



# Environment, Energy, and Resilience Committee

*Te Komiti Rautaki me ngā Kaupapa Here*

Thursday, 7 December 2023

*Rāpare, 7 Hakihea 2023*

Totara Room, Council Chambers

Council Building, 14 Commerce Street, Whakatāne

Following Living Together Committee meeting - but not before 11 am

Chief Executive: Steph O'Sullivan

Publication Date: 4 December 2023



**A Membership - *Mematanga***

**A Membership - *Mematanga***

Mayor Dr V Luca - Chairperson

Councillor N S Tánczos - Deputy Chairperson

Deputy Mayor L N Immink

Councillor T Boynton

Councillor G L Dennis

Councillor A V Iles

Councillor W B James

Councillor J C Jukes

Councillor T O'Brien

Councillor J W Pullar

Councillor N Rangiaho

**B Delegations to the Environment, Energy and Resilience Committee - *Tuku Mahi ki te Komiti*****B Delegations to the Environment, Energy and Resilience Committee - *Tuku Mahi ki te Komiti***

To oversee development of strategies and plans that reflect and implement the Council's vision.

To oversee the development of strategies, plans and programmes that protect and restore the District's natural environment, resources, and ecology.

To monitor and advise on the strategy, policies and direction on the impact of climate change on the District.

To improve community resilience to environmental threats.

Specific functions and delegations:

Develop the Long-term Plan and Annual Plan and determine the form and extent of public consultation methods to be employed (Note1: the Council cannot delegate to a Committee the adoption of the Long-term Plan and Annual Plan, Note2: the Council retains for itself the strategic direction setting responsibility of the Long-term Plan process).

- a. Develop, and monitor implementation of, Council's Climate Change Strategy and programme.
- b. Monitor the development of associated Central Government Reform programmes.
- c. Develop and review associated bylaws (Note: only Council has the power to make a bylaw).
- d. Develop, review and approve associated strategies, policies and plans (Note: only Council has the power to adopt policies associated with the Long-term Plan).
- e. Develop a proposed plan or a change to a district plan under the Resource Management Act 1991.
- f. Climate change science, impact and strategy overview - mitigation, adaptation and resilience.
- g. Foster community environmental and climate change understanding.

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## **1 Apologies - *Te hunga kāore i tae***

### **1 Apologies - *Te hunga kāore i tae***

No apologies have been received at the time of compiling the agenda.

### **2 Acknowledgements/Tributes - *Ngā mihimihi***

An opportunity for members to recognise achievements, to notify of events, or to pay tribute to an occasion of importance.

### **3 Conflicts of Interest - *Ngākau kōnatunatu***

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

### **4 Public Forum - *Wānanga Tūmatanui***

#### **4.1 Public Forum**

The Committee has set aside time for members of the public to speak in the public forum at the commencement of each meeting. Each speaker during the forum may speak for five minutes. Permission of the Chairperson is required for any person wishing to speak during the public forum.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

#### **4.2 Deputations- *Ngā Whakapuaki Whaitake***

A deputation enables a person, group or organisation to make a presentation to Committee on a matter or matters covered by their terms of reference. Deputations should be approved by the Chairperson, or an official with delegated authority, five working days before the meeting. Deputations may be heard at the commencement of the meeting or at the time that the relevant agenda item is being considered. No more than two speakers can speak on behalf of an organisation's deputation. Speakers can speak for up to 5 minutes, or with the permission of the Chairperson, a longer timeframe may be allocated.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by the deputation.

**5 Confirmation of Minutes - *Te whakaaetanga o ngā meneti o te hui***

**5 Confirmation of Minutes - *Te whakaaetanga o ngā meneti o te hui***

**Confirmation of Environment, Energy and Resilience Committee Minutes - 20 November 2023**

The minutes from the Environment, Energy and Resilience Committee Minutes - 20 November 2023 can be viewed via the Council website.

Click on the link below in order to view the 'unconfirmed minutes'.

- [Council Website | Environment, Energy and Resilience Committee | 20 November 2023](#)

## 6 Reports - *Ngā Pūrongo*

### 6 Reports - *Ngā Pūrongo*

#### 6.1 Revenue and Financing Policy - LTP2023 First Draft



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To: **Environment Energy and Resilience Committee**

Date: **Thursday, 7 December 2023**

Author: **Gary Connolly - CFO and GM Business Partnering**

Authoriser: **Steph O'Sullivan - Chief Executive**

Reference: **A2555991**

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#### 1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to provide the Environment Energy and Resilience Committee [‘the Committee’] with a first draft for feedback, of the Revenue and Financing Policy [‘RFP’] required to be reviewed and consulted as part of the Long Term Plan 2024-2034.

#### 2. Recommendation/Actions - *Tohutohu akiaki*

1. **THAT** the Committee **receive** the Revenue and Financing Policy - LTP2023 First Draft report; and
2. **THAT** the Committee **endorse** the proposed key changes to the policy identified below:
  - i. Inclusion of a separate **Funding Needs Analysis** supporting document to the Revenue and Financing Policy.
  - ii. Changes to the **Policy Principles** to improve transparency and accountability.
  - iii. Inclusion of a section on **Funding of Depreciation** to improve transparency and accountability, demonstrating alignment of financial decision-making process more clearly under the policy.
  - iv. Inclusion of a section on **Setting of Rates** to improve transparency and accountability, demonstrating better alignment with the Rates Funding Impact Statement within the Long Term Plan and the Annual Rates Resolution processes, under the policy, including removing inconsistencies in terminology.
  - v. Inclusion of a mechanism within the policy for **General Rates Differential Rating** to provide for future optionality for council in its Annual Rates Resolution process, including potentially in response to the next property revaluation process.
  - vi. Inclusion of a section on **Setting of User Fees and Charges** to improve transparency and accountability, demonstrating better alignment of the fees and charges review processes under the FRP, including transparency on timing and allowing for inflation.

#### 3. Background - *He tirohanga whakamuri*

The Local Government Act 2002 mandates councils to develop and adopt a Revenue and Financing Policy. This policy is a key component of a council’s long-term plan and is required to be reviewed and consulted on as part of the long-term plan process.



**6.1 Revenue and Financing Policy - LTP2023 First Draft(Cont.)**

The legislation outlines the necessity for councils to transparently communicate how they plan to fund their operations, including the principles and criteria used for setting rates, fees, charges, and any other revenue sources.

This is undertaken through a two-stage process. The first stage of which is undertaken at an activity level, applying the set of consideration identified in legislation that include:

- the community outcomes.
- the distribution of benefits between the community, identifiable parts of the community and individuals (sometimes referred to as the public/private good split or the user pays principle).
- the period over which benefits are expected to accrue.
- the extent to which the action or inaction of some contributes to the need to fund the activity (often referred to as the exacerbator pays principle).
- the costs and benefits from funding an activity separately, including those for transparency and accountability.

The next step is to aggregate all the results from step one and consider the impact that these results might have on the social, economic, environmental and cultural wellbeing of the community.

The legislation also requires councils to seek public input and consultation on this policy to ensure community understanding and involvement in the decision-making process related to funding local government activities and services.

**4. Issue/subject – *Kaupapa***

In developing the Revenue and Financing Policy - LTP2023 First Draft we have considered:

- Recommended good practice from the Taituarā Guide Dollars and Sense (May 2024)
- Recommendations for improvements from a table-top review of the existing policy provided by P J & Associates who consult to a number of councils during the LTP process on their revenue and financing policies.
- Other councils' revenue and financing policies to identify good practice examples.

Based on these we have made proposed changes to the existing policy, for consideration, as part of the Long Term Plan 2024-2034.

The changes are reflected in the attachments and significant changes are summarised as follows:

- a. **Separate Funding Needs Analysis:** Developed a separate Funding Needs Analysis document to more clearly demonstrate completion of step one of the process, at an activity level, and we will then RFP refer to it (with a link or other easily locatable reference to the analysis).

Improved Outcomes – Simplifies the RFP document. Addresses gaps in the existing RFP on completeness of compliance with legislation activity level funding needs analysis.

- b. **Policy Principles:** Extended the policy principles to provide a wider reflection to the aspects council must consider when making decisions under the RFP (for example the additional legislative requirements of Preamble to Te Ture Whenua Māori Act 1993).

**6.1 Revenue and Financing Policy - LTP2023 First Draft(Cont.)**

Adds additional clarity and public transparency on the principles guiding council decisions from a revenue and financing policy, including reflection of the complexity of competing principles, that *“There are some inherent conflicts between these guiding principles. In practice, establishing the council’s specific revenue and financing policies involves balancing competing guiding principles”*.

Improved Outcomes – Increases transparency on the competing nature of the guiding principles council must take into account in its decision. Simplifies the RFP document by identifying the principles in a table rather than paragraph structure, with headings for each principle. Addresses gaps in the existing RFP on compliance with legislation beyond the LGA.

- c. **Funding of Depreciation:** added content to the policy to reflect that depreciation though part of operating expenditure, has a substantially different set of drivers within the RFP, reflective of its non-cash nature, and different and complex treatment between Activity Funding Impact Statements and Statement of Comprehensive Revenue and Expense.

Improved Outcomes – Increases transparency of the significant impact in decision-making process under the RFP reflecting depreciation as a non-cash operating cost, and alignment to Activity Funding Impact Statements within the Long Term Plan.

- d. **Setting of Rates:** added this section to align the RFP to the Rates Funding Impact Statement and Annual Rates Resolution process’.

Improved Outcomes – Increases transparency based on best practices, and supports addressing issues identified in the Annual Audit 2022-23. Addresses gaps in the existing RFP on clarity of alignment in rating processes.

- e. **Setting of Rates – General Rates Differential Rating Mechanism:** provides the council with a mechanism within the policy to utilise differential rating in the Annual Rates Resolution, including in response to 3 yearly property revaluation movements if it should choose to.

Improved Outcomes – Increases flexibility for council, if deemed necessary, to utilise shifts in differential rating to respond to complexity in setting rates annually.

- f. **Setting of User Fees and Charges:** provides clarity on how and when user fees and charges are set as they relate to the RFP, and Funding Needs Analysis at an activity level, including process for adjusting fees and charges for inflation.

Improved Outcomes – Increases transparency and accountability. Improves the process based on lessons learning in the last round of fees and charges review. Addresses gaps in the existing RFP providing clarity on Fees and Charges within the activity funding decision making process.

## 5. Options analysis - *Ngā Kōwhiringa*

No options have been identified relating to the matters of this report.

**6.1 Revenue and Financing Policy - LTP2023 First Draft(Cont.)****6. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*****6.1. Assessment of Significance**

The recommendations of this report are assessed to be of low significance in accordance with the Council's Significance and Engagement Policy.

**6.2. Engagement and community views**

The Revenue and Financing Policy is required to be consulted on with the public as part of the Long Term Plan 2024-2034 process.

**7. Considerations - *Whai Whakaaro*****7.1. Financial/budget considerations**

The Revenue and Financing Policy provides control and guidance in establishing the financial plan for the 10 year Long Term Plan.

**7.2. Strategic alignment**

The RFP principles include specific reference to being Aligned to our Strategic Goals *"This principle reflects that the Long Term Plan sets out a vision for the district over the next 10 years and the Revenue and Financing Policy should have regard to the broader strategies and priorities as set out in the council's vision and the Plan. It should also show how investment in infrastructure is funded."*

**7.3. Climate change assessment**

The matters of this specific report do not have an impact on the District biodiversity and ecology.

Based on this assessment, the decisions and matters of this report are assessed to have low climate change implications and considerations, in accordance with the Council's Climate Change Principles.

**7.4. Risks**

The ratios in comparison to policy and debenture trust deed requirements demonstrate that the loan portfolio is low risk and is comfortably within all ratio requirements.

