NZ Limited	Oppose	This is worded more like an advice note to give context to Rules 18.5.2.2 – 4. As written, it would be very difficult to assess a proposal against this rule and we suggest it is deleted or moved to a more appropriate section of the plan.	Delete rule 18.5.2.1: Rule 18.5.2.1 To avoid, remedy or mitigate the adverse effects of medium density residential development through the recovery of costs associated with maintaining and improving residential amenity	Submission accepted This rule was a repeat of the general rules so is recommended to be deleted.
Specific amendments to section 18	65.22	CKL NZ Limited	Oppose	An extra 6m ² room attached to an existing dwelling is extremely unlikely to have adverse effects on residential amenity. Therefore, this rule is not believed to be in accordance with the RMA section 77E and should be removed.	Delete rule 18.5.2.3: Rule 18.5.2.3 For each additional bedroom at the site created by the development, a fixed financial contribution of \$400.00 shall be required.	Submission accepted in part Additional bedrooms to calculate the amount of contribution has been revised.
Specific amendments to section 18	65.24	CKL NZ Limited	Amend	This is worded more like an advice note, it would be very difficult to assess a proposal against this rule and suggest it is moved to the policy section of the plan. Also, what is the threshold for requiring contributions under Te Ture Whaimana? Not stated anywhere. As such rules need to be deleted.	Delete rule 18.5.2.5: Rule 18.5.2.5 Costs will be recovered where it is necessary to avoid, remedy or mitigate the adverse effects of medium density residential development on the water quality and/or the minimum flows of the Waikato and Waipā Rivers and their catchments.	Submission rejected This rule has been given a new heading to describe that it outlines when financial contributions may be taken.
Specific amendments to section 18	65.25	CKL NZ Limited	Oppose	An extra 6m ² room attached to an existing dwelling is extremely unlikely to have adverse effect on water quality. This rule as written affects all zones including Large Lot and Rural. Therefore, this rule is not believed to be in accordance with the RMA section 77E and should be removed.	Delete rule 18.5.2.6: Rule 18.5.2.6 For each additional bedroom at the site created by the development, a fixed financial contribution of \$400.00 shall be required.	Submission accepted in part Additional bedrooms to calculate the amount of contribution has been revised.

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
Specific amendments to section 18	65.26	CKL NZ Limited	Oppose	This rule is intended to cover all zones, there is no justification for this rule and no detail on what is trying to be achieved. It would result in any shed over 100m2 constructed on a rural farm being required to pay a financial contribution.	Delete rule 18.5.2.8: Rule 18.5.2.8 Non-residential development in all zones: \$2,000.00 per 100m² of Gross Floor Area.	Submission accepted This rule is recommended to be deleted. FCs for non-residential development are no longer proposed in PC26.
Specific amendments to section 18	65.27	CKL NZ Limited	Oppose	It appears that this rule is intended to apply to those that have not paid a development contribution and want to connect. However, the current wording of this rule instead it applies to all water connections. The development contribution's purpose is for water infrastructure upgrades. The Development Contributions Policy dated June 2022 outlines the specific costs for water from a new development, adding in financial contributions for water supply is requiring money twice for the same provisions.	Delete rule 18.5.2.10: Rule 18.5.2.10 The maximum amount of Financial Contribution that may be taken for connection to a water supply system in a Council reticulated water supply area shall be the greater of: ...	Submission rejected The circumstance where the FCs can be taken is outlined in the preceding rule to be where a development is located outside Council's water supply area and seeks to connect. DCs cover developments within the supply area.
Specific amendments to section 18	65.28	CKL NZ Limited	Amend	This rule applies to all the groups of performance standards for this section. As such, it should be located at the start of them, rather than at the end.	Amend order of rules.	Submission rejected An additional heading has been included to ensure separation of the contribution of land rules from the preceding rules.
Specific amendments to section 18	65.29	CKL NZ Limited	Amend	This rule applies to all the groups of performance standards for this section. As such, it should be located at the start of them, rather than at the end.	Amend order of rules.	Submission rejected An additional heading has been included to ensure separation of the contribution of land rules from the preceding rules.

