

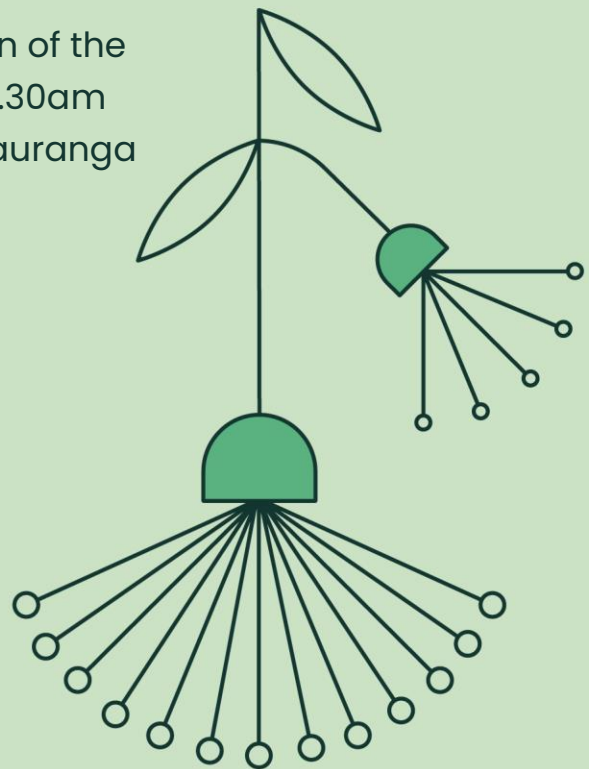
Mā tō tātou takiwā  
**For our District**

## Strategy and Policy Committee

Kōmiti Rautaki me Kaupapa Here

SPC23-5

Thursday, 17 August 2023, On the conclusion of the  
Extraordinary Council Meeting starting at 9.30am  
Council Chambers, 1484 Cameron Road, Tauranga



# Strategy and Policy Committee

## Membership:

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

## Role:

- To develop and review strategies, policies, plans and bylaws to advance the strategic direction of Council and its communities.
- To ensure an integrated approach to land development (including land for housing), land use and transportation to enable, support and shape sustainable, vibrant and safe communities.
- To ensure there is sufficient and appropriate housing supply and choice in existing and new urban areas to meet current and future needs.

## Scope:

- Development and review of bylaws in accordance with legislation including determination of the nature and extent of community engagement approaches to be deployed.
- Development, review and approval of strategies and plans in accordance with legislation including

- determination of the nature and extent of community engagement approaches to be deployed.
- Subject to compliance with legislation and the Long Term Plan, to resolve all matters of strategic policy outside of the Long Term Plan process which does not require, under the Local Government Act 2002, a resolution of Council.
- Development of District Plan changes up to the point of public notification under the Resource Management Act 1991.
- Endorsement of the Future Development Strategy and sub-regional or regional spatial plans.
- Consider and approve changes to service delivery arrangements arising from service delivery reviews required under the Local Government Act 2002 (provided that where a service delivery proposal requires an amendment to the Long Term Plan, it shall thereafter be progressed by the Annual Plan and Long Term Plan Committee).
- Where un-budgeted financial implications arise from the development or review of policies, bylaws or plans, recommend to Council any changes or variations necessary to give effect to such policies, bylaws or plans.
- Listen to and receive the presentation of views by people and engage in spoken interaction in relation to any matters Council undertakes to consult on whether under the Local Government Act 2002 or any other Act.
- Oversee the development of strategies relating to sub-regional parks and sub-regional community facilities for the enhancement of community wellbeing of the Western Bay of Plenty District communities, for recommendation to Tauranga City Council and Western Bay of Plenty District Council.
- Consider and decide applications to the Community Matching Fund (including accumulated Ecological Financial Contributions).
- Consider and decide applications to the Facilities in the Community Grant Fund.
- Approve Council submissions to central government, councils and other organisations, including submissions on proposed legislation, plan changes or policy statements.
- Receive and make decisions and recommendations to Council and its Committees, as appropriate, on reports, recommendations and minutes of the following:
  - SmartGrowth Leadership Group
  - Regional Transport Committee
  - Any other Joint Committee, Forum or Working Group, as directed by Council.
- Receive and make decisions on, as appropriate, any matters of a policy or planning nature from the following:
  - Waihi Beach, Katikati, Ōmokoroa, Te Puke and Maketu Community Boards.
  - Community Committee.