**Attached to this report:**

- RFP Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked]
- RFP Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up]

Key of changes:

Black – New Content

Blue – Retained Content

Orange Strikethrough – Removed Content

**6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked]**

**6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked]**

# REVENUE AND FINANCING POLICY

*Te Kaupapa here o te Pūtea*

Long Term Plan 2024-2034 Supporting Document

Draft Unmarked

7 December 2023



## 6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)

## REVENUE AND FINANCING POLICY

### *Te Kaupapa here o te Pūtea*

#### 1.0 Purpose

The purpose of the Revenue and Financing Policy is to provide predictability and certainty about how Council manages its finances prudently and in a way that promotes the current and future interests of the community.

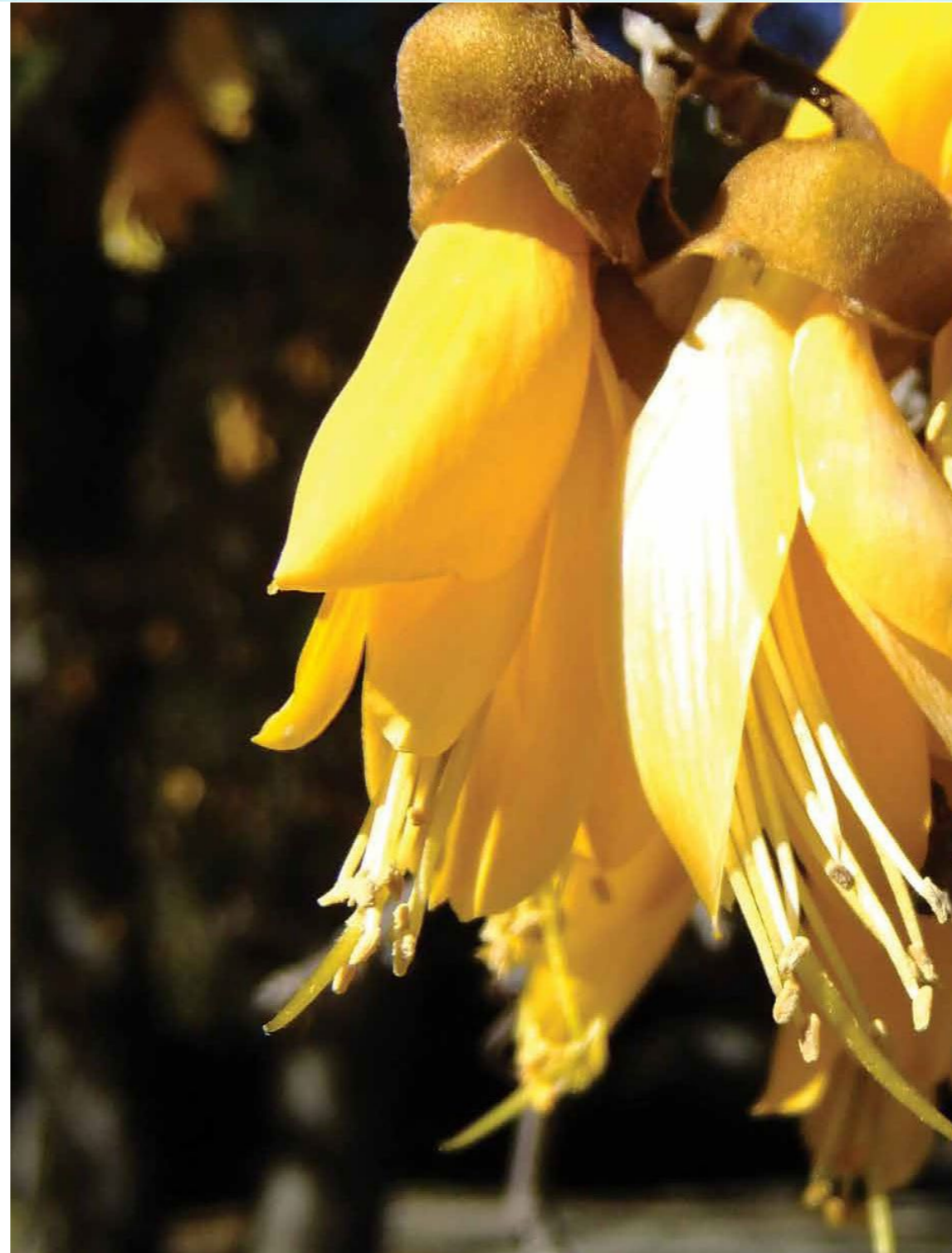
This policy outlines the choices we have made in the Long Term Plan, and will use to guide our future decisions, in deciding the appropriate sources of funding for operating and capital expenditure, and how we have made these choices.

Under sections 102 and 103 of the Local Government Act 2002 (LGA 2002) Council must adopt a Revenue and Financing Policy.

#### 2.0 Policy principles

Section 101 of LGA 2002 requires local authorities to consider certain matters when determining the sources that will be used to meet funding needs.

To assist with the identification of the appropriate funding methods, incorporating the matters set out in Section 101, Council has used a set of guiding principles, set out in Table 2.0.1 below.



6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)



**Table 2.0.1: Principle / rational for its application**

**Ensuring compliance with legislation**

This principle reflects the policy demonstrating Council complying with the requirements of legislation as a minimum standard. In particular, the LGA 2002, and related legislation, which include a number of legal requirements for the development of the Revenue and Financing Policy.

**Honouring our obligations under Te Tiriti o Waitangi**

This principle reflects that the policy as required in legislation appropriately supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993, and more broadly the principles of the Treaty of Waitangi. The Council will particularly take this principle in the policy and the principles in the preamble into account when considering funding decisions that specifically impact Māori landowners.

**Aligned to our strategic goals**

This principle reflects that the Long Term Plan sets out a vision for the district over the next 10 years and the Revenue and Financing Policy should have regard to the broader strategies and priorities as set out in the council's vision and the Plan. It should also show how investment in infrastructure is funded.

**Ensuring we maintain financial prudence and sustainability**

This principle ensures that the council is able to operate both short and long term in a financially sustainable manner that promotes the current and future interests of the community.

**Delivering community outcomes**

This principle guides councils' decisions on how revenue requirements will be met (by ratepayers and other groups), taking into account the impact of such decisions on the achievement of the strategic goals and community outcomes from each activity, while minimising the effect of changes from those decisions.

**Focusing on broader wellbeing outcomes**

This principle guides the council to ensure while making its decisions under this policy, not just to consider the revenue requirements, but to also consider the impact of such decisions on the current and future social, economic, environmental and cultural well-being of the community.

**Table 2.0.1: Principle / rational for its application**

**Considering the affordability of funding decision**

This principle guides the council to consider the impact of funding methods on people's ability to pay, balanced against the delivery of services through activity of council, as this can have implications for community well-being.

**Ensuring transparency in how activities are delivered and funded**

This principle guides council to ensure transparency in decision making enables the funders and users of services to assess whether they get value for money and to make more informed decisions in using council services.

**Ensuring accountability in how activities are delivered and funded**

This principle guides council to ensure transparency in decision making enables the funders and users of services to assess whether they get value for money and to make more informed decisions in using council services.

**Aligning who benefits and who pays**

This principle guides council's decisions to consider who benefits from the services provided in each activity and impact on costs this creates, (whether the community as a whole, any identifiable part of community, or individuals); as well as the period in or over which benefits and costs are expected to occur (current or future funding).

**Ensuring efficiency in the use of funding sources used for activities**

This principle influences the council's decisions on the best mix of funding (between rates income, other revenue sources, borrowings and asset sales) to pay for its assets and activities. The council's limited financial resources should be used in such a way to maximise the benefits provided to the community, while minimising the burden on ratepayers.

**Ensuring the funding decision of Council don't materially impact market neutrality**

This principle is relevant when the council is competing with the private sector in producing or delivering services. To avoid council being placed in an advantageous position or discouraging private enterprise, in tandem with other principles such as affordability, the council will apply commercial best practice when providing such services.

**Ensuring this policy is practical and fit for purpose for the period intended**

This principle ensure the council's Revenue and Financing is achievable and retains relevance in the face of challenging circumstances that may otherwise prevent compliance.

**6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)**

There are some inherent conflicts between these guiding principles. In practice, establishing the council's specific revenue and financing policies involves balancing competing guiding principles. For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability. In practice, when the council applies these principles to assess how to fund the separate activities, the council then considers the overall impact of any allocation of liability on the community.

## 3.0 Funding sources

Legislation requires the council to make adequate and effective provision in its long-term plan to meet the expenditure needs identified in that plan, Generally, this will mean that all expenditure is funded, a Balanced Budget.

The sources of funding applied under this policy are limited to those set out under section 103 (2) of the LGA 2002.

### 3.1 FUNDING OF OPERATING COST

Operating costs are the everyday spending on activities Council provides. This includes recognising the costs of previously developed or acquired assets with the benefits they provide over time (depreciation), as well as interest charged on borrowing for capital projects and overhead costs.

The nature of depreciation as a non-cash charge does make it distinct from the majority of other operating costs that are generally cash, further detail on the funding of depreciation is provided in 3.2 below.

We must consider the funding for operating costs of each activity individually. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a stormwater schemes, and others from the general rate, such as parks, reserves, and gardens.

Often the benefit of outcomes from a particular activity of council may include a mix of direct user benefits as well as wider community benefits, so the funding for the activity may most appropriately include a mix of different sources as well.

The funding sources for operating costs are listed below, and are defined in more detail in 3.3 *Definition of funding sources*:

- General rates, including uniform annual general charges;
- Targeted rates, including fixed targeted rates;
- Subsidies and grants - operating;
- User fees and charges;
- Interest and dividends from investments;
- Other sundry operating income; and Operating reserves.

The Council has determined the proportion of operating costs to be funded from each of the sources through a Fundings Needs Analysis for each activity which is summarised in Table 3.6.1 below.

The Council will consider forecast future debt levels when deciding whether it is prudent to budget for an operating surplus for debt repayment.

Investments are managed within the framework specified in Council's Investment Policy in accordance with Section 102(2)(c) of the LGA 2002.

The LGA 2002 requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered, and for this statement to be included in the Long Term Plan and Annual Plan, as appropriate. The Funding Impact Statement shows how the Council intends to implement the Revenue and Financing Policy each year. It also shows the amount of funding to be collected from each available source, including how various rates are to be applied.

### 3.2 FUNDING OF DEPRECIATION

Depreciation is a non-cash charge that reflects the reduction in the usability of our assets over time. Because this is a non-cash expense, any revenue raised to cover depreciation (referred to as "funding depreciation") generates a cash surplus which is used to fund capital expenditure.

Fully funding depreciation from rates and current revenue would mean that on average, over the long run, we are not relying on borrowing to fund asset replacement expenditure. This represents a sustainable approach.





**6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)**

The use of borrowings and depreciation reserves may be appropriate to smooth the matching of cashflows between revenues and the funded capital expenditure over time.

In some cases, it is not financially prudent to fund depreciation. In determining the level of non-funded depreciation, the council will have regard to:

- whether at the end of its useful life, the replacement of an asset will be or is likely to be funded by way of a grant or subsidy from a third party
- whether the council has elected not to replace an asset at the end of its useful life
- whether a third party has a contractual obligation to maintain the service potential of an asset throughout all or part of its useful life or to replace the asset at the end of its useful life
- whether fully funding depreciation in the short-term will result in an unreasonable burden on ratepayers, presenting conflict between funding principles, for example between affordability and financial prudence and sustainability. In such circumstances, the council will remain prudent and ensure it promotes both the current and future interests of the community by forecasting to reach a position over time where it fully funds depreciation (apart from the exceptions above).

### 3.3 FUNDING OF CAPITAL EXPENDITURE

Capital expenditure reflects investment in buying or building new assets, including replacing, improving or extending the useful life of an existing asset contributing to community outcomes and the districts' growth and operational capabilities.

