

Mā tō tātou takiwā
For our District

Council

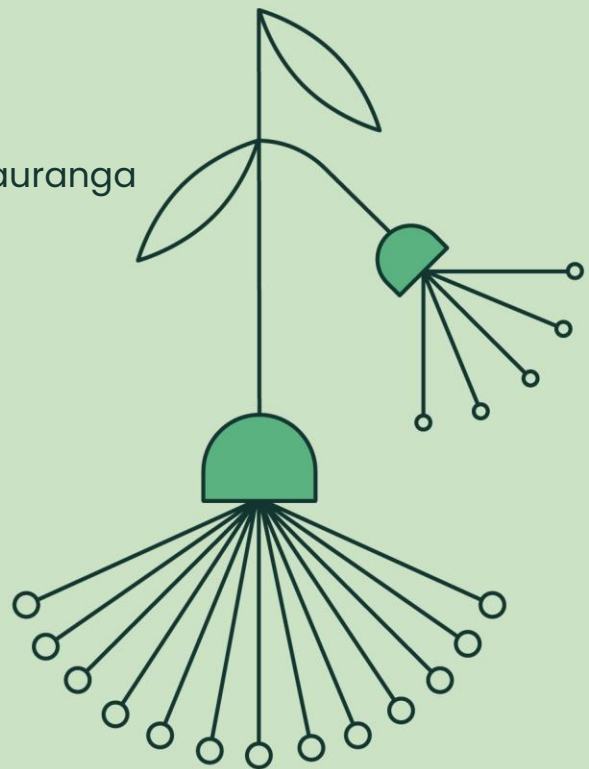
Te Kaunihera

Late Reports

CL24-5

Thursday, 13 June 2024, 1.30pm

Council Chambers, 1484 Cameron Road, Tauranga



Order Of Business

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10 REPORTS

10.4 CONSULTATION ON DRAFT FINANCIAL CONTRIBUTIONS 2024/2025

File Number: A6230419

Author: Peter Renouf, Commercial Business Analyst

Authoriser: John Holyoake, Chief Executive Officer

EXECUTIVE SUMMARY

The purpose of this late report is to consider the draft statement of proposal, proposed schedule of draft financial contributions for 2024/2025 and supporting disclosure tables for consultation. Consultation will be undertaken in accordance with section 82 of the Local Government Act 2002 from Monday 17 June to Sunday 14 July 2024.

This report was unable to be included in the agenda as the information included in the attachments was unavailable at the time of publish. However, this report is required to be considered at this Council meeting to enable consultation on the draft Financial Contributions which will inform the Long-Term Plan prior to adoption in September 2024.

RECOMMENDATION

1. That the Commercial Business Analyst's report dated 13 June 2024 titled 'Consultation on draft financial contributions 2024/25' 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 Council adopts the draft statement of proposal (**Attachment 1** of this report)
and
That Council adopts the draft financial contributions (**Attachment 2** of this report)
and
That Council adopts the supporting disclosure tables (**Attachment 3** of this report)
4. That the Chief Executive Officer to delegated authority to make such minor editorial changes as may be required prior to consultation.

BACKGROUND

1. 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.

2. 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 in line with the District Plan formula.
3. The Statement of Proposal (**Attachment 1**) outlines the reasons for the consultation as part of the Long Term Plan 2024-34 on Financial Contributions:

The key material changes proposed for consultation are:

- (a) Katikati Outfall failing earlier than anticipated and high estimated costs for replacement.
- (b) Te Puke Wastewater Treatment Plant material costs being higher than previously estimated in the 2021-2031 Long Term Plan.
- (c) Waihi Beach Treatment Plant upgrade costs being higher than previously estimated.
- (d) A review of rural roading requirements was undertaken resulting in lower proposed financial contributions.
- (e) Updates to Ōmokoroa project costing based on the latest quantity surveyor estimates (some of which will now be updated in the final Long Term Plan). This has been undertaken due to the high inflation particularly for the construction industry relating to structure plans in particular stormwater.
- (f) Review of project funding with an underlying benefits formula applied to most up to date information.
- (g) Updates to externally funded projects (eg Waka Kotahi, Government Infrastructure Acceleration Funding), thereby reducing financial contribution requirements.