### Power to Act:

- To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed.

## 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 within its delegations and provided that any such sub-delegation includes a statement of purpose and specification of task.
- Should there be insufficient time for Strategy and Policy Committee to consider approval for a final submission to an external body, the Chair has delegated authority to sign the submission on behalf of Council, provided that the final submission is reported to the next scheduled meeting of the Strategy and Policy Committee.

Notice is hereby given that a Strategy and Policy Committee Meeting will be held in the Council Chambers, 1484 Cameron Road, Tauranga on:

Thursday, 17 August 2023, on the conclusion of the Extraordinary Council Meeting starting at 9.30am.

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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 SUBMISSION ON 'HE TOHU HUARAHI MĀORI BILINGUAL TRAFFIC SIGNS CONSULTATION'

**File Number:** A5570421

**Author:** Katy McGinity, Senior Policy Analyst

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

#### EXECUTIVE SUMMARY

For the information of the Strategy and Policy Committee, this report presents a submission made by Western Bay of Plenty District Council on the following matter:

- (a) Waka Kotahi: proposed draft changes to the Land Transport Rule: Traffic Control Devices (Bilingual Signs) Amendment 2023 and the changes it proposes to make to the Traffic Control Device Rule.

#### RECOMMENDATION

1. That the Senior Policy Analyst's report dated 17 August 2023 titled 'Submission on He Tohu Huarahi Māori bilingual traffic signs consultation' be received.
2. That the submission, shown as **Attachment 1** to this report, be received by the Strategy and Policy Committee and the information noted.

#### ATTACHMENTS

1. **Submission to He Tohi Huarahi Maori bilingual traffic signs consultation**  



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1484 Cameron Road,  
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30 June 2023

Waka Kotahi  
PO Box 973  
Waikato Mail Centre  
HAMILTON 3240  
By email: [rules@nzta.govt.nz](mailto:rules@nzta.govt.nz)

Name: Mayor Denyer  
Organisation: Western Bay of Plenty District Council  
Postal Address: Private Bag 12803, TAURANGA 3143  
Daytime telephone: 0800 926 732  
Email address: [katy.mcginity@westernbay.govt.nz](mailto:katy.mcginity@westernbay.govt.nz)

### **He Tohu Huarahi Māori bilingual traffic signs consultation**

We appreciate the opportunity to provide feedback to the He Tohu Huarahi Māori bilingual traffic signs consultation.

We are supportive of the proposed draft changes to the Land Transport Rule: Traffic Control Devices (Bilingual Signs) Amendment 2023 and the changes it proposes to make to the Traffic Control Device Rule. We agree and acknowledge the importance of te reo Māori as the indigenous living language in New Zealand that should be promoted as part of our national heritage and identity.

Our Tangata Whenua Forums, Te Kāhui Mana Whenua o Tauranga Moana and Te Ihu o Te Waka o Te Arawa are supportive of the proposed changes and have been encouraging the use of Māori place names in our signage for some time.

#### Implementation approach

We support the implementation approach for the traffic signs in the prioritised package being required when a traffic sign is replaced or introduced onto the transport network. Cost minimisation is a significant factor, and we seek clarification on the following aspects of the proposed implementation process:

#### *Funding of larger support structures*

It appears that due to more wording being on the signage, the signs will generally be larger and therefore require larger support structures. We request clarification around how the cost of the larger support structures will be funded and confirmation that these costs won't sit entirely with the Roadway Control Authority.

#### **Te Kaunihera a rohe mai i ngā Kuri-a-Whārei ki Otamarakau ki te Uru**

Western Bay of Plenty District Council – Submission to the Occupational regulation reforms in the building and construction sector





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#### *Expectations around timing of replacement*

We seek clarification around any timing expectations for replacement of the prioritised package signs. The implementation approach sets out that this will occur on replacement or introduction. However, traffic signage can last for many years, and we request clarification on whether there are any intended sunset clauses on the use of non-bilingual signs. It would be useful to understand any expectation around the replacement of the temporary traffic management signs in particular.

#### Design principles

We support the five design principles that have informed the designs utilised in the prioritised package. In particular, the principles that the design of signs must be safe for transport system users, the text sufficiently differentiated, and ensuring that Te reo Māori is presented in a culturally appropriate way.