Where possible Council offsets the impact of cashflow required for capital expenditure, minimising the impact of debt repayments on both current and future

rate payers, by first looking for other funding sources for capital expenditure. These may include:

- Subsidies and grants – capital, including from agencies such as Waka Kotahi NZ Transport Agency; Ministry of Business, Innovation & Employment - Hīkina Whakatutuki; and Kānoa - Regional Economic Development & Investment Unit of MBIE;
- Development contributions and financial contributions;
- Lump sum contributions; and
- Proceeds from the sales of assets.

Development contributions and Financial Contributions are managed within the framework specified in Councils' Development and Financial Contributions Policy in accordance with Section 102(2)(d) of the LGA 2002.

After allowing for the offset from the other funding sources above, Council usually funds the balance of capital expenditure from the following sources:

- Funding of depreciation as provided for in 3.2 above;
- Depreciation from reserves; and
- Borrowings.

Borrowing for capital expenditure enables the Council to ensure there is intergenerational equity in terms of who funds capital expenditure – the repayments are spread over the reasonably-expected average life of the asset where practicable. This means today's ratepayers are not asked to fund tomorrow's assets.

Borrowing is managed within the framework specified in Council's Liability Management Policy in accordance with Section 102(2)(b) of the LGA 2002.



**6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)****3.4 DEFINITION OF FUNDING SOURCES**

This section provides some simple definitions of the different sources that are available to fund Council's activities. Activities may be funded from one or more source.

**General rates**

General rates are used to raise revenue for activities that are of public good or where recovery from users (private good) is not efficient or possible.

They include two portions. Part is set based on capital value (value of land plus improvements), and part is by a fixed amount per rating unit (Uniform Annual General Charges – UAGC).

A more detailed specification of the rating policy is detailed in 3.5 below.

**Targeted rates**

Targeted rates are used to raise revenue for activities where an area of benefit can be recognised; for example, a rate may be charged to the commercial sector, or to a specific ward. They are set based on the capital value or as a fixed amount per rating unit (Fixed Targeted Rate). This can be used for both private good and public good.

**Grants and subsidies**

Our policy is that income received from an external funding entity must be applied against the project for which the subsidy was acquired. These generally would be of a public good; however, this can depend on the purpose or source of the grant or subsidy.

In some cases financial assistance relates to a specific project and the ongoing management of the infrastructure e.g. Waka Kotahi NZ Transport Agency subsidises capital costs, and contributes towards operational costs of the Transport team.

**User fees and charges**

Fees, charges and the recovery of fines are used to raise revenue for services or activities that have a high component of private

good, and where the users of the service or the exacerbators are identifiable.

**Interest and dividends from investments**

The Council has very little external investment holdings and these do not make any return of note. Any income that is received from an investment are generally used to fund activities of public good.

**Other sundry operating income**

Council receives income across its activities from a number of other sundry income sources unique to each activity; such as royalties, sponsorships, insurance claims, expense recoveries amongst others.

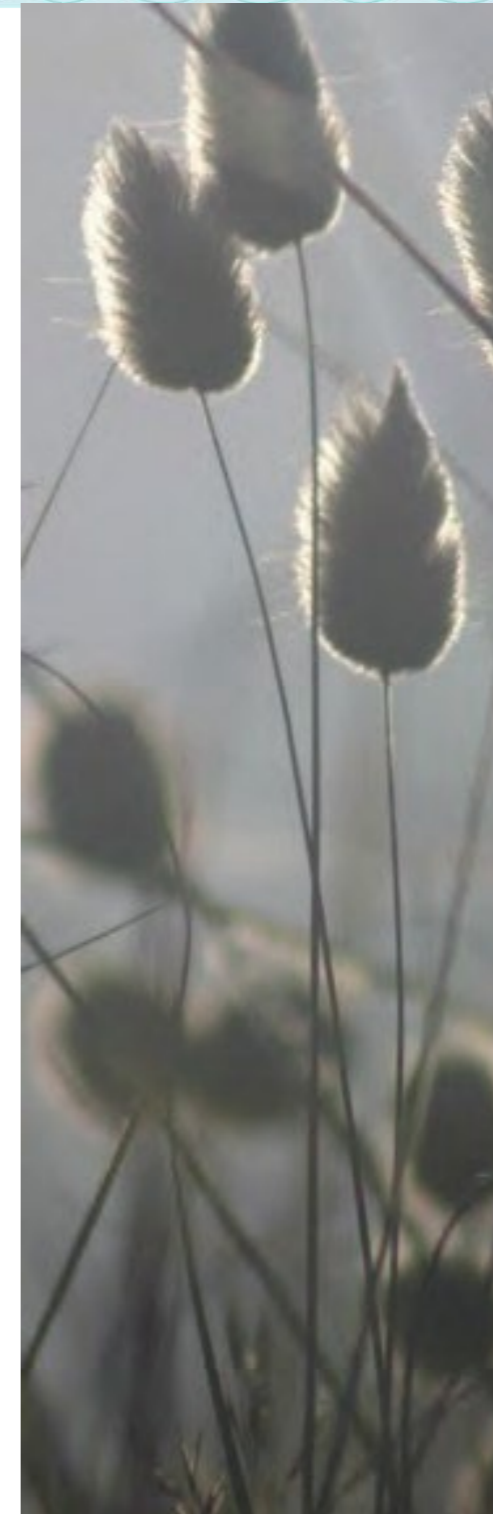
**Development contributions**

To levy these, there must be a specific policy; however, the revenue and financing policy must signal why these are going to be levied. This must have a high

component of private good. Council generally considers development contributions as its main funding tool for development-related costs.

**Financial contributions**

Council may also require a financial contribution to mitigate environmental effects of a development or subdivision. This may be in the form of money or land, or a combination of both. The Resource Management Act (RMA) restricts the charging of financial contributions to only those activities that avoid, remedy or mitigate environmental effects.



## 6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)

**Lump sum contributions**

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer). These must have a high component of private good, as they are paid by ratepayers for capital. Our policy is to not accept lump sum contributions for targeted rates.

**Proceeds from asset sales**

Our policy for the proceeds from the sale of assets is that the proceeds from assets sales will be applied to reduce debt either within the activity from which the sale arose or by Council allocating the proceeds to retire debt in a specific activity.

**Borrowing**

Loans, both short-term and long-term. Our policy is that borrowing is a funding tool and does not need a split between public and private good, as it is only deferring the eventual charge.

**Council reserves**

Council-created reserves are used to fund a number of activities, or in instances where the activity meets the purpose for which the reserve was created.

*Operating reserves* are used for a specific purpose or activity usually to cover short-term financial fluctuations, ensuring smooth operations and mitigating cash flow issues, such as unexpected expenses or revenue delays.

*Depreciation reserves* are used for funding asset renewals. In some instances, ~~w~~.

Where it is considered appropriate by the Council (excluding reserves which have specific restrictions), and where appropriate approval is granted, reserves, are used to fund items outside of their original purpose,

*Restricted reserves* are specific funds set aside for designated purposes, often by donors, granting institutions or through other legal requirements, and can't be freely used by Council but are applied against the expenditure associated with the specific purpose intended, ensuring compliance and transparency.

*Restricted reserve – Harbour Fund:* The Council owns a number of harbour properties in the Whakatāne Central Business District. The income from these properties and any sale of harbour endowment assets are held as the Harbour Endowment Fund as a specific restricted reserve. Rules associated with the Harbour Fund have been set through legislation, and restrict income derived from leases or the sale of assets.

Our LTP 2021-31 operates within these required parameters of all restricted reserves.

**Any other source**

Other funding sources may be available from time to time to fund Council activities.



**6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)****3.5 SETTING OF RATES**

Council's final consideration of funding by rates comes:

- After considering how other funding sources will be used to fund operating costs and capital expenditure;
- After that has been applied to activities in the Funding Needs Analysis; and/or
- After being adjusted for the overall funding considerations.

Council sets its rates on an annual basis under resolution in accordance with the Local Government (Rating) Act 2002 (LGRA 2002) Section 23, with due consideration of the Long Term Plan, this Policy and other Policies.

**General Rates**

The general rate is allocated to all rateable properties based on the capital value of the property.

Council differentiates the general rate into differential rating categories based on one or more of the uses to which the land is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and the location of the land.

The current differential rating categories set within this policy are:

- Residential;
- Lifestyle;
- Commercial and Industrial;
- Farming;
- Horticulture and Forestry; and
- Utilities and Other Capital value up to \$X.Xm
- Utilities and Other Capital value portion greater than \$X.Xm

In setting the differential categories, and the differential factors, Council considers the requirements of the LGA 2002 and a number of other considerations, including:

- The activities funded by the general rate and the s101(3) considerations for the activities;
- The impact of any change, or rate of change to the differential;
- The views of those impacted by the differentials;

- Other reasonable options, and the advantages and disadvantages of those options; and
- The overall impact of the differential on ratepayers.

The full definition of these differential rating categories and the general rate differential factors calculation is contained in the Funding Impact Statement.

**Uniform Annual General Charge**

A portion of general rates is assessed as a Uniform Annual General Charge (UAGC). The UAGC is set under section 15(1)(b) of the LGRA 2002. The Uniform Annual General Charge (UAGC) is a fixed general rate that Council uses to cover charges for services most residents benefit from, being a flat dollar charge for each separately used or inhabited part (SUIP) of a rating unit. The UAGC is a fixed charge regardless of value of a property. The UAGC is not a direct allocation the cost of a single activity or targeted at a single rating category, it is allocated equally to all SUIP's of all rating units.

The definition of a SUIP is contained in the Funding Impact Statement.

A Uniform Annual General Charge will not be charged on each division of a rating unit unless it is evident that the divided rating unit is separately used or inhabited. Revenue collected from the UAGC for all rateable properties is set out in the Funding Impact Statement. The amount of rates revenue collected from the UAGC is limited to a maximum of 30% the total rates revenue collected as prescribed by the LGRA 2002.

**Targeted Rates**

Targeted rates are set in accordance with sections 16, 18, and 19, and schedules 2 and 3 of the LGRA 2002.

Targeted rates are rates used to fund an activity or group of activities and may be set on a on a single rating category or multiple rating categories. Targeted rates may be applied either uniformly on all rating units or at different amounts for different groups of rating units.

One or more of the requirements of Schedule 2 of the LGRA 2002 must be used when defining a category to set targeted rates differentially.

Targeted rates are used to fund the following activities which Council feels all, or part of, the cost of an activity is best met by a defined category.

- Roading (Transportation Connections);
- Community Boards;
- Stormwater;
- District Growth Rates (Economic Development);



**6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)**

- Events Promotions Initiatives Community- E.P.I.C. (Events and Tourism)
- Refuse Removal (Waste Management)
- Water (Water Supply)
- Sewerage (Wastewater)

**General Revaluation**

Council is required to revalue each rating unit at least once every three years. This is a set out in the Rating Valuation Act 1998 (RVA).

Along with decisions made by Council values established under General Revaluation are used for assessing and setting rates.

The next effective date of General Revaluation for the Whakatāne District is xxxxx 2025, these values will be used for setting rates for a three-year period commencing 1 July 2026.

**Calculating differentials following General Revaluation**

Following General Revaluation Council may consider changes to differentials used for each rating category when assessing and setting rates in the year following.

**Rates Remissions and Postponements**

Policy Council may remit rates where it considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).

The remission or postponement of rates is done in accordance with the Councils' Rates Remission and Postponement Policies as required under LGA Section 102(3).

The remission or postponement of rates on Māori Freehold Land done in accordance with the Councils' Remission and Postponement of Rates on Māori Freehold Land Policy as required under LGA Section 102(2)(e) and with additional reference to Te Ture Whenua Māori Act 1993, Māori Land Act 1993, Local Government (Rating of Whenua Māori) Amendment Act 2021, and the LGRA 2002.