A full schedule of Financial Contributions is available in **Attachment 2** and summarised by location below:

Activity and Area	Financial	Draft Financial	% Change to
	Contributions	Contributions	Schedule of
	2023/24 (\$)	2024/ 25 (\$)	Fees and
			Charges
			2023/24
Urban Waihi Beach	41,847	57,266	37%
Urban Katikati	41,225	64,210	56%
Urban Ōmokoroa	68,768	80,601	17%
Urban Te Puke	36,281	46,544	28%
Urban Maketu/ Little Waihi	51,735	46,446	-10%

4. Detailed “disclosure tables” which contain the financial information provided in support of the proposed amendments can be found as **Attachment 3**.
5. Through the process of undertaking a detailed review of the proposed financial contributions, there will be a requirement in the future to recover a debt component that cannot be passed to developers. These variances occur due to a number of reasons including project cost increases being higher than when the project was originally signalled, growth timing, inflation estimates and the like. The recovery of residual debt will be undertaken as part of a future consultation with the community.

SIGNIFICANCE AND ENGAGEMENT

6. 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.
7. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.
8. 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 the recommendation to undertake further consultation.

ENGAGEMENT, CONSULTATION AND COMMUNICATION

Interested/Affected Parties	Planned consultation		
Development community	Email to developer database and previous submitters on financial contributions for Annual Plan 2024/25 outlining the updated proposed financial contributions and how to provide feedback. This is primarily through the Have Your Say page, or the opportunity to speak in Council Chambers.	Planned	Completed
General Public	Media release, Council website information, Have Your Say site for providing feedback.		

ISSUES AND OPTIONS ASSESSMENT

<p>Option A Adopt the statement of proposal for the draft financial contributions 2024/25 and disclosure tables for consultation.</p>	
<p>Assessment of advantages and disadvantages including impact on each of the four well-beings</p> <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<p><u>Advantages</u></p> <ul style="list-style-type: none"> • Opportunity for people who may be interested or affected by the changes to present their views. • Enables financial contributions to be imposed from 1 October 2024 • Enhanced transparency around projects included in the financial contribution model and attribution of growth to these. <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> • Will not take effect until 1 October 2024 as a result of the reliance on clause 46 of Schedule 1AA of the LGA (inserted by the Water Services Acts Repeal Act 2024), rather than 1 June 2024.
<p>Costs (including present and future costs, direct, indirect and contingent costs).</p>	<p>Adopting the updated draft financial contributions 2024/25 will ensure growth pays for growth where possible.</p>
<p>Option B Do not adopt the statement of proposal for the draft financial contributions 2024/25 and disclosure tables for consultation</p>	
<p>Assessment of advantages and disadvantages including impact on each of the four well-beings</p> <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<p><u>Advantages</u></p> <ul style="list-style-type: none"> • No potential advantages <p><u>Disadvantages</u></p> <ul style="list-style-type: none"> • Changes in project costs will not be appropriately recovered through financial contributions and will result in funding shortfall that would be required to be funded through rates in the future.

Costs (including present and future costs, direct, indirect and contingent costs).	Risk that financial contributions not appropriately covering the cost of growth-related infrastructure.
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STATUTORY COMPLIANCE

The recommendation to undertake consultation on the draft financial contributions for 2024/2025 satisfies Council's obligations for decision-making and is consistent with the principles of consultation in the Local Government Act 2002.

FUNDING/BUDGET IMPLICATIONS

Budget Funding Information	Relevant Detail
Financial Strategy	Council has confirmed through the Long Term Plan 2024-34 that growth should pay for growth where possible.
Costs arising from consultation	Will be met from existing budgets.

ATTACHMENTS

1. **Statement of Proposal Financial Contributions**  
2. **Schedule of Financial Contributions**  
3. **Disclosure Tables**  



Consultation on draft financial contributions 2024/25

Statement of Proposal

Statement of Proposal

Consultation on financial contributions 2024/25

June 2024

Privacy Act 2020: This form and the details of your submission will be publicly available as part of the decision-making process. The information will be held at the offices of the Western Bay of Plenty District Council at 1484 Cameron Road, Tauranga. Submitters have the right to access and correct their personal information.

Introduction

Western Bay of Plenty District Council is seeking your views on the proposed schedule of draft Financial Contributions for 2024/25.

Our Financial Contributions have been reviewed as part of the preparation of our Long Term Plan 2024-2034 intended to come into effect 1 October 2024 – 30 June 2025. Existing Financial Contributions will remain until the draft Financial Contributions are consulted on and resolved by Council. The delay is done so in reliance on clause 46 of Schedule 1AA of the LGA (inserted by the Water Services Acts Repeal Act 2024)

Consultation starts on Monday 17 June and ends on Sunday 14 July 2024 at 5pm.

Reasons for the proposal

The reasons for consultation are:

1. 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.
2. 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.

