



Shaping Wanganui

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Wanganui District Council District Plan Review Phase Six

Section 32 Report –

Proposed Plan Change 40 (Financial Contributions)

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Dated:

WDC Policy Team
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1. INTRODUCTION

1.1 PLAN REVIEW PROCESS

Section 79 of the Resource Management Act 1991 (the Act) requires Council to commence a review of its plans at least every 10 years. Recent amendments to the Act clarify that whole plans need not be reviewed. A Council may choose to review plans in part.

The existing provisions have been developed at different times and under different scenarios. There are some provisions that have been in the Plan since it was first developed but others have been operative for a shorter period of time. Others have been included in recent plan changes. The intention of the review is not to meet a specific deadline under section 79 but to ensure the provisions in the plan are efficient and effective in managing the resources in the district and ensuring that Council's obligations under the Act are met.

The Act does not detail how a Council must review its plans. However consideration of the efficiency and effectiveness of existing provisions is considered the first step. Section 32 of the Act requires Council to carry out an evaluation of options before notifying a proposed plan change. These matters are discussed throughout this report. The efficiency and effectiveness of the provisions in achieving the stated objectives is analysed in this report, as are the various options that were considered.

1.2 STATUTORY AND LEGISLATIVE FRAMEWORK FOR THE REVIEW

1.2.1 Resource Management Act 1991

Section 74 of the Act requires the Council to change the District Plan in accordance with its functions under Section 31, the purpose of the Act in section 5 and the other matters under sections 6, 7 and 8.

Territorial authorities have the following functions under the Act:

31 Functions of territorial authorities under this Act

1. *Every territorial authority shall have the following functions for the purpose of giving effect to this Act in its district:*
 - a. *The establishment, implementation, and review of objectives, policies and methods to achieve integrated management of the effects of the use, development or protection of land and associated natural and physical resources.*

...

The Council is given these functions for the purpose of promoting the sustainable management of natural and physical resources, which is defined:

5(2) In this Act, “sustainable management” means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety while:

- a. Sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
- b. Safeguarding the life-supporting capacity of air, water, soil and ecosystems; and*
- c. Avoiding, remedying, or mitigating any adverse effects of activities on the environment.*

Further guidance and direction on the way in which resources are to be managed is provided in sections 6, 7 and 8 of the Act.

Section 108 of the Act provides for the imposition of financial contributions in accordance with the purposes specified in the plan as follows:

108 Conditions of resource consents

- (1) Except as expressly provided in this section and subject to any regulations, a resource consent may be granted on any condition that the consent authority considers appropriate, including any condition of a kind referred to in subsection (2).*
- (2) A resource consent may include any 1 or more of the following conditions:*
 - (a) subject to subsection (10), a condition requiring that a financial contribution be made*

...

(9) In this section, financial contribution means a contribution of—

- (a) money; or*
- (b) 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*
- (c) a combination of money and land.*

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

- (a) *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*
- (b) *the level of contribution is determined in the manner described in the plan or proposed plan*

Financial Contribution provisions must be developed in accordance with section 102 and 106 of the Local Government Act 2002.

1.2.2 Regional Policy Statement

In addition, the Act requires District Plan provisions give effect to the Regional Policy Statement (section 75(3)). The Regional Policy Statement (RPS) is the main vehicle for interpreting and applying the sustainable management requirements of the Act in a local context, and in this regard, guides the development of lower tier plans, including the District Plan.

The Manawatu-Wanganui Regional Council (Horizons) combined the Regional Policy Statement and six regional plans into one document called the One Plan. The One Plan became operative on 19 December 2014.

The One Plan contains provisions for financial contributions. The only requirement on territorial authorities is that any proposed financial contributions do not cover the same matters as the One Plan. The One Plan may collect financial contributions for the following purposes:

- Infrastructure
- Aquatic ecosystems and rivers
- Indigenous biological diversity
- Public access to and along the coastal marine area, lakes and rivers

While it is intended that the Plan change will collect for infrastructure, it is unlikely that financial contributions would be charged for the same infrastructure. However, Policy 18-3(da) requires that any financial contribution takes into account other financial contributions made to prevent duplicate charging. This is incorporated into the Plan change.

