

Section 32 Report

Financial Contributions

prepared for the

Proposed

Waimakariri District Plan

August 2022



WAIMAKARIRI
DISTRICT COUNCIL

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1. EXECUTIVE SUMMARY

Unanticipated growth from subdivision and land use can result in insufficient capacity in existing Council provided infrastructure. Where capacity is exceeded in these networks, this may result in damage to the environment, and impacts on the health of residents from insufficient stormwater, wastewater and drinking water supply, and congestion on roads. Upgrades to infrastructure to accommodate increased demand can carry a high cost. The Council budgets for planned growth in annual plans, however growth outside of this must be recouped from other sources.

Financial contributions can be levied on developments to fund infrastructure upgrades and to offset negative effects on the environment arising from new development. These differ from development contributions in that they are imposed on permitted activities or as conditions of resource consents to manage effects of growth within existing areas.. The collection of financial contributions means that upgrades to infrastructure as a result of development are funded by those they benefit, rather than the general ratepayer.

A variation to the Proposed District Plan has been prepared following the implementation of the 'Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021' (Amendment Act). The Amendment Act seeks to address housing supply issues by setting medium density residential standards. Section 77E (1) of the Amendment Act enables councils to collect financial contributions to fund infrastructure upgrades and mitigate any adverse effects on the environment that arise as a result of housing intensification.

Variation 2: Financial Contributions inserts new objectives, policies and rules into the Koha pūtea - Financial Contributions Chapter that set out the circumstances in which financial contributions can be applied to new developments. The proposed rules apply financial contributions requirements to the development of new residential units within the Medium Density Residential Zone, where there are more than two residential units per site; and to subdivision where more than two new allotments are created. Standards within the chapter also provide assessment methodologies for calculating financial contributions required.

The proposed provisions differ from those within the Operative District Plan in that financial contributions can be collected for activities of any status, other than prohibited. The provisions have also been rewritten so that they specifically address housing intensification, as this form of development will likely become more prevalent across the District once the medium density residential standards are implemented. Overall, the new provisions ensure that financial contributions can be levied from the intensification anticipated under the Amendment Act, to address any effects on infrastructure capacity and on the environment.

This variation will be publicly notified and assessed through the Intensification Streamlined Planning Process (ISPP), alongside a separate variation, Variation 1: Housing Intensification, which contains amendments to address the medium density residential standards. The ISPP was introduced by the Amendment Act and will make implementing amendments into district plans faster, in order to enable intensification.

2. OVERVIEW AND PURPOSE

2.1 Purpose of Section 32 RMA

The overarching purpose of Section 32 of the Resource Management Act 1991 (RMA) is to ensure that plans are developed using sound evidence and rigorous policy analysis, leading to more robust and enduring provisions.

Section 32 reports are intended to clearly and transparently communicate the reasoning behind plan provisions to the public. The report should provide a record of the evaluation process, including the consultation, technical work, methods, assumptions and risks that informed that process. A robust report can prove highly useful to decision makers, particularly where it clearly communicates the analysis undertaken to identify the most appropriate way to achieve the purpose of the RMA.

The District Council is required to undertake an evaluation of any proposed District Plan provisions before notifying those provisions. This Section 32 report has been prepared to assess amendments made to the Proposed District Plan as part of Variation 2: Financial Contributions. The Section 32 evaluation report provides the reasoning and rationale for the proposed provisions and should be read in conjunction with those provisions.

2.2 Topic Description

The District Council has policies for both development contributions and financial contributions. These mechanisms differ in the purposes that they are collected for. The Development Contribution Policy allows the Council to levy development contributions to ensure that growth-related capital expenditure identified in the Long Term Plan (LTP) (future and past expenditure) is appropriately recovered from those who are directly benefiting, rather than having existing ratepayers bear all of the costs. The levies are required for any new allotments, infrastructure contributions within Development Contribution Areas and developments within Outline Development Areas. The levies are collected for the growth component of water, sewer, drainage and roading. Development contributions are levied under the Local Government Act 2002.

Financial contributions are intended to enable the District Council to provide for services that do not form part of the Development Contributions Policy, but are needed to enable future development to occur or mitigate environmental effects once all other alternative options have been exhausted. Financial contributions can either be in the form of money or land or any combination of these. Where land is offered, it must be for the purpose of servicing the proposed development and is required for infrastructure purposes. Monetary contributions may be required to provide water, wastewater and stormwater infrastructure services, and the provision of roads or associated road infrastructure. In addition to servicing new development, the District Council may need to upgrade existing infrastructure where intensification of existing residential or commercial areas has resulted in additional loads in excess of that which is catered for as part of the growth component of the network. Financial contributions and development contributions cannot be collected for the same purpose.

Financial contributions are enabled under the RMA, and the purpose for which they may be imposed must be for the purpose of Section 5 of the RMA (sustainable management of natural and physical resources). All provisions under the RMA are subject to Part 2 and therefore financial contributions must be for the purpose of:

- enabling people and communities to provide for their health, safety and economic, social and cultural wellbeing;

- sustaining the potential of resources to meet the reasonably foreseeable needs of future generations;
- safeguarding the life-supporting capacity of air, water, soil and ecosystems; and
- avoiding, remedying and mitigating adverse effects of activities on the natural and physical environment.

The District Plan can collect financial contributions where these have been provided for in the plan and where the purpose has been specified in accordance with the purpose of the plan.

The existing Operative District Plan (ODP) has policies and rules for financial contributions in line with the requirement of the RMA. The ODP includes provisions on esplanade reserves/strips, car parking, off-site loading, mitigation of environmental effects, and adverse effects on existing infrastructure. During the life of the ODP, financial contributions have mainly been collected for adverse effects on the road network, stormwater and wastewater system.

The Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 (Amendment Act) enables housing at a medium density to occur as a permitted activity. The Amendment Act enables up to three dwellings to be built on a property up to three stores (maximum 12m height), covering 50% of the section and within 1m of rear and side boundaries. As part of the Amendment Act, Section 77E (1) enables local authorities to collect financial contributions for a class of activity other than prohibited activities. The intention is to enable councils to mitigate any adverse effects on infrastructure and the environment as a result of unanticipated intensification enabled by the Amendment Act.

A placeholder Financial Contributions Chapter was included as part of the Proposed District Plan notified on 18 September 2021. This did not contain any policies or rules, but was used as a placeholder for Variation 2 in anticipation of the Amendment Act being released. Under the Amendment Act, if District Councils wish to charge financial contributions they must have a rule which specifies why, when and how the financial contribution will be charged.

2.3 Significance of this Topic

Financial contributions, imposed under the District Plan, can be taken to offset adverse effects that may result from developments, as environmental compensation. Financial contributions will be used when the effect of development directly contributes to the need for physical works on Council services and when the effect of the development has not been foreseen in the LTP. These are generally taken where there is effects on roads, water, stormwater and wastewater networks, reserves and parks, natural hazard mitigation and any other environment effect.

Given the amendments to the RMA to enable intensification, there are likely to be unintended effects on the infrastructure network. The district has only a limited number of buildings that are greater than two levels. The Amendment Act enables up to three dwellings to be constructed of up to three levels without the need for a resource consent. Advice from Council's Infrastructure Team regarding capacity to accommodate the housing intensification enabled through Variation 2 was that infrastructure is generally able to support development of this density, except in relation to wastewater and drainage networks in Kaiapoi which have significant capacity constraints.