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Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
Specific amendments to section 18	65.34	CKL NZ Limited	Amend	These should be (i) and (ii).	Amend rule as follows: 18.5.1.1 The general rules are as follows: ... (d) Financial contributions will be required for the purposes set out and on the basis that: (ei) Financial contributions for all residential development will be calculated for the specific purposes and in accordance with the methodology in the applicable rules and performance standards; and (fii) Financial contributions for all other developments will be calculated for the specific purposes and in accordance with the methodology in the applicable rules and performance standards.	Submission accepted in part The rule numbering has been amended.
Specific amendments to section 18	79.291	Kāinga Ora – Homes and Communities	Amend	Oppose financial contributions being applied as a 'blanket' approach to offsetting and therefore the reference to 'any' adverse effect should be removed. Amendments are sought to ensure that financial contributions are not levied in a blanket approach more akin to development contributions. It is essential to ensure that financial contributions directly-relate to effects associated with development.	Amend provision 18.1: Contributions overview table - Financial Contributions - Description section as shown to relate financial contribution policy to 'identified matters' rather than 'any' adverse effect: Financial Contributions: Generally applicable to unplanned, unanticipated, more intensive, or more rapid development, subdivision and growth. Avoid, remedy, mitigate or compensate for adverse effects, or ensure positive effects on the environment to offset any <u>identified</u> adverse effects, where the adverse effect arises from unplanned or un-anticipated development, subdivision and growth (including	Submission accepted in part The following provisions are recommended to be amended to remove the word 'any': <ul style="list-style-type: none"> • 18.2.1 • Table 18.1 • 18.2.3(a) • 18.2.3(a) (vii) • 18.4.1 (b) • 18.4.2.7 • 18.5.1.6 • 18.5.1.7 • 18.5.1.8

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
					permitted activities, activities requiring resource consent, on-site effects and off-site effects).	
Specific amendments to section 18	79.295	Kāinga Ora – Homes and Communities	Amend	The objective should be amended to relate any financial contribution that is levied, to a particular identified adverse effect. Financial contributions are not appropriate as a ‘blanket’ approach to offsetting and therefore the reference to ‘any’ adverse effect should be removed. As per the above reasons and in line with the Kāinga Ora submission, Kāinga Ora seeks that the full set of provisions proposed on the Financial Contributions is deleted, reviewed and proposed in a separate plan change process.	Amend Objective 18.4.1 as shown: Objectives 18.4.1 Financial contributions are required in accordance with the Financial Contributions Rules and performance standards in order to: (a) Avoid, remedy, or mitigate adverse effects of the proposed activity or development on the environment <u>where they cannot be managed on-site;</u> and (b) Ensure positive effects on the environment to offset any adverse effect; and (c) Give effect to Te Ture Whaimana, including the requirement for betterment.	Submission accepted in part (refer to 79.291)
Specific amendments to section 18	79.296	Kāinga Ora – Homes and Communities	Oppose	Financial contributions are not appropriate as a ‘blanket’ approach to offsetting and therefore the reference to ‘any’ adverse effect should be removed. As per the reasons in other points of submission by the submitter, and in line with the Kāinga Ora submission, Kāinga Ora seeks that the full set of provisions proposed on the Financial Contributions is deleted, reviewed and proposed in a separate plan change process.	In line with the Kāinga Ora submission, Kāinga Ora seeks that the full set of provisions proposed on the Financial Contributions is deleted, reviewed and proposed in a separate plan change process.	Submission accepted in part (refer to 79.291)