Therefore, for the purposes of this evaluation, it is considered that the proposed District Plan provisions relating to financial contributions have given effect to the regional documents.

1.2.3 Other Plans & Strategies

Another matter to which Council must have particular regard is other management plans and strategies. Those which are relevant to financial contributions are discussed below. They have informed the preparation of this section 32 analysis.

Wanganui Urban Transportation Strategy (2011)

The Wanganui Urban Transportation Strategy (WUTS) identifies key transportation objectives over a 30 year lifetime. It seeks to improve management of the road infrastructure by planning ahead to:

- *Support environmental sustainability*
- *Assist economic development*
- *Provide transport infrastructure to meet the city's long term needs*
- *Enhance and promote public health and personal safety*
- *Facilitate real transport choices including improved access and mobility*
- *Integrate transport systems and land use planning*

It promotes the use of financial contributions to achieve the objectives and key actions. This Plan change is in accordance with this strategy.

Wanganui Parking Management Plan (2012)

The Wanganui Parking Management Plan was created as an action from the WUTS to better manage parking within the city centre. The timeframe for this Plan is 20 years. Actions under this document relating to the District Plan include:

Action No.	Links to WUTS	Actions	Plan Change 40
1.9	Obj. 1.3, 2.1, 2.3 Action 14	<i>District Plan Provisions - Shared Parking</i> <i>a. Amend District Plan to ensure any new onsite parking provision has excellent links to Victoria Avenue.</i> <i>b. Review District Plan parking in the city centre to consider ways to encourage use of shared vehicle access and parking rather than independent access and parking for each site e.g. financial contributions of cash in lieu of parking.</i>	<i>Shared parking (particularly around Victoria Avenue) such as Council car parks are a permitted activity and can be encouraged further by providing for Financial Contributions as an alternative to individual car parks for each activity. This is considered as part of this plan change.</i>
6.3	Obj 6.2 & 6.3	<i>Align District Plan and Parking Infrastructure Provision</i> <i>Ensure consistency between the Council provision of public parking facilities and District Plan requirements for private parking provision.</i>	<i>The financial contributions plan change has been developed in consultation with the Infrastructure Team to prevent conflict of policies.</i>

The Value of Building Heritage Assets in Wanganui – 2013 report

This report states that the collection of heritage buildings in Wanganui is an asset and is a source of tourism income. However, since the Christchurch earthquakes the drive to demolish some of these buildings is on the rise. Recognising that there may be the loss of some of these

buildings in the future, the proposed Plan change seeks to mitigate this loss of economic potential for the District by collecting funds to be used to enhance the heritage street appeal in the immediate area (e.g. street furniture) or by using the funds to enhance similar buildings listed for similar reasons (e.g. architectural period, historical event etc.).

Asset Management Plans

Council has developed asset management plans for water, wastewater, stormwater, roading, recreational facilities and cultural facilities. These plans look at the levels and cost of services now and into the future. From these plans, funding and risk management can be quantified and planned for. The data from these plans has been considered during the development of this Plan change and the creation of the formulas used to charge a financial contribution.

2. PART 1 – PROPOSED PLAN CHANGE

2.1 BACKGROUND RESEARCH

Financial contributions provide developers and Council an opportunity to consider alternative measures to remedy or mitigate the adverse effects of land use change or subdivision. Financial contributions can be in the form of cash, land or works. The purpose is to provide an alternative approach to remedying or mitigation the adverse effects on the site.

Adverse effects that the financial contributions could potentially cover include:

- Effects on infrastructure (transport network, water, wastewater & stormwater)
- Effects on outstanding natural landscapes
- Effects on heritage items

The ability to set and charge financial contributions is set out in the Resource Management Act 1991. No financial contributions have been charged in the previous 5 years. This is due to the use of development contributions as the main tool to charge developers and the lack of an adequate policy as required by the Local Government Act 2002.

2.2 CONSULTATION AND OUTCOMES

In 2014 the Wanganui District Council began consultation with the members of the public to discuss potential issues with the current financial contribution provisions.