**3.6 SETTING OF USERS FEES AND CHARGES**

User fees and charges are one of the ways Council can fund the costs of delivering an activity or service directly from those who use, and therefore benefit, from the activity or service.

Council sets fees and charges to share costs between ratepayers and the people using a particular service (user pays model) in line with the principles of this policy and its supporting activity level funding needs analysis.

There is no perfect balance between the two, but generally where an activity has greater public good, such as our libraries and sport fields, a higher proportion of that activity will be funded by general rates.

In general the process of setting user fees and charges typically involves several key steps:

- Identification of services within an Activity;
- Cost identification;
- Funding requirement;
- Who benefits from the services;
- User fee setting;
- Consideration of affordability;
- Consideration of the efficiency in recovering the fees and charges;
- Public consultation; and
- Approval.

**Periodic Review:**

User fees and charges are not static. Councils regularly review and adjust these fees, normally in coordination with setting the Long Term Plan or the Annual Plan, to ensure they remain fair, transparent, and aligned with the costs of providing activities. Adjustments may be made in response to changes in costs, inflation, or shifts in community needs.

**Waiving or discounting of user fees and charges**

Council may waive or discount fees and charges where it is considered appropriate to do so. Some matters considered in deciding whether it is appropriate to waive fees are for social reasons, the promotion of events and facilities, commercial reasons, due to poor service or to minimise risk.



6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)



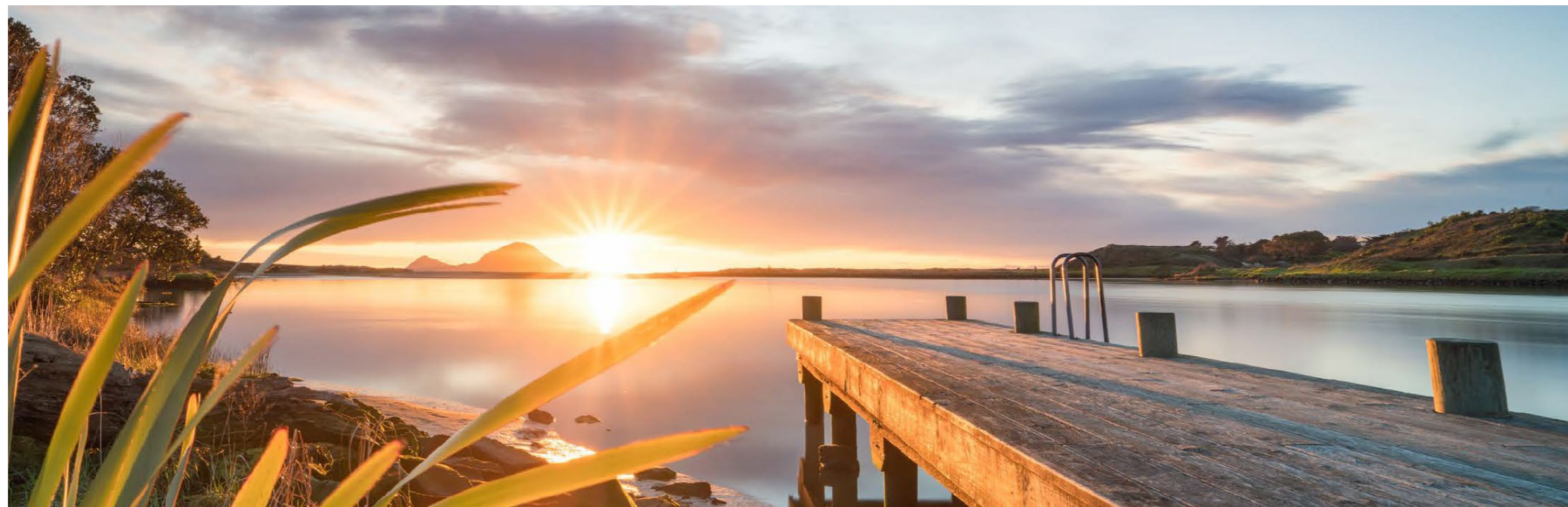
### 3.7 ASSESSING THE IMPACT OF FUNDING NEEDS

In accordance with the Local Government Act 2002) section 101(3), and guided by the principles documented in the Financial Strategy and identified in this Policy, Council has considered the above sources of funding against each its activities determining the amount of the funding required, understanding the sources of funding, mix of funding and timing of funding. The detail to support the Council assessment is includes in its *Funding Needs Analysis* which is adopted in support of this Policy. [Link Funding Needs Analysis LTP2034].

This policy uses the bands in table 2 below as a percentage of the revenue required to fund each activity and are indicative only. They may change over time because of changes in expenditure requirements. It is possible that actual funding sources may differ from budgeted funding sources, therefore in line with good practice these are set as funding bands rather than specific funding percentages to allow for minor changes over time e.g., a one-off subsidy or grant.

**Table 3.7.1: Funding bands**

Description	Range	Key
Unlikely	0% (-)	⊗
Low	0% - 30%	☆
Medium	30% - 70%	☆
High	70% - 100%	☆
Potential to be Used		☆



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### 3.8 SUMMARY OF SOURCES OF FUNDING FOR OPERATIONAL COST BY ACTIVITY

The table below shows the indicative percentages of each funding source which is used to fund the operating costs of the activities.

**Table 3.8.1: Summary of sources of funding for operational costs by activity**

Activity Grouping / Activity	general rates	targeted rates	user fees and charges	development and financial contributions	Subsidies and grants	investment income	other income sources	operating reserves
<b>ECONOMIC DEVELOPMENT</b>								
Economic Development & Toi EDA	☆	☆	×	×	☆	×	☆	☆
Strategic Property	☆	×	☆	×	×	×	×	☆
<b>DEMOCRACY</b>								
Governance	☆	×	×	×	☆	×	×	☆
Community Support and Grants	☆	×	×	×	☆	×	☆	☆
Community Boards	☆	☆	×	×	☆	×	☆	☆
<b>ARTS &amp; CULTURE</b>								
Libraries and Galleries	☆	×	☆	×	☆	×	☆	☆
Museums and Archives	☆	×	☆	×	☆	×	☆	☆
<b>DISTRICT PARTNERSHIPS</b>								
Māori Relationships	☆	×	×	×	☆	×	×	☆
Community Development	☆	×	×	×	☆	×	×	☆
Community and Roads Safety	☆	×	×	×	☆	×	☆	☆
<b>AQUATIC CENTRES</b>								
District Aquatic Centres	☆	×	☆	×	☆	×	☆	☆

6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)



Activity Grouping / Activity	general rates	targeted rates	user fees and charges	development and financial contributions	Subsidies and grants	investment income	other income sources	operating reserves
<b>EVENTS &amp; TOURISM</b>								
Visitor Information	☆	×	☆	×	☆	×	☆	☆
Marketing and Events	☆	☆	☆	×	☆	×	☆	☆
<b>CLIMATE CHANGE &amp; RESILIENCE</b>								
Emergency Management	☆	×	×	×	☆	×	☆	☆
Climate Change	☆	☆	×	×	☆	×	☆	☆
<b>STORMWATER</b>								
Waters Management	☆	×	×	×	×	×	☆	☆
Stormwater and Drainage	☆	☆	×	×	☆	×	☆	☆
<b>WASTEWATER</b>								
Wastewater Services	☆	☆	☆	×	☆	×	☆	☆
Trade Waste	☆	×	☆	×	☆	×	☆	☆
<b>WATER SUPPLY</b>								
Water Supply Services	☆	☆	☆	×	☆	×	☆	☆
<b>PORTS &amp; HARBOURS</b>								
Ports and Harbour	☆	×	☆	×	☆	☆	☆	☆
<b>PARKS &amp; RESERVES</b>								
Parks Reserves and Gardens	☆	×	☆	×	☆	×	☆	☆
Cemeteries	☆	×	☆	×	☆	×	☆	☆
<b>HOLIDAY PARK</b>								
Whakatāne Holiday Park	☆	×	☆	×	☆	×	☆	☆



6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)



Activity Grouping / Activity	general rates	targeted rates	user fees and charges	development and financial contributions	Subsidies and grants	investment income	other income sources	operating reserves
<b>TRANSPORTATION CONNECTIONS</b>								
Roading Management	☆	☆	×	×	☆	×	☆	☆
Local Roads	☆	☆	×	×	☆	×	☆	☆
Special Purpose Roads	☆	×	×	×	☆	×	☆	☆
Other Roads and Pathways	☆	☆	×	×	☆	×	☆	☆
Parking Enforcement	☆	×	☆	×	☆	×	☆	☆
<b>BUILDING &amp; RESOURCE MANAGEMENT</b>								
Building Services	☆	×	☆	×	☆	×	☆	☆
Resource Consents	☆	×	☆	×	☆	×	☆	☆
Resource Management Policy	☆	×	×	×	☆	×	☆	☆
<b>WASTE MANAGEMENT</b>								
Waste Disposal	☆	☆	☆	×	☆	×	☆	☆
Waste Minimisation	☆	☆	☆	×	☆	×	☆	☆
<b>COMMUNITY REGULATION</b>								
Animal Control	☆	×	☆	×	☆	×	☆	☆
Environmental Health	☆	×	☆	×	☆	×	☆	☆
Liquor Licensing	☆	×	☆	×	☆	×	☆	☆
Regulation Monitoring	☆	×	☆	×	☆	×	☆	☆
<b>COMMUNITY FACILITIES</b>								
Halls	☆	×	☆	×	☆	×	☆	☆
Public Conveniences	☆	×	☆	×	☆	×	☆	☆

6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)



CCO – AIRPORTS							
Whakatāne Airport	☆	×	☆	×	☆	×	☆

Corporate Services

Corporate services overhead costs are the indirect costs incurred by Council that are not directly tied to the production or delivery of a specific activity or service. Examples of corporate overhead costs include administrative salaries, rent for council offices, utilities, and other general expenses.– the operating costs associated with the delivery of corporate services that support the wider activity delivery of council to the community.

The costs of corporate services are allocated to each activity using an appropriate allocation base. For example, the cost of the People and Capability enabling service may be allocated based on the number of employees each activity has. This overhead allocation methodology, which is common good practice, means that the costs of corporate services are funded through the indicative percentages of each actual activity, reflected in table 3.8.1 above, in the ratio to which they are allocated. It's important to note that overhead allocation is a somewhat arbitrary process and may not perfectly reflect the actual consumption of resources by each activity. The goal is to provide a reasonable and consistent method for assigning indirect costs to the activities in a way that aligns with Council’s overall financial objectives.

3.9 SUMMARY OF SOURCES OF FUNDING FOR CAPITAL EXPENDITURE BY ACTIVITY

The table below shows the indicative percentages of each funding source which is used to fund the capital expenditure costs of the activities.

