

Mā tō tātou takiwā  
**For our District**

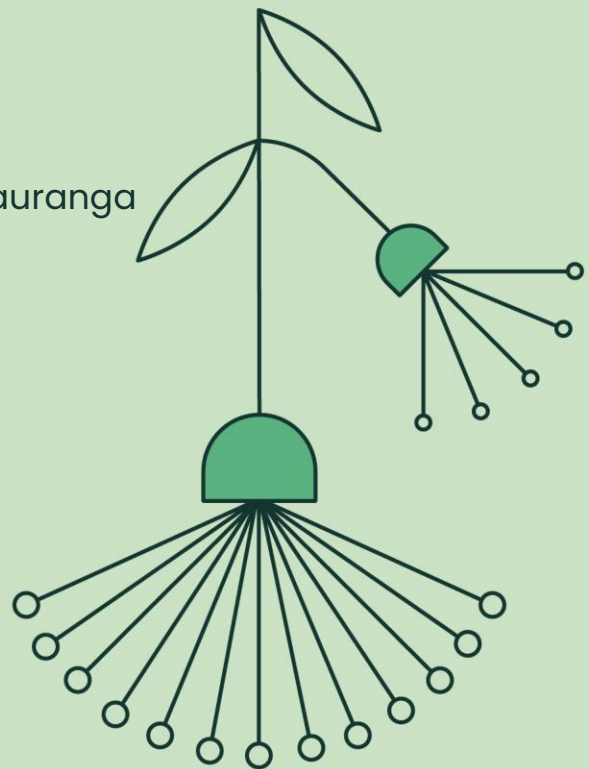
# Annual Plan and Long Term Plan Committee

Komiti Kaupapa Tiro Whakamua

APLTP23-6

Thursday, 10 August 2023, 1.00pm

Council Chambers, 1484 Cameron Road, Tauranga



# Annual Plan and Long Term Plan Committee

## Membership:

<b>Chairperson</b>	Deputy Mayor John Scrimgeour
<b>Deputy Chairperson</b>	Cr Rodney Joyce
<b>Members</b>	Cr Tracey Coxhead Cr Richard Crawford Cr Grant Dally Mayor James Denyer Cr Murray Grainger Cr Anne Henry Cr Margaret Murray-Benge Cr Allan Sole Cr Don Thwaites Cr Andy Wichers
<b>Quorum</b>	Six (6)
<b>Frequency</b>	As required

## Role:

To manage the process of development of the Annual Plan, Long Term Plan and amendments, including the determination of the nature and extent of community engagement approaches to be deployed.

## Scope:

To undertake on behalf of Council all processes and actions precedent to the final adoption of the Annual Plan, Long Term Plan and any amendments including, but not limited to:

- The development of consultation documents and supporting information,
- Community engagement approaches and associated special consultative processes (if required), and
- The review of policies and strategies required to be adopted and consulted on under the Local Government Act 2002 including the financial strategy, treasury management strategies and the infrastructure strategy.
- In relation to the Annual Plan and Long Term Plan, listen to and receive the presentation of views by people and engage in spoken interaction in relation to any matters Council undertakes to consult under the Local Government Act 2002.

- Receive audit reports in relation to the Long Term Plan and any amendments (prior to adopting a Consultation Document).

### Power to act:

- To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed, including the adoption for the purposes of consultation under the Local Government Act 2002 of the Consultation Document and Supporting Information.
- Receive audit reports in relation to the Long Term Plan and any amendments (prior to adopting a Consultation Document).

### Power to recommend:

To Council and/or any Committee as it deems appropriate.

### Power to sub-delegate:

The Committee may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body subject to the restrictions on its delegations and provided that any sub-delegation includes a statement of purpose and specification of task.

Notice is hereby given that a Annual Plan and Long Term Plan Committee Meeting will be held in the Council Chambers, 1484 Cameron Road, Tauranga on:  
Thursday, 10 August 2023 at 1.00pm

## Order Of Business

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**1 KARAKIA**

Whakatau mai te wairua	Settle the spirit
Whakawātea mai te hinengaro	Clear the mind
Whakarite mai te tinana	Prepare the body
Kia ea ai ngā mahi	To achieve what needs to be achieved.
Āe	Yes

**2 PRESENT****3 IN ATTENDANCE****4 APOLOGIES****5 CONSIDERATION OF LATE ITEMS****6 DECLARATIONS OF INTEREST**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest that they may have.