#### Translation

We support the approach Waka Kotahi has taken in working with a panel of te reo Māori experts, the Pae Whakamāori. We agree that the mana of te reo Māori, safety of our hapori/community and consistency across the motu/island should be key considerations. We would also like to acknowledge our support of some signs having two translations provided for to account for dialectal differences. Given the size of our district we will work alongside our Tangata Whenua Forums to identify the most appropriate translation for each rohe.

We are more than happy to work with Waka Kotahi on any future proposals and look forward to seeing more bilingual signs on our roading network.

Yours sincerely,

A handwritten signature in blue ink that reads "James Denyer".

James Denyer  
**Mayor, Western Bay of Plenty District Council**

A5532327

**10.2 SUBMISSION ON WATER SERVICES ENTITIES AMENDMENT BILL****File Number:** A5572920**Author:** Ariell King, Strategic Advisor: Legislative Reform and Special Projects**Authoriser:** Rachael Davie, General Manager Strategy and Community**EXECUTIVE SUMMARY**

1. For the information of the Strategy and Policy Committee, this report presents a submission made by the Western Bay of Plenty District Council on the following matter:
  - (a) Submission on the Water Services Entities Amendment Bill.

**RECOMMENDATION**

1. That the Strategic Advisor: Legislative Reform and Special Projects report dated 17 August 2023 titled 'Submission on Water Services Entities Amendment Bill' be received.
2. That the submission, shown as **Attachment 1** to this report, is received by the Strategy and Policy Committee and the information is noted.

**ATTACHMENTS**

1. **05-07-2023 Submission on the WSE Amendment Bill**  



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Committee Secretariat  
Governance and Administration Committee  
Parliament Buildings  
Wellington  
*Submitted through online portal.*

Name: Mayor James Denyer  
Organisation: Western Bay of Plenty District Council  
Postal Address: Private Bag 12803, TAURANGA 3143  
Daytime telephone: 0800 926 732  
Email address: [ariell.king@westernbay.govt.nz](mailto:ariell.king@westernbay.govt.nz)

### **Western Bay of Plenty District Council submission to the Water Services Entities Amendment Bill**

#### **Governance and Administration Committee,**

Western Bay of Plenty District Council (Council) thanks the Select Committee for the opportunity to submit on the Water Services Entities Amendment Bill. Our submission points are below.

We acknowledge the changes proposed in the Water Services Entities Amendment Bill and would like to reiterate the point made in our previous submissions that there is a broad range of views on the merits of the overall reform both across our community and around our Council table. While we hold differing opinions, we are committed to seeing that any change delivered is workable and benefits our community.

We draw your attention to the specific amendment that we seek to ensure that we can still collect and use Financial Contributions prior to the establishment of the proposed Bay of Plenty Water Services Entity. The rationale for this change and the specific wording requested is in Attachment One.

We generally support the submission from Taituarā – Local Government Professionals Aotearoa. We support the points raised regarding section 35(8) and the comment regarding the deferral of Long-term Plans in the event that the reforms do not proceed.

We also generally support the submission from Local Government New Zealand. Specific points that we agree with include the following:

- The potential lack of clarity around whether DIA's oversight powers will continue to apply given changes to establishment timeframes.
- Our disappointment that the Government has withdrawn the 'better off' component of the financial support package for local government.
- We agree that the Crown should not be able to claim reimbursement of reform-related expenses from the WSE. The Crown should only be entitled to reimbursement for Crown capital expenditure that the WSE will directly benefit from.

We wish to express our disappointment with the process and restricted timeframes to provide feedback on the Bill. Participating in this process is a critical role for local government and the restricted timeframes have limited our ability to seek feedback from others and give due consideration to the intended and unintended consequences of the proposed changes. This process does not support quality decision-making.

Please note that we do **not** wish to speak to our submission.

#### **Submission points**

1. We recognise that an increased number of entities enhances the opportunities for regional representation. As submitted previously, we think that this will allow a greater degree of involvement by the affected communities and ensure more effective representation from Council.
2. We generally support the ability for water service entities to merge and have shared service agreements with other water service entities.
3. We would note however that it may be advantageous for the discussions regarding potential mergers to be completed prior to the establishment of the new entities (excluding Auckland and Northland). This would avoid a duplication of establishment processes and the associated costs. As such we request that additional provisions are included to provide this opportunity and allow different entities to be established than those identified in Schedule 1 of the Bill.
4. We support the establishment and purpose of the Water Services Entities Funding Agency. We understand that it is intended to operate on a similar basis as the Local Government Funding Agency.