Table 3.9.1: Summary of sources of funding for capital expenditure by activity

Activity Grouping / Activity	development contributions	subsidies, grants and other 3 <sup>rd</sup> Parties	assets replacement depreciation reserves	borrowings
<b>ECONOMIC DEVELOPMENT</b>				
Economic Development & Toi EDA	×	☆	☆	☆
Strategic Property	×	☆	☆	☆
<b>DEMOCRACY</b>				
Governance	×	×	☆	☆
Community Support and Grants	×	×	☆	☆
Community Boards	×	×	☆	☆

6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)



Activity Grouping / Activity	development contributions	subsidies, grants and other 3 <sup>rd</sup> Parties	assets replacement depreciation reserves	borrowings
<b>ARTS &amp; CULTURE</b>				
Libraries and Galleries	⊗	☆	☆	☆
Museums and Archives	⊗	☆	☆	☆
<b>DISTRICT PARTNERSHIPS</b>				
Māori Relationships	⊗	⊗	☆	☆
Community Development	⊗	⊗	☆	☆
Community and Roads Safety	⊗	☆	☆	☆
<b>AQUATIC CENTRES</b>				
Aquatic Centre Services	⊗	☆	☆	☆
<b>EVENTS &amp; TOURISM</b>				
Visitor Information	⊗	☆	☆	☆
Marketing and Events	⊗	☆	☆	☆
<b>CLIMATE CHANGE &amp; RESILIENCE</b>				
Emergency Management	⊗	☆	☆	☆
Climate Change	⊗	☆	☆	☆
<b>STORMWATER</b>				
Waters Management	⊗	⊗	☆	☆
Stormwater Drainage	⊗	⊗	☆	☆
<b>WASTEWATER</b>				
Wastewater Services	⊗	☆	☆	☆
Trade Waste	⊗	☆	☆	☆

6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)



Activity Grouping / Activity	development contributions	subsidies, grants and other 3 <sup>rd</sup> Parties	assets replacement depreciation reserves	borrowings
<b>WATER SUPPLY</b>				
Water Supply Services	☆	☆	☆	☆
<b>PORTS &amp; HARBOURS</b>				
Ports and Harbour	×	☆	☆	☆
<b>PARKS &amp; RESERVES</b>				
Parks Reserves and Gardens	☆	×	☆	☆
Cemeteries	☆	×	☆	☆
<b>HOLIDAY PARK</b>				
Whakatāne Holiday Park	×	×	☆	☆
<b>TRANSPORTATION CONNECTIONS</b>				
Roading Management	×	×	☆	☆
Local Roads	×	☆	☆	☆
Special Purpose Roads	×	☆	☆	☆
Other Roads and Pathways	×	☆	☆	☆
Parking Enforcement	×	×	☆	☆
<b>BUILDING &amp; RESOURCE MANAGEMENT</b>				
Building Services	×	×	☆	☆
Resource Consents	×	×	☆	☆
Resource Management Policy	×	×	☆	☆
<b>WASTE MANAGEMENT</b>				
Waste Disposal	×	×	☆	☆

6.1.1 Appendix 1 - WDC Redrafted Revenue and Financing Policy [Unmarked](Cont.)



Activity Grouping / Activity	development contributions	subsidies, grants and other 3 <sup>rd</sup> Parties	assets replacement depreciation reserves	borrowings
Waste Minimisation	⊗	☆	☆	☆
<b>COMMUNITY REGULATION</b>				
Animal Control	⊗	⊗	☆	☆
Environmental Health	⊗	⊗	☆	☆
Liquor Licensing	⊗	⊗	☆	☆
Regulation Monitoring	⊗	⊗	☆	☆
<b>COMMUNITY FACILITIES</b>				
Halls	☆	☆	☆	☆
Public Conveniences	⊗	☆	☆	☆
<b>CCO – AIRPORTS</b>				
Whakatāne Airport	⊗	☆	☆	☆

**6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up]**

**6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up]**

## 6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

# REVENUE AND FINANCING POLICY

## *Te Kaupapa here o te Pūtea*

### 1.0 Purpose

The purpose of the Revenue and Financing Policy is to provide predictability and certainty about how Council manages its finances prudently and in a way that promotes the current and future interests of the community.

This policy outlines the choices we have made in the Long Term Plan, and will use to guide our future decisions, in deciding the appropriate sources of funding for operating and capital expenditure, and how we have made these choices.

Under sections 102 and 103 of the Local Government Act 2002 (LGA 2002) Council must adopt a Revenue and Financing Policy.

~~The Local Government Act 2002 (the Act) requires Whakatāne District Council (the Council) to manage its finances prudently and in a way that promotes the current and future interests of the community.~~

~~This policy outlines the choices we have made in deciding the appropriate sources of funding for operating and capital expenditure, and how we have made these choices.~~

### 2.0 Policy principles

#### considerations

Section 101 of ~~the Act~~ LGA 2002 requires local authorities to consider certain matters when determining the sources that will be used to meet funding needs.

To assist with the identification of the appropriate funding methods, incorporating the matters set out in Section 101, Council has used a set of guiding principles, set out in Table 2.0.1 below.

**Table 2.0.1: Principle / rational for its application**

#### Ensuring compliance with legislation

This principle reflects the policy demonstrating Council complying with the requirements of legislation as a minimum standard. In particular, the LGA 2002, and related legislation, which include a number of legal requirements for the development of the Revenue and Financing Policy.

#### Honouring our obligations under Te Tiriti o Waitangi

This principle reflects that the policy as required in legislation appropriately supports the principles set out in the Preamble to Te Ture Whenua Māori Act 1993, and more broadly the principles of the Treaty of Waitangi. The Council will particularly take this principle in the policy and the principles in the preamble into account when considering funding decisions that specifically impact Māori landowners.

#### Aligned to our strategic goals

This principle reflects that the Long Term Plan sets out a vision for the district over the next 10 years and the Revenue and Financing Policy should have regard to the broader strategies and priorities as set out in the council's vision and the Plan. It should also show how investment in infrastructure is funded.

#### Ensuring we maintain financial prudence and sustainability

This principle ensures that the council is able to operate both short and long term in a financially sustainable manner that promotes the current and future interests of the community.

#### Delivering community outcomes

This principle guides councils' decisions on how revenue requirements will be met (by ratepayers and other groups), taking into account the impact of such decisions on the achievement of the strategic goals and community outcomes from each activity, while minimising the effect of changes from those decisions.

#### Focusing on broader wellbeing outcomes

This principle guides the council to ensure while making its decisions under this policy, not just to consider the revenue requirements, but to also consider the impact of such decisions on the current and future social, economic, environmental and cultural well-being of the community.

#### Considering the affordability of funding decision

This principle guides the council to consider the impact of funding methods on people's ability to pay, balanced against the delivery of services through activity of council, as this can have implications for community well-being.

## 6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

**Table 2.0.1: Principle / rational for its application****Ensuring transparency in how activities are delivered and funded**

This principle guides council to ensure transparency in decision making enables the funders and users of services to assess whether they get value for money and to make more informed decisions in using council services.

**Ensuring accountability in how activities are delivered and funded**

This principle guides council to ensure transparency in decision making enables the funders and users of services to assess whether they get value for money and to make more informed decisions in using council services.

**Aligning who benefits and who pays**

This principle guides council's decisions to consider who benefits from the services provided in each activity and impact on costs this creates, (whether the community as a whole, any identifiable part of community, or individuals); as well as the period in or over which benefits and costs are expected to occur (current or future funding).

**Ensuring efficiency in the use of funding sources used for activities**

This principle influences the council's decisions on the best mix of funding (between rates income, other revenue sources, borrowings and asset sales) to pay for its assets and activities. The council's limited financial resources should be used in such a way to maximise the benefits provided to the community, while minimising the burden on ratepayers.

**Ensuring the funding decision of Council don't materially impact market neutrality**

This principle is relevant when the council is competing with the private sector in producing or delivering services. To avoid council being placed in an advantageous position or discouraging private enterprise, in tandem with other principles such as affordability, the council will apply commercial best practice when providing such services.

**Ensuring this policy is practical and fit for purpose for the period intended**

This principle ensure the council's Revenue and Financing is achievable and retains relevance in the face of challenging circumstances that may otherwise prevent compliance.

There are some inherent conflicts between these guiding principles. In practice, establishing the council's specific revenue and financing policies involves balancing competing guiding principles. For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability. In practice, when the council applies

these principles to assess how to fund the separate activities, the council then considers the overall impact of any allocation of liability on the community.

**2.1 — COMMUNITY OUTCOMES**

~~Community Outcomes represent the Council's contribution to community wellbeing in the district. They represent the goals that the Council is aiming towards and underpin the rationale for the activities and services the Council delivers.~~

**2.2 — DISTRIBUTION OF BENEFITS**

~~For each activity, this consideration analyses the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.~~

~~The funding sources selected by the Council for each activity will typically, although not always, reflect who is benefiting from the activity. It will also be influenced by the other policy considerations listed in this section.~~

**2.3 — USER PAYS AND EXACERBATOR PAYS**

~~This consideration analyses the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.~~

~~Examples are community facilities, water supply, solid waste, road and footpath and health and safety. The principle suggests that Council should recover some costs directly from those causing demand for the service.~~

~~A number of Council's activities exhibit user pays and exacerbator pays characteristics. Through the use of fees and charges (including fines), the Council will seek to recover expenditure where this situation exists. However, it is acknowledged that it can be difficult, inefficient or sometimes inappropriate, and in these circumstances activities will be funded through general rates.~~

**2.4 — PERIOD OVER WHICH BENEFITS ACCRUE**

~~This consideration analyses the period in or over which the benefits of Council's activities are expected to accrue. This then indicates the period over which the operating and capital expenditure should be funded.~~



**6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)**

~~For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded on an annual basis from annual revenue.~~

~~Intergenerational equity applies to capital expenditure where assets have useful lives ranging from a few years through to many decades. One method used to spread these costs over time is loan funding. This ensures that current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers service the debt associated with this asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.~~

**~~2.5 COSTS AND BENEFITS (OF SEPARATE FUNDING)~~**

~~This consideration analyses the costs and benefits of funding the activity distinctly from other activities.~~

~~There are administration costs associated with separate funding and these need to be weighed against any benefits of targeting specific beneficiaries/ users of a service, including transparency and accountability. Transparency and accountability are most evident when an activity has one defined funding source. This allows ratepayers, or payers of user charges, to see exactly how much money is being raised and spent on the activity, and to assess whether or not the cost to them of the activity represents good value.~~

~~However, funding every activity this way would be extremely complex. The administrative cost and lack of significance lead Council to fund a number of activities by way of a general rate. To aid in transparency and accountability, Council separates the total general rate into reasonable activity breakdowns, when presenting the ratepayer with their rates assessment notices.~~

~~This then allows the ratepayer to make some form of meaningful assessment down to activity level.~~

**~~2.6 OVERALL IMPACT ON THE COMMUNITY OF ANY ALLOCATION OF LIABILITY FOR REVENUE NEEDS~~**

~~This consideration complements the previous considerations listed above.~~

~~Once all the previous considerations have been taken into account, Council ensures that overall funding sources are not creating a disproportionate burden on a specific sector or part of the community.~~

**3.0 Funding sources**

Legislation requires the council to make adequate and effective provision in its long-term plan to meet the expenditure needs identified in that plan, Generally, this will mean that all expenditure is funded, a Balanced Budget.

The sources of funding applied under this policy are limited to those set out under section 103 (2) of the LGA 2002.

~~Funding sources are either paying for operating costs or capital costs.~~

**3.1 FUNDING OF OPERATING COST**

Operating costs are the everyday spending on activities Council provides. This includes recognising the costs of previously developed or acquired assets with the benefits they provide over time (depreciation), as well as interest charged on borrowing for capital projects and overhead costs.

The nature of depreciation as a non-cash charge does make it distinct from the majority of other operating costs that are generally cash, further detail on the funding of depreciation is provided in 3.2 below.

We must consider the funding for operating costs of each activity individually. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a stormwater schemes, and others from the general rate, such as parks, reserves, and gardens.

Often the benefit of outcomes from a particular activity of council may include a mix of direct user benefits as well as wider community benefits, so the funding for the activity may most appropriately include a mix of different sources as well.

The funding sources for operating costs are listed below, and are defined in more detail in 3.3 *Definition of funding sources*:

- General rates, including uniform annual general charges;

**6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)**

- Targeted rates, including fixed targeted rates;
- Subsidies and grants - operating;
- User fees and charges;
- Interest and dividends from investments;
- Other sundry operating income; and
- Operating reserves.