**7 PUBLIC EXCLUDED ITEMS****8 PUBLIC FORUM**

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Board for up to five minutes on items that fall within the delegations of the Board provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Chairperson has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer relationship management system as a service request, while those requiring further investigation will be referred to the Chief Executive.

**9 PRESENTATIONS**

## 10 REPORTS

### 10.1 DELIBERATIONS ON PROPOSED FINANCIAL CONTRIBUTIONS FOR 2023/24

**File Number:** A5578001

**Author:** Emily Watton, Strategic Policy and Planning Programme Director

**Authoriser:** Rachael Davie, General Manager Strategy and Community

#### EXECUTIVE SUMMARY

The purpose of this report is to facilitate deliberations on the proposed Financial Contributions for 2023/24, following the conclusion of a further consultation process from 19 June to 9 July 2023, to enable the Annual Plan and Long Term Plan Committee to make recommendations to Council as part of the process of adopting the 2023/24 Annual Plan.

#### RECOMMENDATION

1. That the Strategic Policy and Planning Programme Director's report dated 10 August 2023 titled 'Deliberations on proposed financial contributions for 2023/24' be received.
2. That the report relates to an issue that is considered to be of medium significance in terms of Council's Significance and Engagement Policy.
3. That all written and verbal views presented through the Annual Plan consultation period from 30 March to 30 April 2023 (relating to financial contributions) and the further consultation process undertaken from 19 June to 9 July 2023 be received and considered, as set out in the document titled 'Financial Contributions 2023/24 submissions pack' and contained in **Attachment 2**.
4. That the Committee notes the matters considered outside of scope of setting Financial Contributions for 2023/24 (set out in section 10 of this report) and endorses the corresponding commentary as the basis for a response to people who have presented their views on these matters.
5. That the Committee recommends to Council the adoption of the final indicative Financial Contributions 2023/24 that will apply to resource consent processes in accordance with the District Plan and will be included in the Schedule of Fees and Charges 2023/24, and subject to the following decisions:
  - a. Affordability
    - i. Option [X or X....]
  - b. Specific projects
    - i. Option [X or X....]

6. That the Committee notes that a decision document will be prepared as the formal response to those who presented their views, for adoption by Council alongside the final indicative Financial Contributions 2023/24, and that the decision document will be in general accordance with the Long Term and Annual Plan Committee resolutions contained in the minutes of APLTP23-6 dated 10 August 2023, and the Strategy and Policy Committee resolutions contained in the minutes of SPC23-5 dated 17 August 2023.

## BACKGROUND

1. At its meeting on 14 June 2023, the Annual Plan and Long Term Plan Committee adopted a statement of proposal and supporting information as the basis for further consultation on the proposed financial contributions for 2023/24.
2. The proposed indicative financial contributions 2023/24 that were consulted through the Annual Plan process (March – April 2023) were updated. A review recommended changes to the financial contribution models that have been used to calculate the draft financial contributions for 2023/24, including how inflation, and rates subsidies have been calculated in the models which sit behind the financial contribution calculations.
3. Further consultation was recommended as the changes proposed could be considered materially different to those previously consulted on through the Annual Plan process (March/April 2023), and to provide the opportunity for people who may be interested or affected by the proposed changes to present their views. The feedback received through both the Annual Plan consultation (relating to financial contributions) and the further consultation on financial contributions 2023/24 is included in **Attachment 2** to this report.
4. The statement of proposal for further consultation included the proposed financial contributions as well as supporting disclosure tables. The key changes proposed for further consultation were:
  - Decrease of between 4 and 19 percent in financial contributions for Waihi Beach, Katikati, Te Puke, Maketu/Little Waihi and rural.
  - Increase of 21.2 percent in financial contributions for Ōmokoroa.
5. The further consultation process was undertaken in accordance with s82 of the Local Government Act 2002 from 19 June to 9 July 2023. Council received eight pieces of feedback from consultants and developers. Two people spoke to Council about their written feedback in the Council Chambers on 20 July 2023. This feedback is also included in **Attachment 2** to this report.
6. In order to inform the updated financial contributions for 2023/24, Council engaged Utility NZ to undertake an independent review of the models. The review is in two phases – phase one has focused on the way financial contributions have been

modelled for the Annual Plan 2023/24; phase two is more forward looking and will consider how Council can best provide for its future growth funding needs.