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Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
Specific amendments to section 18	79.297	Kāinga Ora – Homes and Communities	Oppose	Opposes the amendments to 18.3.1 Objective Planned Financial Growth (renumbered by PC26 to 18.4.2) as they imply all development must fund infrastructure effects. This is not consistent with the purpose of financial contributions or development contributions, the latter of which seek to plan for infrastructure growth in response to the planned outcomes enabled within the District Plan. The operative objective appropriately accounts for this and should remain.	Retain the operative 18.3.1 objective concerning 'planned, financed growth'.	Submission rejected The revised objective better communicates that development or subdivision will fund their identified impacts on infrastructure networks.
Specific amendments to section 18	79.298	Kāinga Ora – Homes and Communities	Amend	Policy-Costs relating to effects 18.4.2.6 should be amended to relate any financial contribution that is levied, to a particular identified adverse effect which is specifically in relation to capacity constraints at the point of connection. Financial contribution are not appropriate as a 'blanket' approach to offsetting and therefore the reference to 'any' adverse effect should be removed.	Amend Policy 18.4.2.6 as shown: Policy - Costs relating to effects 18.4.2.6 Ensuring that the amount of financial contribution required reasonably reflects the cost of avoiding, remedying or mitigating the adverse effects <u>relating to capacity constraints at the point of connection to a development.</u> , or the cost of ensuring positive effects on the environment to offset an adverse effect.	Submission accepted in part (refer to 79.291)
Specific amendments to section 18	79.302	Kāinga Ora – Homes and Communities	Oppose	Opposes the use of a financial contribution associated with the effects of residential development density. This rule is seeking to address the changing nature of the residential environment that could arise through the application of greater intensification. Kāinga Ora does not	Delete 18.5.2 Performance Standards in its entirety.	Submission rejected The residential amenity and TTW FCs are recommended to be retained as outlined in sections 10.5 and 10.6 of this report.

Plan Change 26 Section 42A Hearing Report (Financial Contributions) – 20 to 22 September 2023 (TBC)

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
				consider the potential change in character and amenity associated with this plan change, to be one of adverse nature that is required to be offset through monetary payments.		
Specific amendments to section 18	79.304	Kāinga Ora – Homes and Communities	Oppose	Seeks that the full set of provisions proposed on the Financial Contributions is deleted, reviewed and proposed in a separate plan change process. Kāinga Ora notes that alternatively, this could be reconsidered through a pre-hearing mediation process with submitters and Waikato-Tainui and the Waikato River Authority prior to the hearing of PC26.	Delete 18.5.2.5, 18.5.2.6, 18.5.2.7 and advice note below those rules.	Submission rejected The residential amenity and TTW FCs are recommended to be retained as outlined in sections 10.5 and 10.6 of this report.
Specific amendments to section 18	79.306	Kāinga Ora – Homes and Communities	Oppose	Seeks that the full set of provisions proposed on the Financial Contributions is deleted, reviewed and proposed in a separate plan change process. Kāinga Ora notes that alternatively, this could be reconsidered through a pre-hearing mediation process with submitters and Waikato-Tainui and the Waikato River Authority prior to the hearing of PC26.	Delete Rule 18.5.2.8.	Submission rejected The TTW FC is recommended to be retained as outlined in section 10.6 of this report.
Specific amendments to section 18	79.294	Kāinga Ora – Homes and Communities	Oppose	Supports the principle of a financial contribution to give effect to Te Ture Whaimana and enable the betterment of the Waikato River. However, Kāinga Ora seeks that the full set of provisions proposed on the Financial Contributions is deleted, reviewed and proposed in a separate plan change process to ensure	Delete provision 18.2.3 (b) as shown " (b) To give effect to Te Ture Whaimana including positive effects on the environment to offset any adverse effect and its requirement for restoration and protection of the Waikato and Waipā Rivers (and their catchments) and the relationship	Submission rejected The TTW FC is recommended to be retained as outlined in section 10.6 of this report.

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Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
				that any financial contributions that are levied for the purpose of giving effect to Te Ture Whaimana O Te Awa o Waikato - The Vision and Strategy for the Waikato and Waipā Rivers (“Te Ture Whaimana”) are fully justified both in terms of the purpose and the quantum of contribution, when it is levied. In respect of the use of financial contributions, there is an opportunity for a joint-management approach to be achieved that can deliver an enhanced outcome for the Waikato River. It is an option that has not been fully explored by the Council within the s32 analysis to PC26 and in giving effect to Te Ture Whaimana. Kāinga Ora seeks the full package of provisions in relation to Te Ture Whaimana are deleted, reconsidered and reviewed and then any changes or inclusion for financial contributions should be proposed in a separate plan change in consultation with the Waikato River Authority. Kāinga Ora notes that alternatively, this could be reconsidered through a pre-hearing mediation process with submitters and Waikato-Tainui and the Waikato River Authority prior to the hearing of PC26.	between the Waikato and Waipā Rivers (and their catchments) and Waikato-Tainui, Waikato and Waipā River Iwi, and the Waikato Region’s communities and all other objectives and strategies contained within Te Ture Whaimana.	
Other matters	37.5	Henwood, Margaret Jean	Support in part	The Council should require extensive financial contributions from developers, including for transport matters.	The Council should require extensive financial contributions from developers, including for transport matters.	Support noted. Transport matters are already included in the FC in the District Plan.
Other matters	50.5	TA Projects Limited	Neutral	Section 18 does not appear to achieve timely outcomes in terms of funding for the provision of necessary infrastructure, including stormwater management and wastewater	Section 18 does not appear to achieve timely outcomes in terms of funding for the provision of necessary infrastructure including stormwater	Submission point noted, no specific relief sought.