Date	Location	Comments
02/09/2014	Have your say page, Council Website	A background document and survey on the current District Wide provisions (including financial contributions) was posted online.
6-7/09/2014	Home and Living Show, Springvale Park	Introduced the review of the District Wide rules (including financial contributions) at Council's stall, and promoted the survey.
19/09/2014	Letter to stakeholders	A letter was sent to stakeholders (identified based on commentary provided during previous plan changes) advising them of the review and recommending participation in the survey.
22/10/2014	Community Link Page, Online and Midweek paper	Promoted the survey and background information to the general public.
13/03/2015	Business Group Presentation	A presentation to people with business interests in Wanganui to discuss the topics and gather feedback on the District Plan changes that could affect them.
27/03/2015	Shaping Wanganui – Phase 6 Council Website	Draft versions of the proposed provisions and maps went online for comment. Response due 14 April 2015.
28/03/2015	Rivertraders Market	Introduced the proposed District Wide rules at Council's stall and requested feedback. Promoted website to see the draft text and maps.
1/04/2015	Email/Letter to stakeholders and owners	Letters sent to identified stakeholders and owners with link to draft provisions and 14 April 2015 deadline to respond.

Feedback from the community via the survey and the meetings mentioned a range of financial contribution issues which are addressed within this report. Specifically, the issues raised are summarised as:

- How to apportion costs in an equitable and just manner so that the costs of mitigation and remedying adverse effects are paid by those generating the effects
- How to collect and spend financial contributions in a fair, efficient and transparent way
- Collecting on behalf of New Zealand Transport Agency for the purposes of upgrading the state highway network

2.3 DESCRIPTION OF THE PROPOSED PLAN CHANGE

2.3.1 Proposed Plan Change 40 (financial contributions) would expand the existing provisions to meet the policy requirements of the Local Government Act 2002 and detail the types of effects that Council could collect financial contributions for. The formulas of how the contributions would be calculated would be provided and be based on Council's existing infrastructure documents and best practice with other territorial authorities.

An objective and policies relating directly to the issue of financial contributions are proposed to strengthen the understanding of when they are to be used and what they are to achieve.

2.3.2 Council is completing a phased review of the District Plan. Section 70 of the Act requires that where provisions have been reviewed and no changes are proposed, the existing provisions must still be publicly notified as if it were a change. For this reason the existing Plan rules relating to financial contributions form part of Plan Change 40.

2.3.3 The relevant objectives and policies for specific zones, infrastructure and heritage were reviewed in 2012-15. A copy of these, are included in the marked up text for completeness and are not subject to the Plan change process. These areas are shaded grey. The rules that relate specifically to financial contributions are open to submission as part of proposed Plan Change 40.

3. PART 2 – SECTION 32 EVALUATION

3.1 REQUIREMENT TO MAKE AN EVALUATION

The Act requires that when a Council undertakes a plan change it must produce a report evaluating the proposed provisions. This is known as a Section 32 Report. This report contains an evaluation of the proposed Plan change, prepared in accordance with section 32 of the Act (as amended 2013).

The evaluation examines:

- *the extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the Act (to promote the sustainable management of natural and physical resources), and*
- *whether, the provisions are the most appropriate way to achieve the objectives by*
 - *identifying other reasonably practicable options for achieving the objectives; and*
 - *assessing the efficiency and effectiveness of the provisions in achieving the objectives; and*
 - *summarising the reasons for deciding on the provisions; and*

- *contain a level of detail that corresponds to the scale and significance of the environmental, economic, social and cultural effects anticipated from the implementation of the proposal.*

For the purposes of this examination, the evaluation must:

- *Identify and assess the benefits and costs of the environmental, economic, social and cultural effects that are anticipated from the implementation of the provisions including the opportunities for –*
 - *economic growth that are anticipated to be provided or reduced; and*
 - *employment that are anticipated to be provided or reduced; and*
- *if practicable, quantify the benefits and costs referred to above; and*
- *assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.*

3.2 CONSIDERATION OF METHODS

3.2.1 While the use of alternative methods such as developer agreements have been taken into account, as a primary option these were not considered to be an appropriate standalone option for achieving the objectives of the Plan or the Act. Developer agreements only work if both parties are willing to discuss options.