Localised infrastructure upgrades may thus be required on a case-by-case basis. While the impacts of new subdivisions on infrastructure can be considered at consenting stage using the development

contributions policy, permitted activities located with existing urban areas that *do not require resource consents can only be assessed using the financial contributions policy within the District Plan.*

The proposed provisions are of significance to the District, as they provide both environmental and social benefits that outweigh identified costs by enabling the safe and efficient provision of infrastructure, and ensuring that intensification and growth is enabled. The provisions also provide an economic benefit directly to Council by providing a source of funding to assist in infrastructure upgrades where required as a result of private intensification.

2.4 Current Objectives, Policies and Methods

The key chapters of the Operative District Plan (ODP) that relate to financial contributions are ch 20, which contains the objectives and policies, and ch 34 which contains the rules. The objectives, policies and methods focus on offsetting the environmental effects of land use or subdivision by upgrading infrastructure. Policies within the ODP require financial contributions where adverse effects cannot be avoided, remedied or mitigated as a broad policy, which specifically identifies riparian margins and the requirement for esplanade reserves and strips. Impacts on infrastructure are covered by the need for meeting the extra demand and where they have adverse effects in general on the infrastructure, and the vesting of land for road or reserves to service a development. Apart from Policies 20.1.1.1, 20.2.1.2 and 20.2.1.4, the existing policies are very generic requiring a purpose and level to be set for financial contributions as part of a subdivision consent.

The financial contribution rules cover the collection of monies associated with adverse environmental effects on existing Council infrastructure or where infrastructure is required to mitigate an effect. Rule 34.2.1 states that the general purpose of financial contributions is to offset the effects of subdivision or land use on services, utilities, and/or facilities that are new, or upgrades or extensions, or to secure environmental compensation for adverse effects that cannot be avoided, remedied or mitigated. Subsequent rules discuss the effects and outcomes to be achieved by collecting financial contributions for water, wastewater, stormwater and roading. Table 34.1 in the ODP provides some detail as to the matters of consideration for any financial contribution calculation.

2.5 Information and Analysis

A review of the financial contributions collected through the resource consent process between 2015 and 2021 was done to determine the type of activities where they were collected. These are collated in the below table.

Infrastructure type	Financial contributions collected 2015 - 2021
Roading	\$290,380
Stormwater	\$142,670
Drinking water	\$88,000
Wastewater	\$2,130
TOTAL	\$523,180

More than half of the contributions collected were for roading. There is likely to be an increase in the amount of financial contributions collected to address effects particularly from intensification on drinking water and wastewater, though an estimate of total levies required cannot be calculated until the development process begins.

Information regarding the capacity of existing infrastructure has also assisted in the development of these provisions. Capacity is calculated within relevant activity management plans, which also includes assessments of the desired and actual levels of service, asset condition, identification of risks

associated with the supply, and growth predictions. These help to inform where spending is allocated via the LTP. This information indicates where gaps in capacity may arise due to anticipated growth, however unanticipated growth, such as a result of the Amendment Act is more difficult to estimate. The financial contributions will ensure capacity is upgraded as the need arises, thus ensuring the Council is responsive to change.

2.6 Consultation Undertaken

Public feedback on the general idea of financial contributions was obtained from the submissions process on the Proposed District Plan (PDP), and through Schedule 1 consultation with Council's statutory stakeholders.

Briefings have been given to Council on 12 April and 12 July 2022. Council's Management Team were also briefed on 14 July about the Financial Contributions Chapter.

2.6.1 Submissions on the Proposed District Plan:

The Proposed District Plan was notified 18 September 2021. A placeholder chapter was included in the PDP to enable Council to amend as part of this variation. The placeholder did not include any objectives, policies or rules, which may have impacted the number of submissions received on this chapter.

Two submissions were received in relation to the placeholder Financial Contributions Chapter. The content of these submissions were in summary:

- general support of the chapter
- seeking ongoing involvement in discussions regarding financial contributions

Public notification of the proposed Financial Contributions Chapter as part of this variation will allow for further involvement of original submitters in development of the provisions.

2.6.2 Schedule 1 consultation

Schedule 1 consultation was undertaken in July 2022 as part of this variation process with key stakeholders. Of the stakeholders contacted for Schedule 1 feedback, only the Canterbury Regional Council (Environment Canterbury) responded directly in relation to financial contributions. They referred to overlap with Objective 11.2.1 of the Canterbury Regional Policy Statement (CRPS). They questioned the expected outcomes from having the policy and any future variations, including contributions or incentives around natural hazard mitigation.

Since this consultation, further amendments have been made to the provisions of the Financial Contributions Chapter of the PDP as a result of internal consultation with Council staff. This led to the removal of provisions relating to natural hazards and indigenous biodiversity thus some prior feedback is no longer relevant.

2.7 Iwi Authority Advice

Clause 3(1)(d) of Schedule 1 of the RMA sets out the requirements for local authorities to consult with iwi authorities during the preparation of a proposed plan. Clause 4A requires the District Council to provide a copy of a draft proposed plan to iwi authorities and have particular regard to any advice received. This section summarises the consultation feedback/advice received from the iwi authority relevant to financial contributions chapter, and the District Council's consideration of, and response to (as required by Section 32(4A)(b) of the RMA), that feedback / advice.

Date	Iwi Authority	Subject Matter	Advice Received	Consideration of, and response to, Advice
12/07/22	Ngāi Tūāhuriri Rūnanga	Rules relating to financial contributions	<p>Mahaanui Kurataiao Ltd sought to confirm whether the financial contributions rule for subdivision, FC-R2, applies to the Special Purpose Zone - Kāinga Nohoanga (SPZ(KN)). Oppose any requirement for financial contributions triggered by a subdivision of freehold land owned by descendants (as defined under the definition of Māori Land in the Proposed District Plan) within SPZ(KN) and requests that the Council exclude the Special Purpose Māori Zone from FC-R2.</p> <p>Mahaanui Kurataiao Ltd sought to confirm whether rule FC-R3 Impervious Surfaces applied to SPZ(KN). Stated previous communication from the Council advised that this was an error.</p>	<p>Advantages: This would remove a barrier for descendants to subdivide their land, potentially enabling family or other descendants to build papakāinga (up to 7 houses) on each allotment created by the subdivision.</p> <p>Disadvantages: The provision of Council-reticulated services to SPZ(KN) currently has physical limitations, and provision of sufficient connections would carry high costs for the Council. Alternatively, landowners would be required to connect to community schemes.</p> <p>Recommended amendments: Retain application of FC-R2 to SPZ(KN). Should this rule be made operative following a decision being made, this would enable the Council to collect financial contributions to help fund additional infrastructure connections to new lots created.</p> <p>Recommended amendments: No amendments required as this rule has been removed from the draft provisions, thus will not apply to SPZ(KN).</p>

2.8 Reference to Other Relevant Evaluations

This Section 32 topic report should be read in conjunction with the following evaluations:

- The relevant sections of the Amendment Act
- Section 32 evaluation report for the Medium Density Residential Zone amendments as part of the ISPP
- Section 32 evaluation report for the Energy and Infrastructure chapter of the PDP
- Section 32 evaluation report for the Transport chapter of the PDP

3. STATUTORY AND POLICY CONTEXT

3.1 Resource Management Act 1991

Section 5 of the RMA sets out the purpose of the RMA, which is to promote the sustainable management of natural and physical resources. Financial contributions must be for the purpose of Section 5. In achieving this purpose, authorities must have particular regard to matters listed in Section 7, and take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi) under Section 8.