5. We support the transitional arrangements relating to the various Council processes over the period between 1 July 2024 and 1 July 2026 e.g., Long-term Plan, Annual Plan and Annual Report.
6. We request a specific change to clause 39 within clause 35(8) of the Bill to allow Council to continue to collect and use Financial Contributions for waters infrastructure. Please see Attachment One.
7. The Bill has proposed quarterly establishment dates. These dates should be reconsidered given the crossover of dates with the next local government elections including pre and post elections (1 July 2025 and 1 October 2025). This is a busy time for local government and is likely to result in less than desirable outcomes. We also question whether New Years Day 2025 and 2026 are appropriate dates for a new entity to become operational.
8. The determination of priority for infrastructure across a water services entity has the potential to undermine our ability to respond to growth and development. As we understand it, infrastructure that is required for growth and development is a lower priority than maintaining levels of service and compliance with consent conditions. These are valid infrastructure issues; however, they may be disproportionate in other parts of the entity when compared to the matters to be addressed in the Western Bay of Plenty. A good example of this is the infrastructure remediation required at Waihi Beach to resolve stormwater issues that have been exacerbated by climate change. There is the potential for this project to be reprioritised by the entity – even when there is a clear need for immediate action.
9. In addition to projects where immediate action is required, we are also concerned that a delay of infrastructure that caters for growth and development may mean that Council can no longer deliver on the legislative commitments set out in the National Policy Statement on Urban Development. We seek an amendment to the Water Services Entities Amendment Bill to allow a balanced consideration of the required infrastructure projects. This could be similar to what is provided in section 101(b) of the Local Government Act where provision is made for the consideration of the overall impact of the decision on the current and future social, economic, environmental, and cultural well-being of the community.

## Attachment One

### Introduction

1. The Water Services Entities Amendment Bill (Bill) contains provisions that allow for the establishment of water services entities (WSEs), other than the Northland and Auckland WSE, over a two-year period from 1 July 2024 to 1 July 2026.
2. Unlike most territorial authorities, Western Bay of Plenty District Council (WBOPDC) uses financial contributions under the Resource Management Act 1991 (RMA), rather than development contributions under the Local Government Act 2002 (LGA), to partially fund the cost of its growth-related capital expenditure on water supply, wastewater, and stormwater infrastructure (together, water services infrastructure).
3. WBOPDC seeks amendments to the new clause 39 of Schedule 1AA of the Local Government Act 2002 (LGA), set out in clause 35 of the Bill, to allow territorial authorities that charge financial contributions for water services infrastructure to continue to do so until the establishment date of the WSE in their district. The specific amendments sought are set out at the end of this submission.

### Local government organisations continue to provide water services until establishment date

4. Clause 5 of the Bill inserts a new section 6A of the Water Services Entities Act 2022 (**WSEA**). The proposed new section 6A(1) states:
  - (1) This Act, and secondary legislation made under this Act, apply to a water services entity, and its service area, only on and after that entity's establishment date.
5. The new section 6A(4) provides for the establishment date for entities other than the Northland and Auckland WSE to be set by Order in Council, and be one of nine specified dates over a two-year period from 1 July 2024 to 1 July 2026.
6. The new section 6A(2) states:
  - (2) Before the entity's establishment date, local government organisations provide water services in their districts (to the extent

that they are part of the entity's service area) under the law in force immediately before 1 July 2024.

7. The clear intention is for local government organisations that currently provide water services to have full powers to do so, under the law in force immediately before 1 July 2024, until the provision of these services is taken over by WSEs on the establishment date.