It is therefore deemed most appropriate to maintain the alternative methods as supplementary to regulatory approaches. In investigating the best regulatory method of achieving the objective of the proposed Plan change, three options were identified and considered.

3.2.2 The options considered are as follows:

	Options	Explanation
Option 1	Maintain the Status Quo – Do nothing.	Leave Plan as it is – no substantial changes made apart from formatting to be consistent with the rest of the plan.
Option 2	Remove all reference to financial contributions and rely on on-site mitigation.	This option would result in no reference to financial contributions and increased reliance on the conditions of consent to mitigate effects.
Option 3	Review current provisions for financial contributions and make them specific.	Update the provisions to give effect to the both the Act and Local Government Act provisions by specifically listing when and how financial contributions would be used.

Each of these identified options is discussed in detail below.

One of the aims of Section 32 analysis is to identify a preferred approach as being more efficient and effective approach than other options in achieving the objectives of

the Wanganui District Plan and the Act. The benefits and costs of each option are illustrated below.

	Benefits	Costs
Option 1 – Status Quo/ Do Nothing	<p>Least financial cost in processing the Plan change due to less research.</p> <p>Retain familiarity with the existing objectives, policies and rules.</p>	<p>Cost of Plan change process.</p> <p>Increased risk of legal liability due to insufficient justification to collect financial contributions.</p> <p>Council not fulfilling obligations under the Act nor Local Government Act.</p>
Option 2 – Remove all reference to financial contributions and rely on on-site mitigation.	<p>Statutory obligations of Council fulfilled.</p>	<p>Cost of Plan change process.</p> <p>Potential for costs of development to rise due to increased onsite mitigation requirements instead of using financial contributions.</p>
Option 3 - Review current provisions for financial contributions and make them specific.	<p>Statutory obligations of Council fulfilled.</p> <p>More certainty for developers and owners on when a financial contribution could be required.</p> <p>More options for developers on how to mitigate adverse effects.</p> <p>Plan effectiveness and efficiency addressed.</p>	<p>Cost of Plan change process.</p> <p>Potential to discourage development through the stating of costs of financial contributions.</p>

3.2.3 Analysis of Options

Option 1: Maintain the Status Quo (Do nothing)

Maintaining the status quo is an option that needs to be considered. This would simply involve the retention of the existing District Plan provisions.

By not describing when and what financial contributions would be collected for it provides uncertainty for all parties and potentially legal challenge. Developers will not know when they could be charged and Council will not have any recognised method of determining the value. Legal challenge would occur as the current provisions do not comply with the 2014 amendments to the Local Government Act.

As a result of these findings and taking into account the risk of acting or not acting it is considered that maintaining the status quo would not mitigate potential adverse effects from development. Therefore, it is not considered to be the best method available.

Option 2: Remove all reference to financial contributions and rely on on-site mitigation.

This option would see the removal of all provisions relating to financial contributions from the District Plan. Instead there would be full reliance on onsite mitigation of effects. As no financial contributions have been charged over the past 5 years, this is likely the option used to date to deal with adverse effects.

If Council was to proceed with this option, there would be increased costs on developers as separate infrastructure onsite may need to be developed or if the adverse effects could not be avoided, remedied or mitigated, an increase in declined consents.

This option is not therefore considered to be an efficient and effective approach for addressing current and future adverse effects generated by development and meeting the statutory obligations of the Act.

Option 3: Review current provisions for financial contributions and make them specific.

This method would build on option 1 by addressing the legal shortcomings of the existing provisions by stating when financial contributions are charged and how they are to be used.

This will give more options to the developer and Council in determining how to mitigate the adverse effects of activities. It could also provide the starting point for developer agreements. As the policy states that financial contributions are not the automatic solution, this means that a continuation of current practice of looking at alternative methods can continue if desirable.

This option will combine the benefits of options 1 & 2 as there will be financial contributions, but only as one available method of mitigating adverse effects.

Therefore, option 3; Updating and re-formatting the existing provisions and providing detail of when and how financial contributions would be used is recommended because it is considered to be the most efficient and effective way to protect the environmental values identified, with the best outcomes in terms of the environmental, social/cultural and economic costs and benefits.