3.1.1 Section 7

The Section 7 matter relevant to financial contributions is Section 7 (f) maintenance and enhancement of the quality of the environment. The provision of infrastructure will ensure that any discharges from stormwater and wastewater do not have a detrimental effect on the environment.

3.1.2 Section 8

The Section 8 matters relevant to this chapter are the principles of the Treaty of Waitangi. Financial contributions ensure that any development pays its fair share on infrastructure requirements and their effects on the environment.

3.1.3 Sections 77E and 108

Section 77E from the Amendment Act enables financial contributions to be charged for permitted activities.

Section 108 of the RMA empowers a council to impose financial contributions on resource consents in accordance with the purposes specified in a plan and at a level determined in a manner described in a plan.

In Section 108(9): Financial contribution means a contribution of:

- money; or
- land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of Te Ture Whenua Maori Act 1993 unless that Act provides otherwise; or
- a combination of money and land.

Section 108(10): A consent authority must not include a condition in a resource consent requiring a financial contribution unless:

- the condition is imposed in accordance with the purposes specified in the plan or proposed plan (including the purpose of ensuring positive effects on the environment to offset any adverse effect); and

- the level of contribution is determined in the manner described in the plan or proposed plan.

3.2 National Instruments

The following national instruments are relevant to this chapter:

3.2.1 National Planning Standards

The National Planning Standards were published in November 2019 as part of the 2017 amendments to the RMA, with the purpose of improving the consistency of council plans and policy statements. The standards specify that District Plans are formatted to locate the objectives and policies together with the rules and standards in the same chapter, making it easier to understand and see the connection between the policy and the rules. The standards also specify the order in which chapters are located within the plan. In the Proposed District Plan, the Financial Contributions Chapter is located under *Part 2 – District-Wide Matters – General District-Wide Matters*, and this is required to be listed alphabetically. The chapter location will be amended to ensure it is in the appropriate place on notification.

This variation has been prepared in accordance with the National Planning Standards 2019.

3.2.2 National Policy Statements

3.2.2.1 National Policy Statement on Urban Development

National Policy Statement for Urban Development 2020 (NPS-UD), updated in May 2022, directs local authorities to provide at least sufficient development capacity to meet expected demand for housing. The objectives and policies of the NPS-UD that are considered most relevant to the financial contributions provisions are:

Objective 1: New Zealand has well-functioning urban environments that enable all people and communities to provide for their social, economic, and cultural well-being, and for their health and safety, now and into the future.

Policy 2: Tier 1, 2, and 3 local authorities, at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term, and long term

Policy 10: Tier 1, 2, and 3 local authorities:

- (a) that share jurisdiction over urban environments work together when implementing this National Policy Statement; and*
- (b) engage with providers of development infrastructure and additional infrastructure to achieve integrated land use and infrastructure planning; and*
- (c) engage with the development sector to identify significant opportunities for urban development.*

The proposed rules for financial contributions support the objectives and policies of the NPS-UD in that they provide for urban development that is integrated into infrastructure planning, work to provide sufficient development capacity, and contribute to a well-functioning urban environment.

3.2.2.2 National Policy Statement on Freshwater Management 2020

The National Policy Statement for Freshwater Management (NPS-FM 2020) contains objectives and policies relating to the management of freshwater resources. Policy 3 requires Council to consider freshwater management in an integrated way and consider the effects of development and land use on the receiving environment. While the NPS-FM does not directly refer to the collection of financial

contributions, it provides direction to Councils to look at how land uses will impact upon freshwater. The proposed provisions seek to collect monies for the effects of intensification on drinking water supply and stormwater, which may impact on freshwater sources if not managed efficiently.

3.3 Regional policy statement and plans

3.3.1 Canterbury Regional Policy Statement 2013

The Proposed District Plan must give effect to the Canterbury Regional Policy Statement (CRPS). The CRPS does not directly provide policy direction that relates to territorial authorities collecting financial contributions, however, financial contributions are broadly consistent with achieving the policy direction of the CRPS.

Chapter 2 - Issues of Resource Management Significance to Ngāi Tahu details concerns with issues relating to land use and infrastructure, including effects of land use and discharge activities to water and soil. Financial contributions will help address these concerns by maintaining integrity of water supply, stormwater and waste water infrastructure.

Chapter 5 – Land-Use and Infrastructure provides direction for development and infrastructure services, where inappropriate management can result in changes to natural and physical resources that do not promote sustainable management. Objective 5.2.1 Location, Design and Function of Development promotes sustainable growth, maintaining the quality of the natural environment, and improving energy efficiency. Objective 5.2.3 Transport network seeks a safe, efficient and effective transport system that meets demand, and addresses adverse effects for the wider region. Policies 5.3.2, 5.3.5 and 5.3.6 seek that adverse effects from development are avoided or mitigated, and that development integrates with infrastructure; development must be appropriately and efficiently served by potable water, sewage and stormwater disposal; and that services are upgraded.

Chapter 6 – Recovery and Rebuilding of Greater Christchurch has a specific focus on the Greater Christchurch area. Objective 6.2.3 Sustainability promotes environmentally sustainable and efficient rebuilding. Policy 6.3.5 Integration of Land Use and Infrastructure seeks that development is coordinated with infrastructure, in order to optimise affordable provision, effectiveness and viability. It also retains the ability to upgrade infrastructure.

The proposed financial contributions provisions align with the outcomes sought by the CRPS by ensuring that intensification is enabled through providing for effective and efficient infrastructure services commensurate to the level of development. Collecting financial contributions will contribute to funding necessary upgrades to avoid adverse effects of development, and ensuring that development is sustainable and safeguards natural and physical resources.

3.3.2 Canterbury Land and Water Regional Plan

The financial contributions provisions must not be inconsistent with the provisions of the Canterbury Land and Water Regional Plan (LWRP). The LWRP contains objectives, policies and rules that manage land and water around the region, particularly activities that relate to water quality and quantity in terms of takes and discharges. Some aspects of development will be regulated under the LWRP, including network stormwater discharges, and onsite disposal of wastewater.

Relevant objectives of the LWRP are:

3.4 A regional network of water storage and distribution facilities provides for sustainable, efficient and multiple use of water.

3.8A High quality fresh water is available to meet actual and reasonably foreseeable needs for community drinking water supplies.

3.23 Soils are healthy and productive, and human-induced erosion and contamination are minimised.

3.24 All activities operate at good environmental practice or better to optimise efficient resource use and protect the region's fresh water resources from quality and quantity degradation.

Relevant policies and region-wide rules are those in relation to management of discharges of contaminants to land and water, and management of stormwater and community wastewater systems. Section 8 contains provisions specific to Waimakariri District, including that the District has safe and reliable drinking water.

The financial contributions provisions do not conflict with the LWRP, as the taking of contributions is to offset the effects of activities on the provision of services. Maintaining and upgrading services where necessary will prevent accidental discharges or inappropriate management of resources.

3.4 Iwi Management Plan

The following Iwi Management Plan is relevant to this matter:

3.4.1 Mahaanui Iwi Management Plan 2013

The Mahaanui Iwi Management Plan (IMP) provides statements of Ngāi Tahu issues, objectives and policies for natural resource and environmental management in the takiwā. The plan is a tool for tāngata whenua to express kaitiakitanga and protect taonga, and for external agencies to understand and appropriately manage issues in a manner consistent with cultural values and interests. The proposed financial contributions provisions must take into account the IMP.