7. In relation to the second phase of the review, the Strategy and Policy Committee will consider a report at its meeting on 17 August 2023. This will seek a resolution from the Committee as to whether to retain financial contributions as the primary method of funding growth-related infrastructure or consider transitioning to development contributions under the Local Government Act 2002. The recommendations of this report seek inclusion of information about the decisions made on 17 August 2023 in the decision document for this further consultation process for information purposes, as it is considered that it will be of interest to submitters and relates to some of the out-of-scope feedback raised through this process.
8. Council is also progressing Plan Change 92 (PC92) to the District Plan, which includes proposed changes to Section 11 relating to financial contributions, including a proposal to move from a per lot to a per hectare basis for calculating the level of contribution. PC92 is following the prescribed Medium Density Residential Standards process. Matters raised through submissions to that plan change are proposed to be heard by independent commissioners in September 2023 and final decisions in December 2023. Therefore, matters relating to PC92 are out of scope for the purposes of the annual plan process.
9. At its meeting on 14 June 2023, the Annual Plan and Long Term Plan Committee undertook deliberations on the Annual Plan 2023/24 feedback. It approved the schedule of Rangiorua Business Park financial contributions from Quayside Holdings Limited, and committed to do further work to understand the effects of increasing the amount that Council may act as financier for. This would also include consideration of transfer of any financier commitment to any new Water Services Entity.

### MATTERS OUTSIDE OF SCOPE

10. We received feedback on a range of matters that are considered to be outside the scope of the Annual Plan consultation and further consultation processes for financial contributions but are relevant in the wider context of Council's financial contributions approach, and therefore are likely to be relevant for the phase two review.

<p><b>District Plan policy matters – requiring a future plan change to make amendments</b></p>	<p>Submissions relating to District Plan policy would require a plan change to be made, following the process under the Resource Management Act Schedule 1 process, and cannot be amended through this consultation process which relates to the setting of indicative financial contributions for</p>
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*Changes to catchments for financial contributions*

*Amendments to policy definitions and formula*

Submissions relating to District Plan policy would require a plan change to be made, following the process under the Resource Management Act Schedule 1 process, and cannot be amended through this consultation process which relates to the setting of indicative financial contributions for



	2023/24 to be applied through resource consent processes in accordance with the District Plan. Alternatively, if Council decides to pursue a development contributions policy, there will be an opportunity provide feedback on that proposal.
<p><b>Matters relating to Plan Change 92 (PC92)</b></p> <p><i>Yield per hectare</i></p> <p><i>Requiring a contribution for stormwater in rural residential areas - Ōmokoroa</i></p>	Matters raised through submissions to PC92 are proposed to be heard by independent commissioners in September 2023 and final decision in December 2023. Therefore, matters relating to PC92 are out of scope for the purposes of this Annual Plan proposal.
<p><b>Previous decisions made on specific consent applications</b></p>	The resource consent process provides opportunity to make financial contribution assessments on specific proposals in accordance with the District Plan provisions and provide for a right of appeal or objection. Those matters cannot be considered through the Annual Plan process.
<p><b>Operational matters</b></p> <p><i>Internal ownership - single point of contact</i></p> <p><i>Calculation provided with each resource consent, including any exclusions to be considered</i></p>	Internal process interpretation/guideline document to be developed to ensure more clarity can be provided to the development community. This is useful operational feedback but is not a matter to be considered through the Annual Plan process.
<p><b>Requests for waivers</b></p> <p><i>Further incentivisation of community housing and Papakāinga</i></p> <p><i>Civic buildings</i></p> <p><i>Stormwater for residential units above shops</i></p>	<p>The request relating to further incentivisation of community housing and Papakāinga is not a scope issue, but wasn't a matter proposed to be changed through the Annual Plan process and further consultation would be needed to consider a proposal of this nature.</p> <p>The other two requests received through the further consultation process are considered out of scope, as the proposal for consultation related</p>

	<p>only to the updated contribution amounts proposed for 2023/24.</p> <p>Each matter can be considered through Long Term Plan 2024-34, including associated impact on rates.</p>
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11. It's important for Council to bear in mind that this is an annual plan process not a district plan or resource consent process. It follows that the Council, in considering feedback on the annual plan and making its decision to adopt the annual plan, is not making a decision on the lawfulness of the District Plan formula or how it has been or might be applied through a resource consent process. Considering those matters would be irrelevant considerations and ultra vires for the purpose of its decision to adopt the annual plan. Questions about the timing of particular projects or how the figures have been calculated are legitimate matters to raise.
12. The purpose of the annual plan is about high-level financial accountability to the community. Importantly, the effect of an annual plan (once adopted) is to provide a formal public statement of Council's intentions. The Local Government Act 2002 makes it clear (in s96) that adopting the plan does not constitute a decision to act on any matter included within the plan. It is the imposition of conditions on resource consents which impose particular financial contributions and there is a legal remedy to appeal or object to those conditions.