Summary of proposed changes

There are a number of changes proposed for consultation. The key ones being:

- (a) Katikati Outfall failing earlier than anticipated and higher estimated costs of replacement.
- (b) Te Puke Wastewater Treatment Plant costs being higher than previously estimated in the 2021-31 Long Term Plan.
- (c) Waihi Beach Treatment Plant upgrade costs being higher than previously estimated.
- (d) A review of rural roading requirements was undertaken resulting in lower proposed financial contributions.

- (e) Updates to Ōmokoroa project costing based on the latest quantity surveyor estimates (some of which will now be updated in the final Long Term Plan). This has been undertaken due to the high inflation particularly for the construction industry relating to structure plans in particular stormwater.
- (f) Review of project funding with an underlying benefits formula applied to most up to date information.
- (g) Updates to externally funded projects (eg Waka Kotahi, Government Infrastructure Acceleration Funding), thereby reducing financial contribution requirements.

The table below shows the proposed financial contributions for 2024/25 that will be consulted on. For comparison purposes the table also shows the financial contributions imposed in 2023/24 (the first column), together with the percentage differences.

Activity and Area	Financial	Draft Financial	% Change to
	Contributions	Contributions	Schedule of
	2023/24 (\$)	2024/ 25 (\$)	Fees and
			Charges
			2023/24
Urban Waihi Beach	41,847	57,266	37%
Urban Katikati	41,225	64,210	56%
Urban Ōmokoroa	68,768	80,601	17%
Urban Te Puke	36,281	46,544	28%
Urban Maketu/ Little Waihi	51,735	46,446	-10%

Also attached (Attachment 2) is a copy of the section of the draft Financial Contributions for 2024/25 showing the proposed updated financial contribution amounts.

The following table sets out the summary disclosure table. Attached to this statement of proposal are the detailed disclosure (Attachment 3).

Proposed 2024/25 Financial Contributions - Summary Disclosure Table

Summary disclosures

Activity	Contributing Area	Historic Capital Expenditure* (\$)			Forecast Capital Expenditure** (\$)			Total Capital Expenditure (\$)			Growth Percentage		
		Existing & External***	Growth****	Total	Existing & External***	Growth****	Total	Existing & External***	Growth****	Total	Historic	Forecast	Overall
Water Supply	Western	22,280,455	4,469,526	26,749,980	16,791,700	6,650,734	23,442,435	39,072,155	11,120,260	50,192,415	17%	28%	22%
	Central	11,259,557	6,981,974	18,241,531	12,929,797	27,063,203	39,993,000	24,189,353	34,045,178	58,234,531	38%	68%	58%
	Eastern	21,376,354	8,831,669	30,208,022	45,068,572	12,065,589	57,134,161	66,444,925	20,897,258	87,342,183	29%	21%	24%
Wastewater	Waihi Beach	18,533,889	6,258,300	24,792,188	21,526,622	1,582,600	23,109,222	40,060,511	7,840,899	47,901,410	25%	7%	16%
	Katikati	8,153,530	3,935,536	12,089,066	65,556,075	17,618,439	83,174,513	73,709,605	21,553,975	95,263,580	33%	21%	23%
	Ōmokoroa	14,933,886	23,797,851	38,731,737	1,706,040	13,289,316	14,995,355	16,639,925	37,087,167	53,727,092	61%	89%	69%
	Te Puke	8,895,479	2,063,999	10,959,478	83,525,860	16,614,472	100,140,332	92,421,339	18,678,470	111,099,809	19%	17%	17%
	Maketū/Little Waihi	12,609,889	1,597,147	14,207,037	3,428,977	20,087	3,449,064	16,038,866	1,617,235	17,656,101	11%	1%	9%
Stormwater	Waihi Beach	9,758,049	1,946,145	11,704,194	31,899,172	454,994	32,354,166	41,657,221	2,401,138	44,058,360	17%	1%	5%
	Katikati	481,188	3,938,510	4,419,698	866,886	4,451,071	5,317,957	1,348,073	8,389,581	9,737,655	89%	84%	86%
	Ōmokoroa	4,508,109	11,309,455	15,817,564	2,207,511	26,864,144	29,071,655	6,715,621	38,173,598	44,889,219	71%	92%	85%
	Te Puke	2,134,341	4,496,461	6,630,802	2,770,711	6,960,011	9,730,722	4,905,052	11,456,473	16,361,524	68%	72%	70%
Transportation	Urban Waihi Beach	-	265,178	265,178	0	2,653,556	2,653,556	0	2,918,734	2,918,734	100%	100%	100%
	Urban Katikati	1,564,931	2,206,185	3,771,116	6,807,488	4,930,083	11,737,571	8,372,419	7,136,268	15,508,687	59%	42%	46%
	Urban Ōmokoroa	14,062,915	21,856,318	35,919,233	105,225,938	60,159,107	165,385,045	119,288,852	82,015,425	201,304,278	61%	36%	41%
	Urban Te Puke	4,551,855	441,976	4,993,831	1,686,900	5,567,577	7,254,477	6,238,755	6,009,553	12,248,308	9%	77%	49%
	Rural	68,793,416	11,225,640	80,019,056	239,636,200	6,485,684	246,121,884	308,429,616	17,711,323	326,140,940	14%	3%	5%
	Strategic (District-wide)	72,790	6,239,755	6,312,544	205,793,616	17,680,859	223,474,474	205,866,405	23,920,613	229,787,019	99%	8%	10%
Recreation	Recreation/Open Spaces				105,672,176	46,013,923	151,686,099	105,672,176	46,013,923	151,686,099	0%	30%	30%
Ecological													