#### **Charging of financial contributions until WSEs are established**

8. The new clause 39(1) to Schedule 1AA of the LGA, set out in clause 35 of the Bill, states that clause 39 applies if:
  - (a) a territorial authority's district is wholly or partly in the service area of a water services entity with an establishment date (under section 6A(3A) or (4) of the Water Services Entities Act 2022) in a financial year; and
  - (b) the territorial authority is, under section 6A(2) of the Water Services Entities Act 2022, to provide water services in its district for any part of that financial year.
9. Reflecting the "general rule" in sections 6A(1) and (2), clause 39(2) of the Bill states:
  - (2) The territorial authority may, until that establishment date,—
    - (a) include, in a policy of the territorial authority adopted under section 102(1) on development contributions (for example, in a schedule of that policy), requirements relating to water services infrastructure:
    - (b) require, under a policy on development contributions adopted under section 102(1) (for example, under a schedule of that policy), development contributions for the water services infrastructure the territorial authority has been planning to provide:
    - (c) require development contributions for capital expenditure relating to water services infrastructure that may or will be incurred in future (even if, and to the extent that, that capital expenditure will be incurred after that establishment date).

10. Clause 39 permits territorial authorities to require **development contributions** for water services infrastructure until the establishment date of the WSE; but does not refer to, let alone confer a power to require, **financial contributions** for water services infrastructure.
11. Clause 39(2)(a) refers to “a policy of the territorial authority adopted under section 102(1) on development contributions”, notwithstanding that section 102(1) of the LGA requires a local authority to adopt “a policy on development contributions **or financial contributions**”.
12. A court is therefore likely to conclude that the absence of any reference to financial contributions in clause 39 indicates that Parliament did not intend territorial authorities to be able to require financial contributions until the establishment date.
13. The new section 350 of the WSEA contained in clause 22 of the Water Services Legislation Bill as reported back from the Finance and Expenditure Committee provides that despite anything in the LGA or RMA, on or after 1 July 2024 a territorial authority may not require development contributions under the LGA or financial contributions under the RMA to fund infrastructure or other assets that the WSE holds.
14. Under the new sections 6A(1) and (2) of the WSEA noted in paragraphs 4 and 6 above, section 350 will only have effect in a WSE’s service area after the establishment date of the WSE concerned, and until that time local government organisations will provide water services in their districts under the law in force immediately before 1 July 2024. On that basis, section 350 would not act as a prohibition on a territorial authority requiring financial contributions *before* the establishment date. However, the contrast between section 350 (which addresses the power to require development contributions **and** financial contributions) and clause 39 (which only refers to development contributions) is stark, again suggests that clause 39 cannot be read as authorising the ongoing charging of financial contributions.

#### **Impact on WBOPDC**

15. Section 102(1) of the LGA requires local authorities to adopt a policy on development contributions or financial contributions. WBOPDC has adopted a financial contributions policy rather than a development contributions policy. WBOPDC uses financial contributions to mitigate the effects of new and intensified development on infrastructure in the district, including water services infrastructure. Financial contributions are charged on “household



equivalents” and calculated by dividing the cost of the Council’s growth related capital expenditure over the planning period by the expected number of dwellings and household equivalents during the planning period. The calculation methodology is essentially the same as that used for development contributions and set out in Schedule 13 of the LGA.

16. Under section 108(10) of the RMA, a financial contribution condition must be in accordance with the purposes specified in the district plan or proposed district plan, and the level of contribution is determined in the manner described in the district plan or proposed district plan. The provisions in Chapter 11 of the Operative WBOP District Plan, as noted above, calculate financial contributions by reference to the cost of the Council’s growth-related capital expenditure. Section 108(10) of the RMA therefore prevents WBOPDC charging a financial contribution to fund growth related capital expenditure of the future WSE or calculating a financial contribution by reference to that capital expenditure.
17. By contrast, clause 39(2)(c) expressly allows a territorial authority to require development contributions for capital expenditure relating to water services infrastructure that may or will be incurred after the establishment date (implicitly, by the WSE).
18. There is no sound policy basis for allowing some territorial authorities to require development contributions for water services infrastructure until the establishment date under clause 39, but not allowing other territorial authorities to require financial contributions in the same way. Development contributions and financial contributions are simply different means for councils to fund a share of their growth related capital expenditure on water services infrastructure. WBOPDC, and the WSE whose service area includes the WBOP district, will be prejudiced if WBOPDC is unable to charge financial contributions during the establishment period, either to fund either its own capital expenditure on water services infrastructure or capital expenditure on water services infrastructure that the WSE will be incurring after the establishment date.