### KEY DELIBERATIONS MATTERS

13. **Attachment 1** sets out the two key issues and options papers that relate to financial contribution matters considered to be within scope raised through the Annual Plan consultation and further consultation process. These require decisions by the Committee in order to respond to feedback and to enable staff to prepare the final indicative financial contributions for 2023/24 for Council to consider adopting on 30 August 2023.

### SIGNIFICANCE AND ENGAGEMENT

14. The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
15. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.

16. In terms of the Significance and Engagement Policy this decision is considered to be of **medium** significance because of the known interest from previous submitters on financial contributions, and Council's decision to undertake further consultation.

### ENGAGEMENT, CONSULTATION AND COMMUNICATION

Interested/Affected Parties	<b>Completed engagement/consultation/communication as part of further consultation process 19 June to 9 July 2023 (in addition to consultation on the Annual Plan 2023/24)</b>		
Development community	Email to developer database. Have Your Say online feedback portal. Developer meetings in Ōmokoroa and Te Puke on 22 June 2023. Two people spoke to their feedback in Council Chambers on 20 July 2023.		
General public	Media release, Council website information, Have Your Say site for providing feedback.		Completed

### ISSUES AND OPTIONS ASSESSMENT

17. **Attachment 1** sets out the two key issues and options arising from the further consultation process, that are considered within scope for decisions on the financial contributions for 2023/24.
18. The options to address the substantive matter of this report are discussed below. A third option of amending the financial contributions has not been included, because Council is not in a position to adopt materially different contribution amounts without undertaking further consultation, and this will not be possible to carry out within the (already extended) statutory timeframe for adopting the Annual Plan 2023/24.

<p><b>Option A</b></p> <p>That the Committee proposes specific resolutions to address the issues and options in <b>Attachment 1</b> and recommends that the financial contributions for 2023/24 be adopted by Council</p>	
<p><b>Assessment of advantages and disadvantages including impact on each of the four well-beings</b></p> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> <li>• <b>Environmental</b></li> </ul>	<p>Elected members can consider the practicable options, advantages and disadvantages of each option and the financial implications of the options.</p> <p>Feedback received is considered through issues and options papers, or signalled alternative process where it is not within scope for this decision-making process.</p> <p>Provides clear direction on any required amendments and enables the indicative financial contributions to be set for 2023/24.</p>
<p><b>Costs (including present and future costs, direct, indirect and contingent costs).</b></p>	<p>Financial implications are outlined in the Issues and Options papers, as well as the proposed funding source.</p>
<p><b>Option B</b></p> <p>That the Committee does not recommend that the financial contributions for 2023/24 be adopted by Council</p>	
<p><b>Assessment of advantages and disadvantages including impact on each of the four well-beings</b></p> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> <li>• <b>Environmental</b></li> </ul>	<p>Further information may be requested for consideration prior to decision-making.</p> <p>A response to feedback received may be delayed.</p> <p>Adoption of final indicative financial contributions would be delayed and may impact Council's ability to recover growth-related infrastructure costs.</p> <p>Council would not have any financial contributions to apply on resource consents for the 2023/24 financial year because the District Plan contemplates that the amounts will be set in the Annual Plan. Council could not simply apply the 2022/23 amounts because that proposal has not been consulted on.</p>
<p><b>Costs (including present and future costs, direct, indirect and contingent costs).</b></p>	<p>Council's ability to recover growth-related infrastructure costs in 2023/24 may be</p>

	impacted if final indicative financial contributions are not adopted.
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### STATUTORY COMPLIANCE

19. The process of further consultation on the proposed financial contributions for 2023/24 satisfies Council's obligations for decision-making and was consistent with the principles of consultation in the Local Government Act 2002.
20. There are no significant implications for Council's Financial Strategy 2021-31 arising from the proposed changes to financial contributions for further consultation. Council is in the process of developing its Long Term Plan 2024-34, a critical component of this being review of its financial strategy. Wider implications relating to future financial contributions will be considered through that process.

### FUNDING/BUDGET IMPLICATIONS

Budget Funding Information	Relevant Detail
Financial strategy	Wider implications relating to future financial contributions will be considered through the development of the Long Term Plan 2024-34 and financial strategy.
Costs arising from further consultation	Met from existing budgets.