~~Operating expenditure pays for Council's day-to-day spending on services we provide. These include contribution for maintaining existing assets, or other expenditure that does not buy or build a new asset.~~

- ~~• Council funds operating expenditure from the following sources:  
General rates, including uniform annual general charges; Targeted rates, including fixed targeted rates;~~
- ~~• Fees and charges;~~
- ~~• Interest and dividends from investments; Grants and subsidies; and~~
- ~~• Other operating revenue (e.g. operating reserves).~~

The Council has determined the proportion of operating expenditure costs to be funded from each of the sources through a Fundings Needs Analysis for each activity which is summarised in Table 3.6.1 below. ~~s for listed above, and the method for apportioning rates and other charges.~~

~~The Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.~~

~~The Council may choose to fund from the above sources more than necessary to meet the operating expenditure in any particular year.~~

The Council will ~~have regard to~~ consider forecast future debt levels when ~~ascertaining~~ deciding whether it is prudent to budget for an operating surplus for debt repayment.

Investments are managed within the framework specified in Council's Investment Policy in accordance with Section 102(2)(c) of the LGA 2002.

The LGA 2002 requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered, and for this statement to be included in the Long Term Plan and Annual Plan, as

appropriate. The Funding Impact Statement shows how the Council intends to implement the Revenue and Financing Policy each year. It also shows the amount of funding to be collected from each available source, including how various rates are to be applied.

**3.2 FUNDING OF DEPRECIATION**

Depreciation is a non-cash charge that reflects the reduction in the usability of our assets over time. Because this is a non-cash expense, any revenue raised to cover depreciation (referred to as "funding depreciation") generates a cash surplus which is used to fund capital expenditure.

Fully funding depreciation from rates and current revenue would mean that on average, over the long run, we are not relying on borrowing to fund asset replacement expenditure. This represents a sustainable approach.

The use or borrowings and depreciation reserves may be appropriate to smooth the matching of cashflows between revenues and the funded capital expenditure over time.

In some cases, it is not financially prudent to fund depreciation. In determining the level of non-funded depreciation, the council will have regard to:

- whether at the end of its useful life, the replacement of an asset will be or is likely to be funded by way of a grant or subsidy from a third party
- whether the council has elected not to replace an asset at the end of its useful life
- whether a third party has a contractual obligation to maintain the service potential of an asset throughout all or part of its useful life or to replace the asset at the end of its useful life
- whether fully funding depreciation in the short-term will result in an unreasonable burden on ratepayers, presenting conflict between funding principles, for example between affordability and financial prudence and sustainability. In such circumstances, the council will remain prudent and ensure it promotes both the current and future interests of the community by forecasting to reach a position over time where it fully funds depreciation (apart from the exceptions above).

**3.3 FUNDING OF CAPITAL EXPENDITURE COST**

**6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)**

Capital expenses pay for expenditure reflects investment in buying or building new assets, including replacing, improving or extending the useful life of an existing asset or improving an existing one, to deliver a better service, contributing to community outcomes and the districts' growth and operational capabilities.

Where possible Council offsets the impact of cashflow required for capital expenditure, minimising the impact of debt repayments on both current and future rate payers, by first looking for other funding sources for capital expenditure. These may include:

- Subsidies and grants – capital, including from agencies such as Waka Kotahi NZ Transport Agency; Ministry of Business, Innovation & Employment - Hīkina Whakatutuki; and Kānoa - Regional Economic Development & Investment Unit of MBIE;
- Development contributions and financial contributions;
- Lump sum contributions; and
- Proceeds from the sales of assets.

Development contributions and Financial Contributions are managed within the framework specified in Councils' Development and Financial Contributions Policy in accordance with Section 102(2)(d) of the LGA 2002.

After allowing for the offset from the other funding sources above, Council usually funds the balance of capital expenditure from the following sources:

- Funding of depreciation as provided for in 3.2 above;
- Depreciation from reserves; and
- Borrowings.

~~The Council usually funds capital expenditure from borrowing, spreading repayments over several years, or from reserves.~~

Borrowing for capital expenditure enables the Council to ensure there is intergenerational equity in terms of who funds capital expenditure – the repayments are spread over the reasonably-expected average life of the asset where practicable. This means today's ratepayers are not asked to fund tomorrow's assets.

Borrowing is managed within the framework specified in Council's Liability Management Policy in accordance with Section 102(2)(b) of the LGA 2002.

~~To help offset the impact of debt repayments on rate payers, we will look for funding sources for capital cost. Other funds include:~~

- ~~• Grants and subsidies from agencies such as Waka Kotahi NZ Transport Agency, and Ministry of Health, and Provincial Growth Fund;~~
- ~~• Development contributions and financial contributions;~~
- ~~• Proceeds from the sale of assets; and~~
- Lump sum contributions.

**6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)****3.4 DEFINITION OF FUNDING SOURCES**

This section provides some simple definitions of the different sources that are available to fund Council's activities. Activities may be funded from one or more source.

**General rates**

General rates are used to raise revenue for activities that are of public good or where recovery from users (private good) is not efficient or possible.

They include two portions. Part is set based on capital value (value of land plus improvements), and part is by a fixed amount per rating unit (Uniform Annual General Charges – UAGC).

A more detailed specification of the rating policy is detailed in 3.5 below.

~~A stepped differential is applied for properties with a capital value over \$15m. For properties in this category, the portion of the property valued under \$15m will attract the full capital value general rates charges. For the portion of the property with capital value over \$15m, Council may define a percentage of the general rate charges to apply. This differential does not apply to the UAGC portion.~~

**Targeted rates**

Targeted rates are used to raise revenue for activities where an area of benefit can be recognised; for example, a rate may be charged to the commercial sector, or to a specific ward. They are set based on the capital value or as a fixed amount per rating unit (Fixed Targeted Rate). This can be used for both private good and public good.

**Grants and subsidies**

Our policy is that income received from an external funding entity must be applied against the project for which the subsidy was acquired. These generally would be

of a public good; however, this can depend on the purpose or source of the grant or subsidy.

In some cases financial assistance relates to a specific project and the ongoing management of the infrastructure e.g. Waka Kotahi NZ Transport Agency subsidises capital costs, and contributes towards operational costs of the Transport team.

**User fees and charges**

Fees, charges and the recovery of fines are used to raise revenue for services or activities that have a high component of private good, and where the users of the service or the exacerbators are identifiable.

**Interest and dividends from investments**

The Council has very little external investment holdings and these do not make any return of note. Any income that is received from an investment are generally used to fund activities of public good.

**Other sundry operating income**

Council receives income across its activities from a number of other sundry income sources unique to each activity; such as royalties, sponsorships, insurance claims, expense recoveries amongst others.

**Development contributions**

To levy these, there must be a specific policy; however, the revenue and financing policy must signal why these are going to be levied. This must have a high

component of private good. Council generally considers development contributions as its main funding tool for development-related costs.

**Financial contributions**

Council may also require a financial contribution to mitigate environmental effects of a development or subdivision. This may be in the form of money or land, or a combination of both. The Resource Management Act (RMA) restricts the charging of financial contributions to only those activities that avoid, remedy or mitigate environmental effects.

**Lump sum contributions**

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer). These must have a high component of private good, as they are paid by ratepayers for capital. Our policy is to not accept lump sum contributions for targeted rates.

**Proceeds from asset sales**

Our policy for the proceeds from the sale of assets is that the proceeds from assets sales will be applied to reduce debt either within the activity from which the sale arose or by Council allocating the proceeds to retire debt in a specific activity.

**Borrowing**

Loans, both short-term and long-term. Our policy is that borrowing is a funding tool and does not need a split between public and private good, as it is only deferring the eventual charge.

**6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)****Council-created reserves**

Council-created reserves are used to fund a number of activities, or in instances where the activity meets the purpose for which the reserve was created.

*Operating reserves* are used for a specific purpose or activity usually to cover short-term financial fluctuations, ensuring smooth operations and mitigating cash flow issues, such as unexpected expenses or revenue delays. e.g. transport, while

*Depreciation reserves* are used for funding asset renewals. In some instances, ~~w~~.

Where it is considered appropriate by the Council (excluding reserves which have specific restrictions), and where appropriate approval is granted, reserves, are used to fund items outside of their original purpose,

*Restricted reserves* are specific funds set aside for designated purposes, often by donors, granting institutions or through other legal requirements, and can't be freely used by Council but are applied against the expenditure associated with the specific purpose intended, ensuring compliance and transparency.

**Harbour fund**

*Restricted reserve – Harbour Fund:* The Council owns a number of harbour properties in the Whakatāne Central Business District. The income from these properties and any sale of harbour endowment assets are held as the Harbour Endowment Fund as a specific restricted reserve. Rules associated with the Harbour Fund have been set through legislation, and restrict income derived from leases or the sale of assets.

Our LTP 2021-31 operates within these required parameters of all restricted reserves.

**Any other source**

Other funding sources may be available from time to time to fund Council activities.

**6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)****3.5 SETTING OF RATES**

Council's final consideration of funding by rates comes:

- After considering how other funding sources will be used to fund operating costs and capital expenditure;
- After that has been applied to activities in the Funding Needs Analysis; and/or
- After being adjusted for the overall funding considerations.

Council sets its rates on an annual basis under resolution in accordance with the Local Government (Rating) Act 2002 (LGRA 2002) Section 23, with due consideration of the Long Term Plan, this Policy and other Policies.

**General Rates**

The general rate is allocated to all rateable properties based on the capital value of the property.

Council differentiates the general rate into differential rating categories based on one or more of the uses to which the land is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and the location of the land.

The current differential rating categories set within this policy are:

- Residential;
- Lifestyle;
- Commercial and Industrial;
- Farming;
- Horticulture and Forestry; and
- Utilities and Other Capital value up to \$X.Xm
- Utilities and Other Capital value portion greater than \$X.Xm

*[We will need to need to be comfortable with being able to define these categories in the Rates FIS – as an example see Whangarei Annual Plan 2023-24 Rates FIS for example of category differential basis and % required from each category defined in the FIS and the approach to per \$ and UAGC – are there other QV based date sets we can reference to support the categories]*

In setting the differential categories, and the differential factors, Council considers the requirements of the LGA 2002 and a number of other considerations, including:

- The activities funded by the general rate and the s101(3) considerations for the activities;
- The impact of any change, or rate of change to the differential;
- The views of those impacted by the differentials;
- Other reasonable options, and the advantages and disadvantages of those options; and
- The overall impact of the differential on ratepayers.

The full definition of these differential rating categories and the general rate differential factors calculation is contained in the Funding Impact Statement.

**Uniform Annual General Charge**

A portion of general rates is assessed as a Uniform Annual General Charge (UAGC). The UAGC is set under section 15(1)(b) of the LGRA 2002. The Uniform Annual General Charge (UAGC) is a fixed general rate that Council uses to cover charges for services most residents benefit from, being a flat dollar charge for each separately used or inhabited part (SUIP) of a rating unit. The UAGC is a fixed charge regardless of value of a property. The UAGC is not a direct allocation the cost of a single activity or targeted at a single rating category, it is allocated equally to all SUIP's of all rating units.

The definition of a SUIP is contained in the Funding Impact Statement.

A Uniform Annual General Charge will not be charged on each division of a rating unit unless it is evident that the divided rating unit is separately used or inhabited. Revenue collected from the UAGC for all rateable properties is set out in the Funding Impact Statement. The amount of rates revenue collected from the UAGC is limited to a maximum of 30% the total rates revenue collected as prescribed by the LGRA 2002.

**Targeted Rates**

Targeted rates are set in accordance with sections 16, 18, and 19, and schedules 2 and 3 of the LGRA 2002.

Targeted rates are rates used to fund an activity or group of activities and may be set on a on a single rating category or multiple rating categories. Targeted rates may be applied either uniformly on all rating units or at different amounts for different groups of rating units.

One or more of the requirements of Schedule 2 of the LGRA 2002 must be used when defining a category to set targeted rates differentially.

**6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)**

Targeted rates are used to fund the following activities which Council feels all, or part of, the cost of an activity is best met by a defined category.