#### **Explanation of recommended drafting changes**

19. The amendments to clause 39 recommended below, as well as adding references to “financial contributions” after existing references to “development contributions”, also include an amendment to clause 39(2). This amendment is to reflect that financial contributions are not required under a policy on development contributions or financial contributions

adopted under section 102 of the LGA (noting that under section 106(2)(f) of the LGA, if financial contributions will be required, the policy must summarise the relevant district plan provisions). Rather, financial contributions are required under the RMA. The suggested wording in clause 39(2) is consistent with the wording used in the new section 350 of the WSEA contained in clause 22 of the Water Services Legislation Bill as reported back from the Finance and Expenditure Committee.

**Recommended amendments to clause 39, Schedule 1AA of the LGA (set out in clause 35 of the Bill)**

**39 Development contributions and financial contributions relating to water services infrastructure**

*Application*

- (1) This clause applies if-
- (1) a territorial authority's district is wholly or partly in the service area of a water services entity with an establishment date (under section 6A(3A) or (4) of the Water Services Entities Act 2022) in a financial year; and
  - (2) the territorial authority is, under section 6A(2) of the Water Services Entities Act 2022, to provide water services in its district for any part of that financial year.

*Development Contributions and Financial Contributions*

- (2) The territorial authority may, until that establishment date, -
- (a) include, in a policy of the territorial authority adopted under section 102(1) on development contributions (for example, in a schedule of that policy), or financial contributions adopted under section 102(1), requirements relating to water services infrastructure:
  - (b) ~~require, under a policy on development contributions adopted under section 102(1), (for example, under a schedule of that policy),~~ development contributions under the Local Government Act 2002 or financial contributions under the Resource Management Act 1991 for the water services infrastructure the territorial authority has been planning to provide:
  - (c) require development contributions or financial contributions for capital expenditure relating to water services infrastructure that may or will be incurred in future (even if, and to the extent that, that capital expenditure will be incurred after that establishment date).

*Reviewing policies on development contributions or financial contributions*

- (3) Section 106(6) does not apply to the parts of a policy of the territorial authority on development contributions or financial contributions that relate to water services infrastructure.

Yours faithfully,



James Denyer

**Mayor**

Western Bay of Plenty District Council

### 10.3 INVESTIGATION OF THE OPTIONS FOR FUNDING GROWTH-RELATED INFRASTRUCTURE

**File Number:** A5520507

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

**Authoriser:** Rachael Davie, Deputy CEO/General Manager Strategy and Community

#### EXECUTIVE SUMMARY

The purpose of this report is to seek a decision to progress further investigations of the options available for funding growth-related infrastructure.

#### RECOMMENDATION

1. That the Strategic Policy and Planning Programme Director's report dated 17 August 2023 titled 'Investigation of the options for funding growth-related infrastructure' be received.
2. That the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.
3. That the Committee resolves to progress further investigations on the options available for funding growth-related infrastructure. These investigations would include consideration of the matters identified in phase two of the Utility NZ report.
4. That the Committee notes that a decision document relating to the financial contributions for 2023/24 will be prepared 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. Western Bay of Plenty District Council (Council) is categorised as a Tier 1 growth area in the National Policy Statement for Urban Development. The district's population is 59,700 (Statistics New Zealand estimate 2022) and has increased on average 1.02 percent each year since 2002.
2. Council has used financial contributions since approximately the year 2000. The Resource Management Act 1991 allows councils to provide in their District Plans for the ability to impose a condition on a resource consent requiring a financial (cash) contribution for the purpose of contributing to infrastructure required to service a

particular development and managing the effects of development on the environment.

3. A financial contribution assists with the costs of providing infrastructure for growth. Council's District Plan allows financial contributions to be charged for water, wastewater, stormwater, ecological protection, transportation and recreation and leisure. The District Plan policy is inextricably linked to the resource consent process (where the financial contribution assessments are made on specific proposals in accordance with the District Plan provisions and provides for a right of appeal or objection), and also the Long-term Plan/Annual Plan process (where Council sets out the growth-related infrastructure projects, including timing and attribution of growth-related funding).
4. An independent review of the financial contributions models has been undertaken by Utility NZ. The review was in two phases – phase one focused on the way financial contributions were 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.
5. The review has 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.
6. This, coupled with feedback received through a range of consultation, planning and consenting processes, leads staff to recognise that there are some aspects of District Plan Chapter 11 (financial contributions) provisions that could benefit from review in order to provide improved clarity and to consider issues raised by submitters. It should also be noted that Plan Change 92 is in progress and there are some financial contribution matters (in relation to the urban areas of Ōmokoroa and Te Puke) that are yet to be decided on.