Section 5.4 Papatūānuku addresses land use and development activities in the takiwā, with relevant objectives including:

(4) Rural and urban land use occurs in a manner that is consistent with land capability, the assimilative capacity of catchments and the limits and availability of water resources.

(5) Inappropriate land use practices that have a significant and unacceptable effect on water quality and quantity are discontinued.

(7) Subdivision and development activities implement low impact, innovative and sustainable solutions to water, stormwater, waste and energy issues.

Various policies within section 5.4 have relevance for the proposed provisions. P3.2 seeks to ensure early, appropriate and effective involvement of Papatipu Rūnanga in the development and implementation of plan changes. Feedback on the development of these provisions has been sought in accordance with Clause 3(1) of Schedule 1 of the RMA.

Policies P6.1, 6.2 and 6.3 require on-site solutions to stormwater management, oppose the use of existing waterbodies for stormwater discharge, and prevent stormwater from entering the wastewater reticulation system. Policy P6.5 seeks to encourage the design of stormwater management systems to provide for multiple uses: for example, stormwater management infrastructure as part of an open space network that provides for recreation, habitat and customary use values.

Requiring financial contributions will take these policies into account as activities will be encouraged to consider how to achieve the most efficiency within systems, whilst upgrades to infrastructure funded by the financial contributions will maintain the integrity of systems.

3.5 Any relevant management plans and strategies

The following management plans and strategies prepared under other legislation are relevant to this matter:

3.5.1 Waimakariri 2048 District Development Strategy

This strategy, prepared under the Local Government Act 2002, provides an overview of Waimakariri District development to 2048. It provides broad directions for growth and development to inform decision making, and is part of the implementation of the joint work with the Greater Christchurch Partnership. It anticipates a need for additional feasible greenfield residential land in the main towns of Rangiora, Kaiapoi, Woodend/Pegasus and Oxford.

The Strategy notes that the Council will continue to explore options for stormwater management and green design and technology in subdivision design, as well as infrastructure provision in smaller settlements, and that it will maintain the current approach of apportioning infrastructure costs to development rather than the wider community. It also notes that improvements to the transport network will be planned and advocated for, while new urban growth areas will be integrated into the Council's existing reticulated infrastructure networks. The financial contributions gained will ensure this is achievable by providing for improved capacity.

3.5.2 Rural Residential Development Strategy

The Rural Residential Development Strategy (RRDS) provides a framework for the location and quantity of land zoned for rural residential purposes. The RRDS identifies areas for development, and indicates strengths, constraints and opportunities for expansion, partly informed by high-level assessments of servicing capacity for infrastructure and the transport network. The Proposed District Plan helped to implement this strategy by creating the Large Lot Residential Zone which includes those areas identified by the RRDS. Growth in rural residential areas requires careful and appropriate planning to ensure services are efficient and meeting community needs. Unexpected growth can have adverse effects on current provision and the environment.

3.5.3 Infrastructure Strategy 2021 – 2051

The Infrastructure Strategy summarises the current state of Council's infrastructure, and identifies significant issues and options for managing these. The strategy acknowledges the need to make development more holistic and sustainable, to ensure ongoing community wellbeing, prevent and mitigate negative effects on the climate and natural environment, and enhance the resilience of communities and the infrastructure they rely on.

Key issues identified include providing for a fast growing district, responding to changing operating environments, and meeting levels of service and community expectations. The financial contributions provisions are a direct result of the operating environment changing via central government legislation.

The strategy identifies specific projects requiring capital expenditure, and the proportionate spending required for growth, increased level of services, or renewed infrastructure. Replacements make up the majority of the capital expenditure for water supply and wastewater over the next 30 years, whilst the stormwater network will rely on mainly increased levels of service. Roads and footpath projects

are mostly targeting growth, however a high proportion is also targeted on renewals. This indicates that a large proportion of infrastructure is already due for upgrading, and any unanticipated expenditure can impact spending allocation and have adverse effects on project delivery. Financial contributions will support the implementation of this strategy by addressing the identified issues, and ensure levels of service are maintained.

3.5.4 Activity Management Plans

The Council has produced Utilities and Roading Activity Management Plans (AMPs), which describe all aspects of the management of assets and services over the lifecycle of the asset to provide a specified level of service in the most cost-effective manner. AMPs have been produced for Roading, Water, Sewer, Drainage, Stockwater, and Solid Waste. The levels of service are set via the Council's Long Term Plans and the strategic view for the infrastructural assets is provided via the Infrastructure Strategy.

The Financial contributions will ensure infrastructure provision remains cost-effective as the cost is borne by the developer.

3.6 Any other relevant legislation or regulations

The following legislation / regulations are relevant to this matter:

3.6.1 Council Bylaws

3.6.1.1 Wastewater Bylaw 2015

The purpose includes to protect the ability of the Council to meet the requirements of the RMA to protect the investment in the existing and any future infrastructure, treatment plant and disposal facilities, and to protect the ability of the customer to use the public wastewater reticulation network.

3.6.1.2 Water Supply Bylaw 2018

The purpose of this bylaw is to protect, promote and maintain public health and safety, to protect public water supply infrastructure, to protect the public from nuisance by making rules for the supply of water, and to manage and regulate the Council's water supply.

3.6.1.3 Stormwater Drainage and Watercourse Protection Bylaw 2018

The objectives of this bylaw include to control the discharge of contaminants into any Council stormwater system or land drainage system; prevent unauthorised discharge; enable the Council to meet provisions of the Canterbury Land and Water Regional Plan; and protect the land, structures and infrastructure of Council and private systems.

The financial contributions provisions will not be inconsistent with these bylaws.

3.6.2 Engineering Code of Practice

The Engineering Code of Practice provides controls to ensure that all infrastructure created is fit for the intended life of the asset. This includes regulatory details and setting out the process from design to acceptance, applying quality assurance, geotechnical requirements, design guides and compliance criteria for stormwater, land drainage, wastewater drainage, water supply, roading, utilities, reserves, and lighting. This is intended primarily as a guide for engineers and infrastructure providers. The financial contributions provisions will not be inconsistent with this document as the Code of Practice and provisions are both relevant to any applicable development and must be complied with.

3.6.3 Water Services Entities Bill (3 Waters reform)

The Water Services Entities Bill, introduced in June 2022, intends to establish four publicly owned water services entities to provide safe, reliable, and efficient water services in place of local authorities. The bill outlines the nation-wide challenges in relation to the provision of drinking water, wastewater and stormwater services by territorial authorities, and the investment required to maintain and upgrade infrastructure to the required standard is unaffordable for most communities. The bill provides for the establishment of four water services delivery entities across the country with the intention of providing safe, reliable and affordable drinking water, wastewater and stormwater services, and that these services are delivered in a sustainable and resilient manner. The financial contributions provisions are consistent with the outcomes sought by the 3 Waters reform by assisting with cost recovery and upgrades to ensure infrastructure is safe and efficient.

3.7 Any plans of adjacent or other territorial authorities

The District Council is required to have regard to the extent to which the district plan needs to be consistent with the plans and proposed plans of adjacent territorial authorities under Section 74(2)(c) of the RMA.