* - Existing and external capital expenditure is funded by third party funding and the existing community through rate funding mechanisms.

** - Growth capital expenditure is funded by new community entrants through financial contributions.

*** - Historic capital expenditure is any actual incurred expenditure up to and including the 2022/23 Financial Year, to 30 June 2023.

**** - Forecast capital expenditure is any budgeted expenditure from the 2023/24 Financial year onwards, from 1 July 2023.

What's not in scope?

There are no significant implications for the current Financial Strategy 2024-34 arising from the proposed changes although there may be further consultation required in the future to recover residual debt that cannot be recovered from growth due to changes in costs of projects, inflation variances, and the number of lots anticipated/capacity.

Have your say – you can provide your feedback before 5pm on Sunday 14 July 2024

Please tell us what you think. You can do this by:

- Entering it online at: <https://haveyoursay.westernbay.govt.nz>
- Posting it to: *Financial Contributions 2023/24, Western Bay of Plenty District Council, Private Bag 12803, Tauranga 3143.*
- Emailing it to: haveyoursay@westernbay.govt.nz
- Delivering it to:
 - Western Bay of Plenty Barks Corner Office, 1484 Cameron Road, Greerton
 - Te Puke Library and Service Centre, 130 Jellicoe Street, Te Puke
 - The Centre – Pātuki Manawa, Katikati Library, Service Centre and Community Hub, 21 Main Road, Katikati
 - Waihī Beach Library and Service Centre, 106 Beach Road, Waihī Beach
 - Ōmokoroa Library and Service Centre, 28 Western Avenue, Ōmokoroa

Feedback forms are available online, at our service centres listed above, or through calling the Council (07 571 8008) to request a hard copy.

Giving effective feedback

Online forms provide the opportunity to express your views on the proposed changes to financial contributions for 2024/34 at haveyoursay.westernbay.govt.nz.

If you would like to speak to your feedback in person, please email haveyoursay@westernbay.govt.nz or phone 07 571 8008 by no later than Sunday 14 July 2024, or make sure you have ticked the box on the feedback form.

What happens next?

Council will acknowledge in writing or by email (if provided) the receipt of your feedback and all feedback will be considered through Council's deliberations process. All submitters who provided email or postal details will receive a decision document.

Statement of Proposal

Consultation on financial contributions 2024/25

June 2024

Privacy Act 2020: This form and the details of your submission will be publicly available as part of the decision-making process. The information will be held at the offices of the Western Bay of Plenty District Council at 1484 Cameron Road, Tauranga. Submitters have the right to access and correct their personal information.

Review timeframes:

- Period for feedback opens: Monday 17th June 2024
- Period for feedback closes: Sunday 14th July 2024 (5pm)



**Western
Bay of Plenty**
District Council



**Proposed schedule of
financial contributions
2024/25**

1 October 2024 - 30 June 2025

Financial contributions

Financial Contributions are established based on the policy and methodology as presented in our District Plan in accordance with the Resource Management Act 1991.

As the process for setting financial contributions is established in our District Plan, submissions through the Long Term Plan public consultation process includes the quantum of the financial contributions as set through the costs and timing of the construction, and any other relevant variables in the District Plan formula. (Section 11 of the District Plan).