3.2.4 Appropriateness of the Plan Change

Whether or not the Plan change is necessary or appropriate is directly linked to Sections 5, 6 and 7 of the Act. This Plan change is considered necessary to achieve the purpose and principles of the Act because it meets the following:

5 Purpose

*(2) In this Act, **sustainable management** means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—*

6 Matters of national importance

In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall recognise and provide for the following matters of national importance:

(a) the preservation of the natural character of the coastal environment (including the coastal marine area), wetlands, and lakes and rivers and their margins, and the protection of them from inappropriate subdivision, use, and development:

(b) the protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development:

(e) the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga:

(f) the protection of historic heritage from inappropriate subdivision, use, and development

Section 7 Other Matters:

(c) the maintenance and enhancement of amenity values:

f) maintenance and enhancement of the quality of the environment

The proposed objectives and policies recognise the need to provide for the community's economic and cultural wellbeing by providing the ability to collect financial contributions for infrastructure or loss of heritage. Collecting financial contributions for adverse effects on the outstanding natural landscapes will allow for the preservation of these areas, including the coastal environment. Adverse effects on the cultural environment of these areas are also able to be considered. Therefore this Plan change meets the purpose and principles of the Act.

3.2.5 Conclusion & Recommended Option

Various Council staff and the community have been involved in undertaking a significant amount of work and consultation to ensure that Council has sufficient information to prepare a Plan Change. The Council has not relied on any uncertain or insufficient information, but has undertaken research and site visits to ensure the subject is adequately understood and recommendations are wisely founded.

It is considered that the reviewed objectives and policies combined with conditions of consent and non-regulatory methods such as developer agreements is the most efficient and effective means available to Council to mitigate the adverse effects of development on infrastructure, loss of heritage and the outstanding natural landscapes within Wanganui District.

3.3 PROPOSED OBJECTIVES

20.1.2 To ensure positive effects on the environment are achieved to offset any adverse effects of subdivision or development.	
20.1.2 To provide for the efficient development, maintenance and operation of social and physical infrastructure and services.	
Comment	The proposed objectives seek to ensure that there are minimal effects on the surrounding infrastructure and services. Financial contributions are one way this could be achieved.
Summary of benefits	Improved awareness of the purpose of specific imposing financial contributions.
Summary of costs	No increased cost implications although the community will be in a position to make better informed decisions about when and why financial contributions should be charged.
Effectiveness	The new objectives are effective as improved understanding will support better informed decision making.
Efficiency	The new objectives are efficient as improved understanding will support better informed decision making.
Appropriateness	The proposed objective is appropriate as it provides for any alternative to dealing with adverse effects solely onsite and by the developer. The objective provides transparency and certainty about what is to be achieved.
Risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the policies, rules, or other methods	Council must demonstrate what the purpose of financial contributions are and how they will be used. The risk of not acting would be to prevent financial contributions being used as a method for addressing adverse off-site effects of subdivision, use or development.

3.4 PROPOSED POLICIES

<p>20.2.1 Provision of Infrastructure <i>Financial contribution to mitigate adverse effects will be in accordance with the following:</i></p> <ul style="list-style-type: none"> <i>a. The extent that the activity creates an adverse effect that could be offset by a financial contribution to achieve the objectives and policies of this plan.</i> <i>b. The extent to which the financial contribution avoids, remedies or mitigates any on-site and off-site adverse environmental effects caused by the subdivision, use or development.</i> <i>c. The extent to which the positive environmental effects relating to a type of infrastructure to off-set the adverse environmental effects.</i> <p>20.2.2 Charging of Financial Contributions <i>Financial contributions shall be applied in a fair and equitable manner that:</i></p> <ul style="list-style-type: none"> <i>a. Is financially transparent</i>

- b. Compliments council's other financial management policies*
- c. Takes into account any costs incurred in taking, holding and allocating the financial contribution*

20.2.3 Purpose of contributions

- 1. Financial contributions may be considered on a case by case basis to mitigate or remedy adverse effects created by the need to upgrade or extend public infrastructure for the subdivision, use or development of land or non-compliance with performance standards relating to:

 - a. Infrastructure*
 - b. Outstanding natural landscapes; or*
 - c. Built heritage**
- 2. Financial contributions may be taken in the form of cash, land, works or a combination of these.*
- 3. Contributions shall only be used to address the specific adverse effects for which they are taken. The Council shall generally ensure that a financial contribution is used to fund mitigation activities as close as reasonably possible to the site where the adverse effects occur, or at one or more similar sites where the adverse effects occur, provided the community of benefit is the generally the same.*
- 4. Financial contributions shall not be taken where this would result in a duplication of payments already made for that specific purpose either to the Horizons Regional Council, The New Zealand Transport Agency or Wanganui District Council.*

20.2.4 Level of Contributions

- 1. Financial contributions to mitigate adverse effects generated on or off-site will be determined following consideration of:

 - a. Any other methods available to address the adverse effects. e.g. redesign;*
 - b. The short and long term effects on the existing and future environment, including communities;*
 - c. The extent to which the financial contribution avoids, remedies or mitigates any on-site and off-site adverse effects caused by the subdivision, use or development;*
 - d. The proposed positive environmental benefits to be generated by the expenditure of the financial contribution;*
 - e. The extent to which any positive environmental effects generated by the activity are likely to offset the adverse effects;*
 - f. Any contribution levied already by the Horizons Regional Council or the New Zealand Transport Agency, to mitigate the same or similar effect/s;*
 - g. Any development agreement prepared under the Local Government Act;*
 - h. The cumulative effects in the calculation of any financial contribution.**
- 2. The level of any financial contribution shall be determined in the manner detailed below, in order to achieve the necessary level of service for the proposed activity by mitigating adverse effects where these relate to:

 - a. the roading network:

 - i. including construction, upgrading or extension of traffic or pedestrian***

routes including land purchase:

$$\$F * [G/[G+H]]$$

Where F = the assessed total cost of constructing/upgrading/improving traffic or pedestrian routes including land purchases; G = the average annual assessed volume of vehicular traffic measured in vehicles per day directly attributable to the development, and; H = average annual assessed volume of vehicular traffic measured in vehicles per day currently using routes that will require constructing/upgrading/improving as a consequence of development.

The funds generated from this formula are to be used to address specific works needed to service the new activity in terms of capacity, safety and or visual amenity.

ii. Heavy Vehicles:

$$\$[(g)/[(f+(g))]]*(h)$$

Where f = the volume of vehicular traffic (measured in equivalent standard axles for a 40 year design period) currently using routes that will require construction, upgrading or earlier renewal as a consequence of development; g = volume of heavy vehicular traffic (measured in equivalent standard axles for a 40 year design period) directly attributable to the development; h = the cost of construction, upgrading or renewal of traffic and pedestrian routes as a consequence of development.

The funds generated from this formula are to be used to address specific works needed to service the new activity in terms of capacity, safety and or visual amenity.

*iii. Shortfall in provision of any on-site carparking or loading spaces:
Contribution = value of land required + cost of construction.*

The funds generated from this formula are to be used to address specific works needed to service the new activity in terms of capacity and manoeuvring, safety and or visual amenity.

Council may reduce this contribution where it seeks to encourage collective parking arrangements in the commercial zones in accordance with the WUTS.

b. Water Supply, Wastewater and Stormwater disposal

$$(E+D)-C/(B-A)$$

Where E = actual or estimated cost of upgrading services to serve the potential total number of allotments; D = value of estimated surplus capacity in existing services over that which is required to serve total number of properties currently in the area; C = estimated cost of upgrading required to existing services to serve total number of properties currently in area; B = potential total number of lots likely to be in the area to be served by the upgraded service, when the area is fully developed; A = total number of lots in area which are served by the service.

Alternatively, the developer may directly install the mains, laterals and pump stations required to do this.

The funds generated from this formula are to be used to address specific works needed to service the new activity in terms of capacity or human health requirements.