- Roading (Transportation Connections);
- Community Boards;
- Stormwater;
- District Growth Rates (Economic Development);
- Events Promotions Initiatives Community- E.P.I.C. (Events and Tourism)
- Refuse Removal (Waste Management)
- Water (Water Supply)
- Sewerage (Wastewater)

**General Revaluation**

Council is required to revalue each rating unit at least once every three years. This is a set out in the Rating Valuation Act 1998 (RVA).

Along with decisions made by Council values established under General Revaluation are used for assessing and setting rates.

The next effective date of General Revaluation for the Whakatāne District is xxxxx 2025, these values will be used for setting rates for a three-year period commencing 1 July 2026.

**Calculating differentials following General Revaluation**

Following General Revaluation Council may consider changes to differentials used for each rating category when assessing and setting rates in the year following.

**Rates Remissions and Postponements**

Policy Council may remit rates where it considered appropriate to do so and as allowed for in the Rates Remissions and Postponements Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).

The remission or postponement of rates is done in accordance with the Councils' Rates Remission and Postponement Policies as required under LGA Section 102(3).

The remission or postponement of rates on Māori Freehold Land done in accordance with the Councils' Remission and Postponement of Rates on Māori Freehold Land Policy as required under LGA Section 102(2)(e) and with additional reference to Te Ture Whenua Māori Act 1993, Māori Land Act 1993, Local Government (Rating of Whenua Māori) Amendment Act 2021, and the LGRA 2002.

**3.6 SETTING OF USERS FEES AND CHARGES**

User fees and charges are one of the ways Council can fund the costs of delivering an activity or service directly from those who use, and therefore benefit, from the activity or service.

Council sets fees and charges to share costs between ratepayers and the people using a particular service (user pays model) in line with the principles of this policy and its supporting activity level funding needs analysis.

There is no perfect balance between the two, but generally where an activity has greater public good, such as our libraries and sport fields, a higher proportion of that activity will be funded by general rates.

In general the process of setting user fees and charges typically involves several key steps:

- Identification of services within an Activity;
- Cost identification;
- Funding requirement;
- Who benefits from the services;
- User fee setting;
- Consideration of affordability;
- Consideration of the efficiency in recovering the fees and charges;
- Public consultation; and
- Approval.

**Periodic Review:**

User fees and charges are not static. Councils regularly review and adjust these fees, normally in coordination with setting the Long Term Plan or the Annual Plan, to ensure they remain fair, transparent, and aligned with the costs of providing activities. Adjustments may be made in response to changes in costs, inflation, or shifts in community needs.

**Waiving or discounting of user fees and charges**

Council may waive or discount fees and charges where it is considered appropriate to do so. Some matters considered in deciding whether it is appropriate to waive fees are for social reasons, the promotion of events and facilities, commercial reasons, due to poor service or to minimise risk.

**3.7 ASSESSING THE IMPACT OF FUNDING NEEDS**

In accordance with the Local Government Act 2002) section 101(3), and guided by the principles documented in the Financial Strategy and identified in this Policy, Council has

6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

considered the above sources of funding against each its activities determining the amount of the funding required, understanding the sources of funding, mix of funding and timing of funding. The detail to support the Council assessment is includes in its *Funding Needs Analysis* which is adopted in support of this Policy. [Link Funding Needs Analysis LTP2034].

This policy uses the bands in table 2 below as a percentage of the revenue required to fund each activity and are indicative only. They may change over time because of changes in expenditure requirements. It is possible that actual funding sources may differ from budgeted funding sources, therefore in line with good practice these are set as funding bands rather than specific funding percentages to allow for minor changes over time e.g., a one-off subsidy or grant.

**Table 3.7.1: Funding bands**

Description	Range	Key
Unlikely	0% (-)	⊗
Low	0% - 30%	☆
Medium	30% - 70%	☆
High	70% - 100%	☆
Potential to be Used		☆



6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

3.8 SUMMARY OF SOURCES OF FUNDING FOR OPERATIONAL COST BY ACTIVITY

The table below shows the indicative percentages of each funding source which is used to fund the operating costs of the activities.

**Table 3.8.1: Summary of sources of funding for operational costs by activity**

Activity Grouping / Activity	general rates	targeted rates	user fees and charges	development and financial contributions	Subsidies and grants	investment income	other income sources	operating reserves
<b>ECONOMIC DEVELOPMENT</b>								
Economic Development & Toi EDA	☆	☆	×	×	☆	×	☆	☆
Strategic Property	☆	×	☆	×	×	×	×	☆
<b>DEMOCRACY</b>								
Governance	☆	×	×	×	☆	×	×	☆
Community Support and Grants	☆	×	×	×	☆	×	☆	☆
Community Boards	☆	☆	×	×	☆	×	☆	☆
<b>ARTS &amp; CULTURE</b>								
Libraries and Galleries	☆	×	☆	×	☆	×	☆	☆
Museums and Archives	☆	×	☆	×	☆	×	☆	☆
<b>DISTRICT PARTNERSHIPS</b>								
Māori Relationships	☆	×	×	×	☆	×	×	☆
Community Development	☆	×	×	×	☆	×	×	☆
Community Safety Roads	☆	×	×	×	☆	×	☆	☆
<b>AQUATIC CENTRES</b>								
District Aquatic Centres	☆	×	☆	×	☆	×	☆	☆

6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

Activity Grouping / Activity	general rates	targeted rates	user fees and charges	development and financial contributions	Subsidies and grants	investment income	other income sources	operating reserves
<b>EVENTS &amp; TOURISM</b>								
Visitor Information	☆	×	☆	×	☆	×	☆	☆
Marketing and Events	☆	☆	☆	×	☆	×	☆	☆
<b>CLIMATE CHANGE &amp; RESILIENCE</b>								
Emergency Management	☆	×	×	×	☆	×	☆	☆
Climate Change	☆	☆	×	×	☆	×	☆	☆
<b>STORMWATER</b>								
Waters Management	☆	×	×	×	×	×	☆	☆
Stormwater and Drainage	☆	☆	×	×	☆	×	☆	☆
<b>WASTEWATER</b>								
Wastewater Services	☆	☆	☆	×	☆	×	☆	☆
Trade Waste	☆	×	☆	×	☆	×	☆	☆
<b>WATER SUPPLY</b>								
Water Supply Services	☆	☆	☆	×	☆	×	☆	☆
<b>PORTS &amp; HARBOURS</b>								
Ports and Harbour	☆	×	☆	×	☆	☆	☆	☆
<b>PARKS &amp; RESERVES</b>								
Parks Reserves and Gardens	☆	×	☆	×	☆	×	☆	☆
Cemeteries	☆	×	☆	×	☆	×	☆	☆
<b>HOLIDAY PARK</b>								
Whakatāne Holiday Park	☆	×	☆	×	☆	×	☆	☆

6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

Activity Grouping / Activity	general rates	targeted rates	user fees and charges	development and financial contributions	Subsidies and grants	investment income	other income sources	operating reserves
<b>TRANSPORTATION CONNECTIONS</b>								
Roading Management	☆	☆	×	×	☆	×	☆	☆
Local Roads	☆	☆	×	×	☆	×	☆	☆
Special Purpose Roads	☆	×	×	×	☆	×	☆	☆
Other Roads and Pathways	☆	☆	×	×	☆	×	☆	☆
Parking Enforcement	☆	×	☆	×	☆	×	☆	☆
<b>BUILDING &amp; RESOURCE MANAGEMENT</b>								
Building Services	☆	×	☆	×	☆	×	☆	☆
Resource Consents	☆	×	☆	×	☆	×	☆	☆
Resource Management Policy	☆	×	×	×	☆	×	☆	☆
<b>WASTE MANAGEMENT</b>								
Waste Disposal	☆	☆	☆	×	☆	×	☆	☆
Waste Minimisation	☆	☆	☆	×	☆	×	☆	☆
<b>COMMUNITY REGULATION</b>								
Animal Control	☆	×	☆	×	☆	×	☆	☆
Environmental Health	☆	×	☆	×	☆	×	☆	☆
Liquor Licensing	☆	×	☆	×	☆	×	☆	☆
Regulation Monitoring	☆	×	☆	×	☆	×	☆	☆
<b>COMMUNITY FACILITIES</b>								
Halls	☆	×	☆	×	☆	×	☆	☆
Public Conveniences	☆	×	☆	×	☆	×	☆	☆

6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

CCO – AIRPORTS							
Whakatāne Airport	☆	×	☆	×	☆	×	☆

Corporate Services

Corporate services overhead costs are the indirect costs incurred by Council that are not directly tied to the production or delivery of a specific activity or service. Examples of corporate overhead costs include administrative salaries, rent for council offices, utilities, and other general expenses.– the operating costs associated with the delivery of corporate services that support the wider activity delivery of council to the community.

The costs of corporate services are allocated to each activity using an appropriate allocation base. For example, the cost of the People and Capability enabling service may be allocated based on the number of employees each activity has. This overhead allocation methodology, which is common good practice, means that the costs of corporate services are funded through the indicative percentages of each actual activity, reflected in table 3.8.1 above, in the ratio to which they are allocated. It's important to note that overhead allocation is a somewhat arbitrary process and may not perfectly reflect the actual consumption of resources by each activity. The goal is to provide a reasonable and consistent method for assigning indirect costs to the activities in a way that aligns with Council's overall financial objectives.

6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

3.10 SUMMARY OF SOURCES OF FUNDING FOR CAPITAL EXPENDITURE BY ACTIVITY

The table below shows the indicative percentages of each funding source which is used to fund the capital expenditure costs of the activities.

**Table 3.9.1: Summary of sources of funding for capital expenditure by activity**

Activity Grouping / Activity	development contributions	subsidies, grants and other 3 <sup>rd</sup> Parties	assets replacement depreciation reserves	borrowings
<b>ECONOMIC DEVELOPMENT</b>				
Economic Development & Toi EDA	⊗	☆	☆	☆
Strategic Property	⊗	☆	☆	☆
<b>DEMOCRACY</b>				
Governance	⊗	⊗	☆	☆
Community Support and Grants	⊗	⊗	☆	☆
Community Boards	⊗	⊗	☆	☆
<b>ARTS &amp; CULTURE</b>				
Libraries and Galleries	⊗	☆	☆	☆
Museums and Archives	⊗	☆	☆	☆
<b>DISTRICT PARTNERSHIPS</b>				
Māori Relationships	⊗	⊗	☆	☆
Community Development	⊗	⊗	☆	☆
Community Safety Roads	⊗	☆	☆	☆
<b>AQUATIC CENTRES</b>				
Aquatic Centre Services	⊗	☆	☆	☆

6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

Activity Grouping / Activity	development contributions	subsidies, grants and other 3 <sup>rd</sup> Parties	assets replacement depreciation reserves	borrowings
<b>EVENTS &amp; TOURISM</b>				
Visitor Information	⊗	☆	☆	☆
Marketing and Events	⊗	☆	☆	☆
<b>CLIMATE CHANGE &amp; RESILIENCE</b>				
Emergency Management	⊗	☆	☆	☆
Climate Change	⊗	☆	☆	☆
<b>STORMWATER</b>				
Waters Management	⊗	⊗	☆	☆
Stormwater Drainage	⊗	⊗	☆	☆
<b>WASTEWATER</b>				
Wastewater Services	⊗	☆	☆	☆
Trade Waste	⊗	☆	☆	☆
<b>WATER SUPPLY</b>				
Water Supply Services	☆	☆	☆	☆
<b>PORTS &amp; HARBOURS</b>				
Ports and Harbour	⊗	☆	☆	☆
<b>PARKS &amp; RESERVES</b>				
Parks Reserves and Gardens	☆	⊗	☆	☆
Cemeteries	☆	⊗	☆	☆
<b>HOLIDAY PARK</b>				
Whakatāne Holiday Park	⊗	⊗	☆	☆