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Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
				services to assist in achieving the RMA Amendment and the NPS-UD.	management and wastewater services.	
Other matters	70.116	Ryman Healthcare Limited	Oppose	The submitter is concerned that Section 18 as proposed will result in ‘double dipping’ under dual financial and development contribution regimes and does not recognise the bespoke demand characteristics of retirement villages or works carried out as part of development.	Seeks amendments to: - Ensure the dual financial and development contributions regimes will not result in double dipping; - Ensure the calculation methodology takes into account cost of works undertaken as part of development; and - Provide a retirement village-specific regime for retirement villages that takes into account their substantially lower demand profile compared to standard residential developments.	Submission rejected The FC calculation methodology has been reviewed. This review ensures double dipping will not occur with the DC regime. A retirement village specific regime is not considered to be required. The FCs are calculated on demand so varying demand from different activities will be taken into account without further amendments.
Other matters	73.116	Retirement Villages Association of New Zealand Incorporated	Oppose	The submitter is concerned that Section 18 as proposed will result in ‘double dipping’ under dual financial and development contribution regimes, does not clearly set out the financial contributions that will be required, and does not recognise the bespoke demand characteristics of retirement villages or works carried out as part of development. The submitter also opposes in particular the proposed “residential amenity” financial contribution which does not recognise the amenity that residential intensification can provide.	Seeks amendments to: - Ensure the dual financial and development contributions regimes will not result in double dipping; - Provide certainty as to the financial contributions that will be required to be _____ paid; - Delete residential amenity financial contribution; - Ensure the calculation methodology takes into account cost of works undertaken as part of development; and - Provide a retirement village-specific regime for retirement villages that takes into account their substantially lower demand profile compared to standard residential developments.	Submission rejected The FC calculation methodology has been reviewed. This review ensures double dipping will not occur with the DC regime. A retirement village specific regime is not considered to be required. The FCs are calculated on demand so varying demand from different activities will be taken into account without further amendments.

WAIPA DISTRICT PLAN: ADDENDUM PROPOSED PLAN CHANGE 26 – RESIDENTIAL ZONE INTENSIFICATION

Topic	Sub. Point	Submitter	Position	Submission summary	Decision requested	Recommendation
Other matters	76.18	Shears, Sam	Support in part	Supports the intention behind financial contributions, however, seeks clarification regarding the figures for three waters/transport infrastructure network, residential amenity and Te Ture Whaimana and for what specific residential development locations this applies to.	Clarification regarding the figures for three waters/transport infrastructure network, residential amenity and Te Ture Whaimana and for what specific residential development locations this applies to.	Submission rejected No changes to the amounts or locations for financial contributions for three waters or transport infrastructure are proposed by PC26.
Other matters	79.11 79.25	Kāinga Ora – Homes and Communities	Oppose	Supports the general purpose of financial contributions, however, 'development contributions already apply to developments to contribute to three waters and transport improvements and capacity upgrades, and any additional contributions should not be sought for these aspects of development except where required to create capacity within the local catchment at the point of connection for the development.	Seeks that the financial contributions relating to three waters and transport network improvements and capacity upgrades are reconsidered and replaced with clear provisions which are not levied in a blanket approach more akin to development contributions.	Submission rejected No changes to the amounts or locations for financial contributions for three waters or transport infrastructure are proposed by PC26.