		Per additional lot (\$ 2023/24)	Per additional lot (\$ 2024/25)
Water			
Western		3,974	5,006
Central		4,806	8,446
Eastern		7,999	12,515
Wastewater			
Waihi Beach		19,498	21,702
Katikati		7,515	26,204
Ōmokoroa		14,296	18,588
Te Puke		7,298	13,235
Maketu/Little Waihi		12,644	10,172
Stormwater			
Waihi Beach		4,188	19,346
Katikati		8,593	17,274
Ōmokoroa		10,202	17,587
Te Puke		6,569	8,183
Ecological			
Ecological		501	501
Recreation and Open Spaces			
Recreation and Open Spaces		10,100	7,005
Transportation			
Margaret Place Extension	per lot	18,150	18,150
Access to Access to Ōmokoroa Developments Limited (formerly Fiducia area)	per lot	28,714	28,714
Ōmokoroa Southern Industrial Area	per 100m ²	4,123	4,123
District-wide	per lot	1,441	2,815

	Per additional lot without District-wide transportation		Per additional lot including District-wide transportation	
	2023/24 (\$)	2024/25 (\$)	2023/24 (\$)	2024/25 (\$)
Urban Rooding				
Waihi Beach	2,145	891	3,586	3,706
Katikati	9,101	5,405	10,542	8,220
Ōmokoroa	27,422	25,659	28,863	28,474
Te Puke	2,373	3,403	3,814	6,218
Rural Rooding				
Katikati - Waihi Beach Ward	19,551	13,939	20,992	16,754
Kaimai Ward	19,551	13,939	20,992	16,754
Maketu – Te Puke Ward	19,551	13,939	20,992	16,754

		2023/24 (\$)	2024/25 (\$)
Rangiuru Park			
(see District Plan – Appendix 7)			
Transportation	per m ²	86.40	88.40
Water Supply	per m ²	27.50	24.38
Wastewater	per m ²	34.88	44.27
Stormwater	per m ²	38.03	44.03
Recreation and open spaces	per m ²	2.42	2.19

		2023/24 (\$)	2024/25(\$)	Notes
Industrial zone - Ōmokoroa				
The financial contributions are catchment/area or activity specific and should be confirmed with Council				
Transportation (Ōmokoroa Southern Industrial area)	per 100m ² of lot size	4,123	4,123	per 100m ² of lot size
Water Supply (Central)	for 20mm connection or based on connection size	4,806	8,446	for 20mm connection or based on connection size
Wastewater (Ōmokoroa)	per HHE	14,296	18,588	1 HHE is equal to a lot size or grass floor area
Stormwater (Ōmokoroa)	per HHE	10,202	17,587	1 HHE is equal to 300m ² of development land

Notes

Commercial/commercial Transition zones	
Transportation (catchment dependent)	Specific activities only
Water supply (catchment dependent)	Or based on connection size
Wastewater (catchment dependent)	Or 1 HHE is equal to a lot size or gross floor area of 600m ²
Stormwater (catchment dependent)	Or 1 HHE is equal to 300m ² of development land
Recreation and leisure (dwellings/accommodation)	
Post harvest zone	
The financial contributions are site specific and should be discussed with Council staff.	
Te Puke industrial and Te Puke West industrial	
There is a separate financial contribution model for the Te Puke industrial area. To be confirmed with Council on application.	
Katikati industrial	
There is a separate financial contribution model for the Katikati industrial area. To be confirmed with Council on application	

Notes**FINCO reductions for Papakāinga and Community Housing**

- All applications for developments of two or more dwellings, where Financial Contributions apply, Financial Contributions will be charged for one Household Equivalent (HHE). This is the base charge.
- Community Housing Providers will receive a 100% reduction in Financial Contributions for additional dwellings (over and above the base charge of one HHE), for applications up to a maximum of 10 dwellings.
- Papakāinga will receive a 100% reduction in Financial Contributions for additional dwellings (over and above the base charge of one HHE), for applications up to a maximum of 10 dwellings.

The following criteria apply:

- Kainga Ora are excluded from any waiver / reduction.
- Organisations that are not registered Community Housing Providers (CHPs) will need to provide alternative evidence that the housing they are developing will be held as assisted rental or assisted ownership in the longer term.
- For development of community housing, a 10-year restrictive covenant specifying the use of the housing for community housing will be lodged against the title. This will be managed through the resource consent or building consent process
- Additional dwellings (i.e. applications for more than 10 dwellings) will have the Financial Contributions for the additional dwellings assessed in accordance with the District Plan.
- Papakāinga is defined as homes and associated community facilities developed to support those homes on whenua Māori, where homes will be owned and occupied by the owners of the whenua, and whānau who whakapapa to the land have the opportunity to live according to Te Ao Māori.
- Community Housing is defined as housing provided and/or operated by a not-for-profit group, as long term social, assisted rental or assisted ownership housing.