3.7.1 Christchurch City Council

Christchurch City Council pre-notified a draft plan change, Draft Housing and Business Choice Plan Change (PC14), which closed 13 May 2022. The plan change has been made in response to the Amendment Act, and will be notified to the public on 20 August 2022.

As part of the plan change amendments, Christchurch City Council has chosen to insert provisions relating to financial contributions. These provisions have been included primarily to help maintain or enhance tree canopy cover during intensification, in order to address adverse effects of urban development on the environment. Trees help mitigate greenhouse gas emissions, heat island effects, and stormwater runoff, and improve the city's biodiversity, and amenity.

Financial contributions may be required from developers that do not retain or plant 20% of the site with tree canopy cover in urban areas. Financial contributions will be assessed and paid at the time of a resource consent, building consent, or authorisation for a service connection, and will be used to cover the costs associated with tree planting off-site, tree pit construction in road corridors, maintenance costs, and purchasing land for tree planting. This means the cost of these activities is met by developers. The plan change includes a table to assist plan users to calculate financial contribution costs.

The Waimakariri District Council's proposed provisions are not inconsistent in that financial contributions will be imposed on resource consents or other stage within a development, and that they are a means by which to promote sustainable management of natural and physical resources. The proposed provisions also include methods of calculating financial contributions.

3.7.2 Selwyn District Council

Selwyn District Council in February 2022 stated that further work was required to determine how they could apply financial contributions, however they did not end up including financial contributions within their variation as part of the ISPP process. The Selwyn Proposed District Plan however does contain objectives and policies relating to important infrastructure, including that it is efficient, effective, and resilient, and that upgrades are provided for. The Council also has a development contributions policy which states that the Council has decided that development contributions are an

appropriate tool to fund some of the capital expenditure incurred in providing new or additional assets or assets of increased capacity.

Waimakariri District Council has determined it appropriate to use development contributions and financial contributions as two separate funding mechanisms, with financial contributions being a more targeted cost for increased and unexpected capacity. The proposed provisions are consistent with Selwyn in that both Councils have mechanisms in place to fund new or upgraded infrastructure.

3.7.3 Hurunui District Council

While Hurunui District Council is not required to undertake a plan change to incorporate medium density residential standards, the Council does already levy financial contributions via their District Plan under Chapter 19 Financial Contributions, with policy direction provided under its Development Contributions Policy. The financial contributions are taken to offset adverse effects of development through upgrades or extensions to Council-provided infrastructure, for the protection of natural and physical resources. The financial contribution may be in the form of money, land, works or services, or a combination of these, and are applied at resource consent stage. The Waimakariri District Council provisions are consistent with Hurunui's approach.

4. KEY RESOURCE MANAGEMENT ISSUES

The key resource management issues that need to be addressed in relation to financial contributions are:

Unanticipated growth from subdivision and land use can create additional demand on infrastructure, including roading, water supply, sewerage and stormwater systems. Where this demand exceeds capacity in the network, this may result in:

- Degradation of natural and physical resources such as from accidental discharge
- Lack of safe and efficient supply of water services, and decreased safety in roading infrastructure
- Unaffordability of service provision upgrades
- Inability to provide sufficient capacity for growth

The resource management issues set out in this section have been identified using sources of information including (but not limited to) the Operative District Plan (ODP) and CRPS. The ODP sets out two relevant issues in Chapter 3 Water and three issues for in Chapter 20 Financial Contributions:

Issue 3.2 The further loss or degradation of the natural character and ecosystems of water bodies.

Issue 20.2 The potential for subdivision and land use within the district to create demands on roading infrastructure, water supply, sewerage and stormwater systems, which may in turn have an adverse effect on the natural and physical environment.

Chapter 6 of the CRPS addresses resource management issues across the Greater Christchurch Area. Relevant key issues are:

6.1.2 ADVERSE EFFECTS ARISING FROM DEVELOPMENT

Development can result in adverse effects on the environment, which if not identified and avoided, remedied or mitigated where appropriate, could result in inappropriate outcomes for the region's natural and physical resources, and reduce Greater Christchurch's resilience and

ability to provide for the needs of people and communities. Poorly planned development can increase risk from natural hazards and the effects of climate change, create resource use conflicts, increase community isolation, prevent the efficient and effective delivery of infrastructure and services, reduce economic viability and result in greater overall energy consumption.

6.1.3 TRANSPORT EFFECTIVENESS Urban land use and development in inappropriate locations, or that is poorly integrated with transport networks, can adversely affect the efficient use, development and recovery of transport infrastructure and services, through:

- a. the location of residential and other sensitive activities close to strategic transport networks;*
- b. high energy use associated with private car dependency and the need to travel greater distances;*
- c. inefficient development and operation of strategic transport networks;*
- d. less opportunities for modal choice for transport;*
- e. adverse public health outcomes;*
- f. reduced safety; and*
- g. a failure to optimise the use of available capacity within the existing transport network.*

5. OVERVIEW OF PROPOSED OBJECTIVES, POLICIES AND METHODS

5.1 Strategic Direction

The proposed financial contributions provisions help to implement directions in the Rautaki ahunga - Strategic Direction Chapter and Āhuatanga auaha ā tāone - Urban Form and Development Chapter. The Strategic Directions Chapter has undergone some amendments as part of Variation 1 in order to address changes sought by the Amendment Act in regards to housing intensification. The provisions mentioned below include some of these amendments.

- SD-O1 Natural environment: directs that people have access to a network of natural areas for open space and recreation, conservation and education, and that land and water resources are managed through an integrated approach.
- SD-O2 Well-functioning urban environments (amended in Variation 1): provides direction for the District in regards to providing urban environments that enable people and communities to provide for their social, economic, and cultural wellbeing, and for their health and safety.
- SD-O3 Urban development: seeks that urban development and infrastructure is consolidated and integrated with the urban environment, utilises Council three water systems where available.
- SD-O4 Energy and infrastructure: seeks a safe and efficient transport network and contributes to the wellbeing and liveability of people and communities, and that infrastructure can operate efficiently and effectively, while managing adverse effects on the environment.
- UFD-O2 Feasible development capacity for commercial activities and industrial activities: Seeks sufficient feasible development capacity to meet demand.

The financial contributions provisions will address the key resource management issues in relation to development and growth as identified in the strategic directions above, and will be consistent with these.

5.2 District-wide Subject

The proposed chapter is a District-wide matter. Financial contributions will be levied across the District whenever the relevant rules are triggered by development. This will be either under FC-R1 New Residential Units in the Medium Density Zone, or FC-R2 Subdivision, in any zone where a financial contributions assessment has been completed.

5.3 Proposed Objectives and Policies

The Financial Contributions Chapter contains two objectives and two policies. The objectives are similar to those in the Operative District Plan in that they seek to address impacts on infrastructure and the environment by ensuring that development contributes equitably towards this. A key difference is that they specifically refer to residential intensification.

The objectives are implemented respectively by the policies which seek that financial contributions, where required contribute towards upgrading of infrastructure or the vesting of land to mitigate the effects identified in the objectives.

Objectives
FC-O1 Infrastructure Impacts Residential intensification, new subdivision, and development equitably contribute towards remedying or mitigating effects on Council infrastructure.
FC-O2 Environmental Effects Residential intensification, new subdivision, and development contribute towards mitigating their impact on the environment.
Policies
FC-P1 Provision of Infrastructure Financial contributions are required where housing intensification, subdivision, and development or both have an adverse environmental effect on existing infrastructure, which requires capacity increases, upgrades or other modification to the infrastructure ahead of the scheduled maintenance/replacement program, or outside the scope of scheduled maintenance/replacement programme.
FC-P2 Acquisition and Vesting of Land Consider the need for land to be acquired and vested for the purpose of road reserve, stormwater reserve, the location of council infrastructure, and to mitigate the effects on the environment.