#### **POTENTIAL OPTIONS FOR FUNDING GROWTH RELATED INFRASTRUCTURE**

7. Council can consider funding growth-related infrastructure, using development contributions under the Local Government Act 2002 (LGA), or Financial Contributions under the Resource Management Act 1991 (RMA). The Infrastructure Funding and Financing Act 2020 also provides a model for funding and financing the necessary infrastructure for urban development.
8. The following table shows the differences between the two currently available approaches to funding growth-related infrastructure:

<b>Financial contributions</b>	<b>Development contributions</b>
<b>Operate under the Resource Management Act 1991</b>	<b>Operate under the Local Government Act 2002</b>

Can be used by territorial authorities and regional councils	Can only be used by territorial authorities (including unitary authorities)
No required integration with asset management or financial planning	Fully integrated with growth, asset management and financial planning
Imposed based on the environmental effects of a development (allowing for cumulative effects). The environmental effects need not be related to growth	Imposed based on share of fiscal effect of growth for a development (past or planned capital expenditure related to growth, also allowing for cumulative effects)
<b>Imposed as a condition of resource consent</b>	Imposed through a requirement to pay a contribution upon granting of a resource consent, building consent (or certificate of acceptance), or authorisation to connect to a service.
Able to be charged to the Crown	Cannot be charged to the Crown
<b>Must be in the district plan</b> – and surmised in the Development Contribution Policy if council has one.	Must be documented in the Development Contribution Policy
Legal process = environmental court	Legal process - High Court or Objection/reconsideration process (commissioners)

9. Resource management legislation is currently subject to a reform process, which would repeal the RMA and replace it with three new laws with an overarching purpose of managing the environment. This means there is uncertainty about the future ability to use financial contributions to fund growth-related infrastructure.
10. A key component of the reform is the regionalisation of some functions currently undertaken by Council, which would instead be the responsibility of a new Regional Planning Committee. This includes the development of natural and built environment plans, which (alongside a regional spatial strategy) will effectively replace district plans. Regional planning committees will be able to make rules requiring environmental contributions for a range of reasons, including to account for the increased cost of providing infrastructure to support development on greenfield land. However, as the legislation is not yet enacted, there is uncertainty as to the timing of when environmental contributions may be a viable option for Council to consider for funding growth-related infrastructure.
11. An additional uncertainty regarding the potential options is the timing and approach for waters reform, noting that there is a general election on 14 October 2023. The legislative reforms proposed for water anticipate a transition to an Infrastructure Contribution associated with developments. It appears that the

Select Committee has recommended amendments to the Water Services Entities Amendment Bill that provide for Council to continue charging and collecting financial contributions for waters related infrastructure. However, it is unclear what the distinction may be between current funding approaches and the proposed Infrastructure Contributions.

### SIGNIFICANCE AND ENGAGEMENT

12. 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.
13. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.
14. In terms of the Significance and Engagement Policy this decision is considered to be of **low** significance because while this would be a matter of community interest (particularly the development community) the recommendations of this report only seek approval for further investigations of funding for growth-related infrastructure.

### ENGAGEMENT, CONSULTATION AND COMMUNICATION

15. One of the recommendations of this report seeks inclusion of the decisions made in relation to the deliberations on financial contributions 2023/24. The financial contributions have been subject to consultation through the Annual Plan process and a further consultation process.
16. Through those consultation processes, Council received feedback seeking clarity on when Council may consider initiating a plan change on financial contributions. While this feedback was considered out of scope for the Annual Plan process, the resolutions made in relation to this report may be of interest to some of those who gave feedback through the Annual Plan process.

### STATUTORY COMPLIANCE

17. The recommendations of this report enable Council to continue to meet its legislative obligations in relation to using financial contributions and to investigate options for the future funding of growth-related infrastructure.

**FUNDING/BUDGET IMPLICATIONS**

<b>Budget Funding Information</b>	<b>Relevant Detail</b>
Policy and planning operational budgets	<p>Can be accommodated within existing budgets and resources. If after further consideration the Committee decides that a new policy or plan change is required, this would be considered through the Strategy and Policy Committee work programme for 2024.</p> <p>Alternatively, contract resource can be considered to create additional capacity.</p>



**11 INFORMATION FOR RECEIPT**