<p>3. <i>The level of any financial contribution shall be determined in the manner detailed below, in order to mitigate any adverse effects of a proposed activity, where these relate to:</i></p> <p><i>a. Outstanding Natural Landscapes</i> <i>Contribution = value of land required + cost of mitigation.</i></p> <p><i>The contribution will be determined independently by a natural landscape specialist and tangata whenua.</i></p> <p><i>Contributions may be directed to facilitate or fund river or gully restoration, improved public access or the protection, restoration or enhancement of the values as identified in policy 10.3.8.</i></p> <p><i>b. Heritage Items</i> <i>i. The level of contribution shall equate to the cost of replacing or replicating any heritage values or components to be lost if the activity proceeds. The cost of replacement or replication shall be quantified by a suitably qualified and experienced heritage expert.</i></p> <p>4. <i>In all cases Council may use its discretion to impose a financial contribution equal to or less than the amount identified by the formulas above.</i></p>	
<p>Comment</p>	<p>These policies recognise that financial contributions are an option that can be used to offset adverse effects, yet cannot be solely defined by a formula. Council wishes to retain some discretion to reduce the contribution for a range of reasons.</p> <p>Understanding of the surrounding environment and activities also need to be considered.</p> <p>Outstanding natural landscapes have been identified in the policies of the District Plan as well as the rules of the One Plan. The creation of a policy to collect financial contributions as a method for mitigation of adverse effects in these areas is in accordance with both these documents.</p> <p>The NZ Transport Agency feedback that financial contributions be used to collect for the state highway network has not been adopted. State Highways are funded through central government and to collect financial contributions for state highways is duplicate charging.</p>
<p>Benefits</p>	<ul style="list-style-type: none"> • These policies reflect the intent of the objectives but are more specific on the course of action to achieve this. • There is flexibility in using the formulas to allow for unforeseen reductions. • There will be a more liveable environment.

	<ul style="list-style-type: none"> • Developers will have more options to address adverse effects and positively offset effects that cannot be remedied.
Costs	<ul style="list-style-type: none"> • Cost of compliance and education. • May reduce economic potential of some land. • Cost to developer of new independent assessments and negotiation in determining the contribution amount.
Effectiveness	These policies are effective as they create more precise guidance for decision makers.
Efficiency	These policies are efficient as they create more precise guidance for decision makers and provide additional options to address adverse effects and positively offset effects that cannot be remedied.
Appropriateness	These policies are appropriate as they create more precise guidance for decision makers. They are in accordance with the relevant documents and current research.
Risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the policies, rules, or other methods	Council considers there is sufficient information regarding the subject matter of the above policies. The risks of not establishing a policy framework outlining what the adverse effects are and when they would occur will result in development occurring with no consideration of or ability to remedy or mitigate off site adverse effects by way of financial contributions.

3.5 PROPOSED ACILLARY CHANGES

With the proposed changes to the rules, the Definitions will need to be altered to be consistent. The following changes have been identified as being suitable for achieving the relevant objectives and policies outlined above.

DEFINITIONS

Financial contribution: Financial Contributions has the meaning set out in section 108 (9) of the Resource Management Act 1991 or its amendments.

Section 108(9) states:

In this section, financial contribution means a contribution of –

- (a) money; or
- (b) 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 the Act provides otherwise; or
- (c) A combination of money and land

Comment	The definitions section provides transparency by defining what a financial contribution is under the Act.
Benefits	Environmental & Economic – The Plan is clear and enables people to make clear decisions based on an established definition of what a financial contribution is.
	Social & Cultural - Continuation of a clear message in the Plan about how to achieve compliance. The definition is in line with other Council documents and the Act in order to reduce confusion for the public.
Costs	Environmental & Economic – Minimal costs as the definition is only enhanced, not changed.
	Social & Cultural – There will be less confusion as the definition is improved to avoid confusion.
Effectiveness	A better definition and consistency with other Council documents will make this Plan more effective as there will be less confusion.
Efficiency	A better definition avoids unnecessary consent processes.
Appropriateness	This approach is mirrored in plans throughout the country as well as in the proposed 10 year Long Term Plan and Council policies. Therefore it is considered appropriate.
Principal Alternative	The main alternative to these definitions would be the status quo which leaves the public more confused as to their rights and requires checking an additional document (the Act).