5.4 Proposed Methods

The objectives and policies in the Financial Contributions Chapter are implanted by rules and standards. The two rules set out in which circumstances financial contributions are to be required. The rules are in summary:

FC-R1 New Residential Units: where there are more than two residential units on the site.

FC-R2 Subdivision: Where more than two new allotments are created.

Both rules require activities comply with the proposed standards. The standards in summary require a financial contributions assessment completed under FC-S1, which contains the assessment methodology, and the calculation of monies under FC-S2 to S4 which contain the matters for calculating contributions for three waters infrastructure, acquisition and vesting of land, and roading.

There are no matters of discretion or advice notes included in this chapter. No new definitions are proposed, however key definitions referred to include:

- Allotments
- Drinking water
- Effects
- Environment
- Esplanade reserve / esplanade strip
- Infrastructure
- Natural and physical resources
- Residential units
- Road reserve
- Sustainable management
- Stormwater
- Subdivision
- Wastewater
- Vehicle movements
- VMPD (vehicle movements per day)

6. SCALE AND SIGNIFICANCE EVALUATION

Section 32 (1)(c) of the RMA requires that a Section 32 report contain a level of detail that corresponds with the scale and significance of the environmental, economic, social and cultural effects that are anticipated from the implementation of the proposed objectives, policies and methods.

The level of detail undertaken for the subsequent evaluation of the proposed objectives, policies and methods has been determined by this scale and significance assessment.

In particular, Section 32 (1)(c) of the RMA requires that:

- (a) Any new proposals need to be examined for their appropriateness in achieving the purpose of the RMA;
- (b) The benefits and costs, and risks of new policies and methods on the community, the economy and the environment need to be clearly identified and assessed; and
- (c) All advice received from iwi authorities, and the response to the advice, needs to be summarised.

Further, the analysis has to be documented to assist stakeholders and decision-makers understand the rationale for the proposed objectives, policies and methods under consideration.

In making this assessment regard has been had to a range of scale and significance factors, including whether the provisions:

- (a) Are of regional or district wide significance;
- (b) Involve a matter of national importance in terms of Section 6 of the RMA;
- (c) Involve another matter under Section 7 of the RMA;
- (d) Raise any principles of the Treaty of Waitangi (Te Tiriti o Waitangi) under Section 8 of the RMA;
- (e) Address an existing or new resource management issue;
- (f) Adversely affect people's health and safety;
- (g) Adversely affect those with particular interests including Maori;
- (h) Adversely affect a large number of people;
- (i) Result in a significant change to the character and amenity of local communities;

- (j) Result in a significance change to development opportunities or land use options;
- (k) Limit options for future generations to remedy effects;
- (l) Whether the effects have been considered implicitly or explicitly by higher order documents; and
- (m) Include regulations or other interventions that will impose significant costs on individuals or communities.

6.1 Evaluation of Scale and Significance

	Low	Medium	High
Degree of change from the Operative Plan		✓	
The provisions do not differ largely from the provisions of the Operative Plan in that they are levied for the same purpose. However, their application is different in that they are able to be levied to address the effects of infill development and on any activity status other than prohibited.			
Effects on matters of national importance	✓		
Effects on matters of national importance is low as the provisions do not directly influence matters listed within Section 6 of the RMA, however the proposed provisions do assist in meeting the purpose of the RMA by helping to mitigate effects on the environment. The financial contributions may in some instances be used to mitigate effects on matters of national importance where development has been otherwise enabled in/near those matters.			
Scale of effects geographically (local, district wide, regional, national)		✓	
The provisions have been written so as to have positive effects on the environment and provision of Council infrastructure. These effects will be applicable District-wide where subdivision occurs.			
Scale of effects on people (how many will be affected – single landowners, multiple landowners, neighbourhoods, the public generally, future generations?)		✓	
The provisions once operative will be applicable to any person undertaking where the Financial Contributions Chapter rules are triggered. However, the economic impact on the persons responsible for paying will be a relatively minor effect when compared to District-wide benefits received, as well as benefits to that person gained from development.			
Scale of effects on those with specific interests, e.g., Mana Whenua, industry groups		✓	
Mana Whenua has an interest in the extent to which the provisions apply to Māori Land, i.e. in SPZ(KN), and potential effects on the ability for descendants to develop their land. Other parties with specific interests may include private developers that develop on a larger scale than the private individual. However Financial Contributions and Development Contributions cannot be levied for the same purpose, thus developers will be familiar with paying for infrastructure.			
Degree of policy risk – does it involve effects that have been considered implicitly or explicitly by higher order documents? Does it involve effects addressed by other standards/commonly accepted best practice? Is it consistent, inconsistent or contrary to those?	✓		
The financial contributions provisions have been written as a direct consequence of the Amendment Act and are consistent in that they enable the Council to address potential negative effects from increased intensification. The provisions directly refer to the identified issues from this document and are implemented to meet the purpose of the RMA.			
Likelihood of increased costs or restrictions on individuals, communities or businesses		✓	
Since these provisions will be applicable to anyone seeking development that triggers the applicable rules, there is a medium level of likelihood that the provisions are seen as a potential barrier to development. However, the provisions are part of a larger set of amendments that made development easier across most urban areas within the District thus the benefits outweigh the costs.			
Summary - Scale and Significance			
An overall assessment of the provisions finds them to have low to medium level effects.			

7. EVALUATION OF PROPOSED OBJECTIVES

Section 32(1)(a) of the RMA requires the District Council to evaluate the extent to which the objectives are the most appropriate way to achieve the purpose of the RMA. The level of detail undertaken for the evaluation of the proposed objectives has been determined by the preceding scale and significance assessment. Below is a summary of the proposed objectives that have been identified as the most appropriate to address the resource management issue(s) and achieve the purpose of the RMA, against those objectives in the operative plan. s32(1)(a) and (b) of the RMA only requires that the objective be assessed as to whether it is the most appropriate way to achieve the purpose of the Act and the way to do that is to identify and examine other reasonably practicable options for achieving the objectives.