### ATTACHMENTS

1. **Issues and options papers**  
2. **Feedback received on financial contributions 2023/24**  

## Further consultation on Financial Contributions 2023/24 Issue 1: Project Specific Requests

Issue and Options Paper



<b>Staff Narrative</b>
<p><u>Purpose</u></p> <p>The purpose of this Issues and Options paper is to consider the project specific requests made through the Annual Plan submission process that relate to the proposed Financial Contributions for 2023/24 and further consultation on the updated financial contributions.</p> <p><u>Submissions received</u></p> <p>North12's submission included four separate components, which question the underlying assumptions within the Financial Contribution models for the following projects:</p> <ul style="list-style-type: none"> <li>• Project 243002 – reticulation improvements. Allocation to growth increase from 10% to 50%. Seek retention of 10%.</li> <li>• Project 287112 – Pongakawa WTP enhancement eastern zone alternative supply. No evidence this project provides for residential growth in Te Puke.</li> <li>• Project 287118 – Te Puke Infra Area 3 + 4 2024 and 2025. Needs more specific info as too generalised.</li> <li>• Project 226620 – Te Puke growth related assets. Requires further detail to justify 100% allocation to growth.</li> <li>• Project 225632 – Te Puke wastewater treatment plant upgrades. Remove 26% allocation to growth unless further justification that upgrades are required due to residential growth in Te Puke.</li> <li>• Project 295201 – Northern harbour boat ramp – seeks removal of this project from the financial contributions schedule.</li> <li>• Remove non 'development projects' – <ul style="list-style-type: none"> <li>○ Project 244912 – District-wide Reserve Acquisition Funding,</li> <li>○ Project 345401 – Ōmokoroa Active Reserves,</li> <li>○ Project 345301 – Reserves – cycleways and walkways funding,</li> <li>○ Project 295203 – Ōmokoroa Domain Funding</li> </ul> </li> </ul> <p><u>Staff response</u></p> <p>All projects and funding assumptions have been reviewed internally by staff for the purposes of these submissions and also through previous resource consent conditions objections and LGOIMA requests.</p>

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With the exception of the Northern harbour boat ramp project, all projects and assumptions are considered appropriate to be included in the Financial Contribution models, and are required to recover the associated costs driven by environmental impacts and increased demand associated with development.

However it is acknowledged that the uncertainty around delivering the Northern harbour boat ramp is sufficiently high that including the project in the 10-year plan, and subsequent Financial Contributions model does carry risk and that the project may not be delivered within that outlined timeframe.

<b>Options</b>	
1	<p><b>Option 1:</b> <i>That Council confirms all identified specific projects listed below in the Financial Contribution models as released for further consultation:</i></p> <ul style="list-style-type: none"> <li>• Project 243002 – reticulation improvements.</li> <li>• Project 287112 – Pongakawa WTP enhancement eastern zone alternative supply.</li> <li>• Project 287118 – Te Puke Infra Area 3 + 4 2024 and 2025.</li> <li>• Project 226620 – Te Puke growth related assets.</li> <li>• Project 225632 – Te Puke wastewater treatment plant upgrades.</li> <li>• Project 244912 – District-wide Reserve Acquisition Funding</li> <li>• Project 345401 – Ōmokoroa Active Reserves</li> <li>• Project 345301 – Reserves – cycleways and walkways funding</li> <li>• Project 295203 – Ōmokoroa Domain Funding</li> </ul> <p><i>And that Council defers the Northern Boat ramp project beyond 2021/31 Long Term Plan period and reconsiders it through the Long Term Plan process for 2024/34.</i></p>
2	<p><b>Option 2:</b> <i>That Council retains all identified specific projects listed below and funding assumptions in the Financial Contributions models as released for further consultation.</i></p> <ul style="list-style-type: none"> <li>• Project 243002 – reticulation improvements.</li> <li>• Project 287112 – Pongakawa WTP enhancement eastern zone alternative supply.</li> <li>• Project 287118 – Te Puke Infra Area 3 + 4 2024 and 2025.</li> <li>• Project 226620 – Te Puke growth related assets..</li> <li>• Project 225632 – Te Puke wastewater treatment plant upgrades.</li> <li>• Project 295201 – Northern harbour boat ramp</li> <li>• Project 244912 – District-wide Reserve Acquisition Funding</li> <li>• Project 345401 – Ōmokoroa Active Reserves</li> </ul>

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