7.1 Evaluation of Proposed Objectives

Existing Objective/s (status quo)	Appropriateness to achieve the purpose of the Resource Management Act 1991
<p>Objective 20.1.1 To offset environmental effects resulting from land use or subdivision where they cannot be avoided, remedied or mitigated.</p> <p>Objective 20.2.1 To ensure that financial contributions are imposed for the purpose of meeting the capital expenditure necessary for the extra demand on infrastructure generated by the proposed subdivision or land use.</p>	<p>Relevance: The existing objectives remain applicable in a generic sense, particularly 20.1.1 which seeks to offset (mitigate) environmental effects which supports achieving the purpose of the RMA. It is however slightly vague on the application of financial contributions as the term 'land use' is broad. These objectives are less relevant than the proposed approach which includes addressing potential impacts on the environment and infrastructure specifically generated by residential intensification.</p> <p>Reasonableness: This approach has the potential to cause problems as they do not provide specific guidance regarding addressing potential impacts generated by residential intensification. This could lead to unintended environmental and economic consequences and unreasonable additional costs for the District Council in addressing environmental effects and additional demands on infrastructure specifically generated by residential intensification.</p> <p>Achievability: The existing objectives do not specifically recognise or address potential impacts generated by residential intensification. Consequently, the current framework of objectives provides insufficient direction and guidance to decision makers regarding the intended outcomes and specific activities and effects to be managed in relation to residential intensification. Although the generic focus of the objectives generally achieves the purpose of the RMA, the potential effects on the environment and infrastructure of residential intensification is not specifically recognised. Therefore, the existing objectives are considered less appropriate than the proposed approach in achieving the purpose of the RMA with particular regard to residential intensification.</p>

Proposed Objective/s	Appropriateness to achieve the purpose of the RMA
<p>FC-O1 Infrastructure Impacts Residential intensification, new subdivision, and development equitably contribute towards remedying or mitigating effects on Council infrastructure.</p>	<p>Relevance: The proposed objectives are more relevant than the existing objectives as they specifically include addressing potential impacts on the environment and infrastructure generated by residential intensification. This directly responds to the purpose of the Amendment Act.</p>

Proposed Objective/s	Appropriateness to achieve the purpose of the RMA
<p>FC-O2 Environmental Effects Residential intensification, new subdivision, and development contribute towards mitigating their impact on the environment.</p>	<p>Reasonableness: The proposed objectives provide more specific guidance than the existing objectives regarding addressing potential impacts generated by residential intensification. This could help avoid unintended environmental and economic consequences, and unreasonable additional costs for the Council in addressing environmental effects and additional demands on infrastructure specifically generated by residential intensification. This means development that causes unexpected demand on infrastructure owned by the Council is not funded by the general ratepayer, but is covered by the person undertaking the development. The addition of the word 'equitable' sets the tone that the financial contributions collected will be calculated at a reasonable rate.</p> <p>Achievability: The proposed objectives specifically recognise or address potential impacts generated by residential intensification, and provide better direction and guidance to decision makers than the existing objectives regarding the intended outcomes and specific activities and effects to be managed in relation to residential intensification. The proposed objectives are therefore considered more appropriate in achieving the purpose of the RMA with particular regard to residential intensification.</p>

Alternative Objective/s	Appropriateness to achieve the purpose of the RMA
<p>The main potential alternative to either retaining the existing objectives, or the proposed objectives, is to “do nothing” – i.e., have no provisions on financial contributions in the proposed plan.</p>	<p>Relevance: Having no provisions on financial contributions in the proposed plan would not assist the District Council in addressing potential impacts on the environment and infrastructure generated by residential intensification as directed by the Amendment Act.</p> <p>Reasonableness: This approach would not help provide guidance to the District Council regarding addressing potential impacts generated by residential intensification. It would not help the District Council avoid unintended environmental and economic consequences and unreasonable additional costs in addressing environmental effects and additional demands on infrastructure specifically generated by residential intensification.</p> <p>Achievability: Based on the above comments regarding relevance and reasonableness, this approach is not considered appropriate in achieving the purpose of the RMA with particular regard to residential intensification.</p>

7.2 Summary - Evaluation of Proposed Objectives

Overall, the proposed objectives are more relevant than those within the Operative District Plan as they help to support the drivers of the Amendment Act which is to enable housing intensification, whilst enabling the Council to address consequences of this intensification such as effects on the environment and recoup costs of unanticipated upgrades to infrastructure. The proposed objectives are more precise in their applicability and relevance, and help to achieve the purpose of the RMA. They are also more reasonable than a 'do nothing' approach which would not enable these costs and impacts to be mitigated, which would cause an overall negative impact to the District.

8. EVALUATION OF PROPOSED POLICIES AND METHODS

Section 32 (1)(b) of the RMA requires an evaluation of whether the proposed policies and methods are the most appropriate way to achieve the proposed objectives by identifying other reasonably practicable options, assessing the efficiency and effectiveness of the proposed policies and methods in achieving the objectives, and summarising the reasons for deciding on the proposed policies and methods.

The level of detail undertaken for the evaluation of the proposed policies and methods has been determined by the preceding scale and significance assessment.

The assessment must identify and assess the benefits and costs of environmental, economic, social and cultural effects that are anticipated from the implementation of the proposed policies and methods, including opportunities for economic growth and employment.

The assessment must, if practicable, quantify the benefits and costs and assess the risk of acting or not acting if there is uncertain or insufficient information available about the subject matter.

Policies and methods have been evaluated as a package, as together they address a particular issue and seek to meet a specific objective.

The evaluation being undertaken is of reasonably practical options that have been identified, resulting in a preferred option being put forward. For the purpose of this evaluation, the Council has considered the following potential options:

1. The proposed approach;
2. The status quo; and
3. A do nothing approach (no financial contributions provisions).

The Council considers the proposed approach (1) as being the most appropriate to meeting the objectives.

8.1 Evaluation of Proposed Policies and Methods

Policy and method options to achieve the District Plan objectives relating to Financial Contributions	Benefits environmental, economic, social and cultural effects anticipated,	Costs environmental, economic, social and cultural effects anticipated,	Efficiency and Effectiveness	Risk of acting / not acting if there is uncertain or insufficient information about the subject matter of the provisions
<p>Option A: Proposed Approach</p> <p>(a) Proposed new policies on the circumstances when financial contributions are required and purpose, specifically including in relation to residential intensification</p> <p>(b) Rules and standards for calculation of financial contributions broadly retained from Operative District Plan</p>	<p>Environmental: Ability to address potential impacts on the environment and infrastructure generated by residential intensification.</p> <p>Economic: Avoids unreasonable additional costs to the Council in addressing environmental effects and additional demands on infrastructure from residential intensification.</p> <p>Social: More specific guidance provided regarding specifically addressing potential impacts generated by residential intensification. Improved infrastructure improves quality of life for residents.</p> <p>Cultural: Funds collected will contribute towards provision of Council reticulated services to Special Purpose Zone – Kāinga Nohoanga, and protection of the environment and its cultural values.</p>	<p>Environmental: There are no environmental costs associated with financial contributions.</p> <p>Economic: Technically imposing new costs on people who are developing or subdividing.</p> <p>Social: Potential low public appetite/political risk from these additional costs on development. May be seen as a hindrance to development (low risk).</p> <p>Cultural: Potential cultural impact of applying financial contributions to subdivision within Special Purpose Zone – Kāinga Nohoanga, as these additional costs may be seen as a barrier to development of Māori land by descendants.</p>	<p>(a) The benefits of the approach significantly outweigh the costs.</p> <p>(b) The proposed approach is effective as it specifically includes addressing potential impacts on the environment and infrastructure generated by residential intensification.</p> <p>(c) The proposed approach is effective as it provides more specific guidance regarding addressing potential impacts generated by residential intensification, and could help avoid unintended environmental and economic consequences and unreasonable additional costs for the District Council in addressing environmental effects and additional demands on infrastructure specifically generated by residential intensification.</p>	<p>(a) It is considered that there is sufficient information on which to base the proposed policies and methods.</p> <p>(b) The risk of not acting is that potential impacts on the environment and infrastructure generated by residential intensification may not be addressed.</p> <p>(c) The risk of not acting is that unintended environmental and economic consequences and unreasonable additional costs for the District Council may arise in addressing environmental effects and additional demands on infrastructure specifically generated by residential intensification.</p>

Opportunities for economic growth and employment

Residential intensification is likely to result in an increase in new or extended infrastructure in the District. This will generate additional economic activity and employment opportunities. This may also have enhanced social and cultural benefits in terms of additional infrastructure extent and capacity, albeit with limited environmental controls and costs associated with enhanced financial contributions.

Quantification

Section 32(2)(b) requires that if practicable the benefits and costs of a proposal are quantified.

Given the assessment of the scale and significance of the proposed changes above it is considered that quantifying costs and benefits would add significant time and cost to the s32 evaluation processes. The evaluation in this report identifies where there may be additional cost(s), however the exact quantification of the benefits and costs discussed was not considered necessary, beneficial or practicable.

Options less appropriate to achieve the objective

Option B: Status Quo	Benefits	Costs	Efficiency and Effectiveness	Risk of acting / not acting
(a) Retain existing financial contributions provisions from Operative District Plan	environmental, economic, social and cultural effects anticipated,	environmental, economic, social and cultural effects anticipated,		if there is uncertain or insufficient information about the subject matter of the provisions
	<p>Environmental: Existing provisions remain applicable in a generic sense, and provide direction for addressing effects on the environment.</p> <p>Economic: Financial contributions continue to be collected to fund effects on infrastructure capacity.</p> <p>Social: Residential intensification does not necessarily trigger financial contributions requirements, thus simplifying development for individuals.</p>	<p>Environmental / Economic Existing provisions do not specifically address potential impacts on the environment and infrastructure generated by residential intensification. This may mean that financial contributions are not collected from intensification, and effects on the environment and infrastructure are not addressed. This would result in unreasonable additional costs for the Council.</p> <p>Social: The existing provisions do not provide specific guidance for when financial contributions are</p>	<p>(a) The costs of the approach outweigh the benefits and therefore is not as efficient or effective.</p> <p>(b) The approach is less effective as it does not specifically address potential impacts on the environment and infrastructure generated by residential intensification.</p> <p>(c) The approach is less effective as it does not provides specific guidance regarding addressing potential impacts generated by residential intensification.</p> <p>(d) The approach is less efficient and effective as it does not help avoid unintended environmental</p>	<p>(a) It is considered that there is sufficient information to not maintain this approach.</p>

	<p>Cultural: Subdivision does not necessarily trigger financial contributions requirements on Māori Land, simplifying the development process for papakāinga.</p>	<p>required, and their application may not be easily understood by members of the public.</p> <p>Cultural: The existing provisions do not necessarily afford the best protection for the environment and its cultural values.</p>	<p>and economic consequences and unreasonable additional costs for the District Council in addressing environmental effects and additional demands on infrastructure specifically generated by residential intensification.</p>	
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Opportunities for economic growth and employment

Additional economic activity and employment opportunities from residential intensification are not likely to be affected. However, there may be increased adverse effects as financial contributions may not be specifically geared to addressing effects of residential intensification on the environment and infrastructure.

Quantification

As for the Proposed Approach, the exact quantification of the benefits and costs discussed was not considered necessary, beneficial or practicable. Note however, that the existing approach has resulted in a total of approximately \$500k being collected in a seven year timeframe (as detailed in section 2.5). The proposed approach is likely to result in a higher amount collected and used for funding infrastructure upgrades.

Options less appropriate to achieve the objective

Option C: Do nothing (no financial contributions provisions)	Benefits environmental, economic, social and cultural effects anticipated,	Costs environmental, economic, social and cultural effects anticipated,	Efficiency and Effectiveness	Risk of acting / not acting if there is uncertain or insufficient information about the subject matter of the provisions
	<p>Economic: Less cost to residential intensification for the developer.</p> <p>Social: Simplifies the development process.</p> <p>Cultural:</p>	<p>Environmental: Negative effects on the environment for development are not addressed. This would not be consistent with the direction of the RMA and planning documents under this.</p> <p>Economic:</p>	<p>(a) The costs of the approach significantly outweigh the benefits and therefore is not efficient or effective.</p> <p>(b) The approach is not effective as it does not address potential impacts on the environment and infrastructure generated by residential intensification.</p>	<p>(a) It is considered that there is sufficient information to not pursue this approach.</p>

	<p>May result in more subdivision within SPZ(KN), enabling Māori to develop additional papakāinga.</p>	<p>Creates unreasonable additional costs for the Council in addressing environmental effects and additional demands on infrastructure specifically generated by residential intensification.</p> <p>Social: Would not help provide guidance to the District Council regarding addressing potential impacts generated by residential intensification.</p> <p>Cultural: Environmental effects are not able to be sufficiently addressed, which may lead to environmental degradation and impacts on cultural values.</p>	<p>(c) The approach is not effective as it does not provide guidance regarding addressing potential impacts generated by residential intensification.</p> <p>(d) The approach is not efficient or effective as it does not help avoid unintended environmental and economic consequences and unreasonable additional costs for the District Council in addressing environmental effects and additional demands on infrastructure specifically generated by residential intensification.</p>	
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Opportunities for economic growth and employment

Additional economic activity and employment opportunities from residential intensification are not likely to be affected. However, there will likely be increased adverse effects of residential intensification on the environment and infrastructure.

Quantification

As for the Proposed Approach, the exact quantification of the benefits and costs discussed was not considered necessary, beneficial or practicable. Note however, that the existing approach has resulted in a total of approximately \$500k being collected in a seven year timeframe (as detailed in section 2.5). A do nothing approach would require the Council to cover this cost over the next seven year, plus additional costs imposed through increased demand on infrastructure from infill intensification. This is not a reasonable cost.

8.2 Summary - Evaluation of Proposed Policies and Methods

The proposed policies and methods are the most appropriate option as the benefits outweigh the costs, and the methods efficiently and effectively give effect to the proposed objectives. The proposed provisions directly help to address environmental effects and impacts on infrastructure services as a result of residential intensification, enabled under the Amendment Act.

The status quo option is less effective or efficient and the costs outweigh the benefits, and the alternative option is significantly less appropriate due to negative impacts on the environment, which does not meet the purpose of the RMA, and the economic cost is significantly higher for the Council.

9. SUMMARY

This evaluation has been undertaken to identify the need, benefits and costs, and the appropriateness of the proposed approach having regard to its effectiveness and efficiency relative to other means, in achieving the purpose of the RMA. The evaluation demonstrates that the proposed financial contributions provisions are the most appropriate option as:

- (a) Specific objectives, policies, rules, and standards directly address consequences of increased residential intensification enabled under the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021, which are adverse effects on the environment, and effects on the safe and effective provision of infrastructure.
- (b) The funds raised ensure that upgrades are funded by those that benefit from them, and that the Council and ratepayers are not burdened by additional unbudgeted costs outside of the LTP, which would impact delivery of other budgeted projects.
- (c) They provide guidance for people undertaking development activities, and decision makers in calculating financial contributions and assessing where they are applicable.
- (d) They contribute to enabling residential intensification by ensuring there is capacity within the District to grow, meeting the requirements of the NPS-UD.
- (e) They are consistent with the purpose of the RMA and Amendment Act, and enable the Council to perform its roles and functions by ensuring that:
 - (i) service provision is safe and efficient;
 - (ii) natural and physical resources are protected, and;
 - (iii) communities can provide for their social, economic, and cultural wellbeing.

Overall, the proposed provisions are considered the most appropriate option given that the benefits outweigh the costs, and there are considerable efficiencies to be gained from adopting the proposed provisions.