6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

Activity Grouping / Activity	development contributions	subsidies, grants and other 3 <sup>rd</sup> Parties	assets replacement depreciation reserves	borrowings
<b>TRANSPORTATION CONNECTIONS</b>				
Roading Management	⊗	⊗	☆	☆
Local Roads	⊗	☆	☆	☆
Special Purpose Roads	⊗	☆	☆	☆
Other Roads and Pathways	⊗	☆	☆	☆
Parking Enforcement	⊗	⊗	☆	☆
<b>BUILDING &amp; RESOURCE MANAGEMENT</b>				
Building Services	⊗	⊗	☆	☆
Resource Consents	⊗	⊗	☆	☆
Resource Management Policy	⊗	⊗	☆	☆
<b>WASTE MANAGEMENT</b>				
Waste Disposal	⊗	⊗	☆	☆
Waste Minimisation	⊗	☆	☆	☆
<b>COMMUNITY REGULATION</b>				
Animal Control	⊗	⊗	☆	☆
Environmental Health	⊗	⊗	☆	☆
Liquor Licensing	⊗	⊗	☆	☆
Regulation Monitoring	⊗	⊗	☆	☆
<b>COMMUNITY FACILITIES</b>				
Halls	☆	☆	☆	☆
Public Conveniences	⊗	☆	☆	☆

6.1.2 Appendix 2 - WDC Redrafted Revenue and Financing Policy [Marked Up](Cont.)

CCO – AIRPORTS				
Whakatāne Airport	⊗	☆	☆	☆



## 6.2 Proposed Plan Change 8 – Huna Road

### 6.2 Proposed Plan Change 8 – Huna Road

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To: **Environment, Energy and Resilience Committee**

Date: **7 December 2023**

Author: **N Woodley - Manager Policy, Planning and Consents Compliance**

Authoriser: **D Bewley - GM Development and Environment Services**

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#### 1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to seek approval from the Environment, Energy and Resilience Committee to notify proposed Plan Change 8 to the Whakatāne District Plan.

#### 2. Recommendations - *Tohutohu akiaki*

It is recommended:

1. **THAT** the *Proposed Plan Change 8 – Huna Road* report be received; and
2. **THAT** the Environment, Energy and Resilience Committee approve the notification of proposed Plan Change 8, noting that the notification process will include a public notice being included in the mailout for the next rates instalment in February 2024.

#### 3. Background - *He tirohanga whakamuri*

##### 3.1. Existing direction

In 2010, Council adopted the Whakatāne Integrated Urban Growth Strategy (Strategy) with the aim of providing and planning for growth and guiding the Council's long term planning and development of the District Plan. The Strategy recommended that future growth should be provided for through a mixture of intensification within existing urban areas and greenfields development close to existing urban areas.

The majority of recommendations in the Strategy were embedded in the District Plan including the creation of a new Deferred Residential Zone, which identified land suitable for future residential growth.

In October 2021, Council's Strategy and Policy Committee approved the development of plan changes to commence the development of future changes to the Whakatāne District Plan to rezone Deferred Residential land to Residential.

##### 3.2. Requirements for development capacity

Under the National Policy Statement for Urban Development 2020 (NPS-UD), Council is required to have sufficient land zoned in the District Plan to meet forecast residential demand.

**6.2 Proposed Plan Change 8 – Huna Road(Cont.)**

Of relevance to the District Plan, this means that there needs to be sufficient land zoned in Whakatāne/Ōhope in:

1. the District Plan already to meet forecast residential demand over the next three years (i.e. to 2026); and
2. proposed plan changes to meet demand over the next 10 years (i.e. to 2033).

In 2021, Council staff estimated there was capacity for around 680 additional dwellings in Whakatāne/Ōhope. With growth of over 100 dwellings per year since then, there is now capacity for less than 500 dwellings. Recent research undertaken by MR Cagney for the Eastern Bay of Plenty Spatial Plan estimates over 1,500 dwellings will be required by 2033.

To meet the requirements of the NPS-UD, plan changes need to be made to increased residential development capacity. While Plan Change 8 would not provide all of the development capacity to meet growth through to 2033, the Eastern Bay of Plenty Spatial Plan project is also underway to identify areas for development capacity over the long term.

**4. Issue/subject - *Kaupapa*****4.1. Development of the proposed Plan Change**

Following the approval from the Strategy and Policy Committee in 2021, Council staff have worked with representatives for the owners of 12 Huna Road and 234A State Highway 30 to develop and prepare a plan change to enable development. In addition, representatives from the Kawarehe Trust, who own land adjacent to the Deferred Residential zone, asked that part of their land be included in the proposed plan change. Their planned Papakāinga development is intended to connect to the Council infrastructure as part of the overall development enabled through the plan change.

**4.2. Section 32 Evaluation Report**

A Section 32 Evaluation Report ('Section 32 Report') is attached to this report as Appendix A. The Section 32 Report sets out the scope of the plan change, the resource management issues, the consultation undertaken, and provides an evaluation of the plan change objectives and provisions. The Section 32 Report appendices include the full Plan Change provisions, a record of consultation and a schedule of the technical reports that support the evaluation.

The following sections summarise key issues from the Section 32 Report.

**4.3. Purpose of Plan Change 8**

The main purpose of proposed Plan Change 8 is to rezone land at Huna Road to provide additional housing capacity.

The land proposed for rezoning is approximately 15ha in area, shown in Figure 1 below.

**6.2 Proposed Plan Change 8 – Huna Road(Cont.)**

Figure 1: Land Proposed for Rezoning

Most of the land (10ha) is zoned Deferred Residential under the operative District Plan. Part of the land (5ha) is zoned rural, but with intentions to develop the land as Papakāinga housing.

The land to be rezoned is capable of providing 150-175 house sites. The development of land for housing will be integrated with the housing already developed at Shaw Road (60 sites).

**4.4. Outline of Proposed Plan Change**

The main features of the Plan Change are to:

- Rezone the land as Residential Zone and Urban Living Zone (Medium Density Residential);
- Amend the Shaw/Huna Road Structure Plan to show:
  - i. Revised internal road layout;
  - ii. Medium density residential area (up to 25 dwelling units);
  - iii. Papakainga housing area (up to 60 dwelling units);
  - iv. Other housing;
  - v. Mixed Use Centre;
  - vi. Access controls on State Highway 30;
  - vii. Protect Paroa Rugby and Sports Club from reverse sensitivity effects;
  - viii. Active transport routes for cycling and walking.

**6.2 Proposed Plan Change 8 – Huna Road(Cont.)**

- Retain an 80m setback from the State Highway and area for on-site stormwater management on the Shaw/Huna Road Structure Plan.

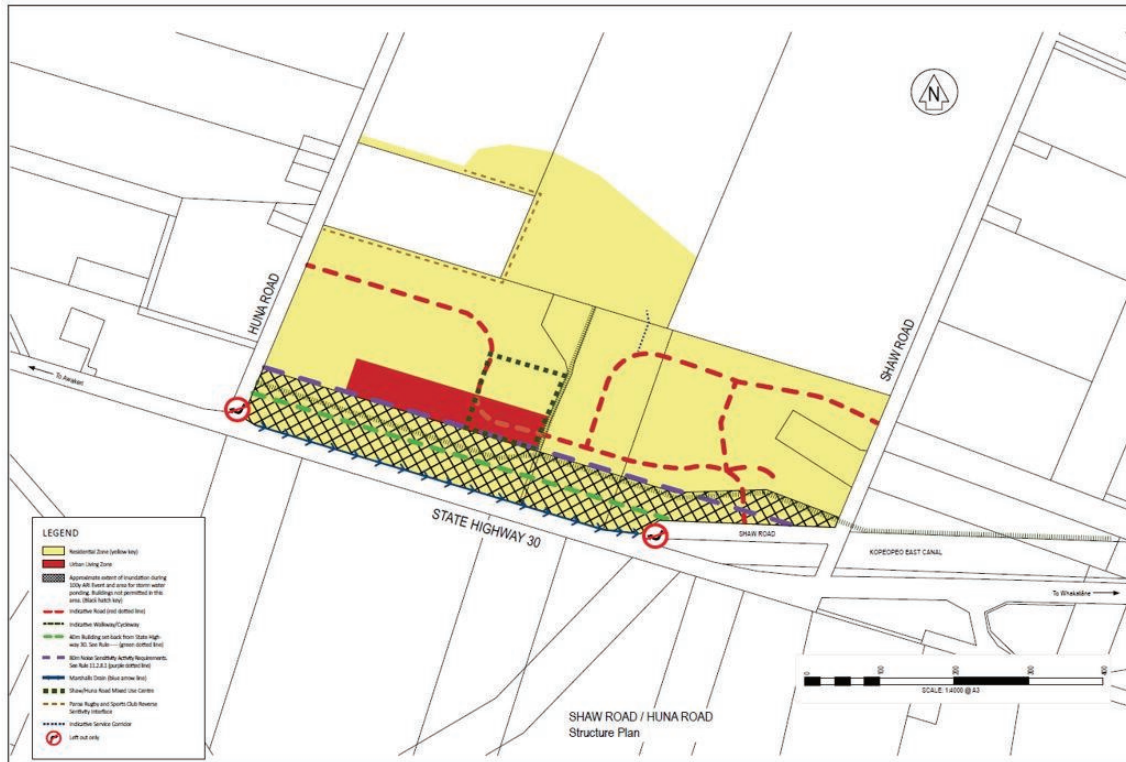


Figure 2: Proposed Structure Plan

- Add a new rule to restrict urban development until safety improvements are provided on State Highway 30.
- Add a new rule to allow discretion over the protection of the Paroa Rugby and Sports Club from reverse sensitivity effects.
- Add new objectives, policies and assessment criteria for stormwater and land use integration using low impact design measures.
- Add a new rule to enable a Mixed Use Centre business activity of up to 100m<sup>2</sup> to be established on the site at a location defined generally on the Structure Plan.

**4.5. Previous Evaluation of Urban Zoning and Structure Plan**

The land at Huna Road was zoned ‘Deferred Residential’ in 2012 as part of the District Plan Review. A range of resource management issues were assessed at that time. The Section 32 Report confirms and updates the 2012 assessment.

**6.2 Proposed Plan Change 8 – Huna Road(Cont.)****4.6. Key Resource Management Issues****4.6.1. *Housing Land Demand and Supply***

Under the NPS UD requirements for provision of housing, Council is required to provide sufficient development capacity in its district to meet expected demand for housing in the short, medium and long term. There is a strong strategic case to rezone the land at Huna Road and to enable it to be used for housing.

**4.6.2. *Status under the National Policy Statement for Highly Productive Land***

Some of the land within the proposed Plan Change 8 area is highly productive land. However, because the site is currently identified as Deferred Residential / Residential Zone under the operative District Plan the National Policy Statement for Highly Productive Land 2022 (NPS-HPL) does not apply. Land that councils have already identified for future urban development is not treated as highly productive land under the NPS HPL.

**4.6.3. *Cultural Values***

Te Rūnanga o Ngāti Awa have been engaged as part of the plan change process. Several concerns have been raised about the plan change, including that urban zoning may not appropriately recognise and provide for development and use of Māori freehold land, and that places and relationships of cultural significance may not be adequately protected.

While the Residential Zone does not make specific provision for Papakāinga, relying instead on the general provisions for housing, Papakāinga is clearly envisaged through several District Plan policies and methods. The resource consent process includes consideration of Iwi Management Plans that address protection of sites and areas of cultural significance.

**4.6.4. *Natural Hazards***

A risk assessment has been undertaken in accordance with the policies of the RPS Natural Hazards and Appendix L Methodology for Risk Assessment. Based on the assessment of likely natural hazards the natural hazard risk for the site is assessed as low.

**4.6.5. *Reverse Sensitivity***

Reverse sensitivity is the vulnerability of an established land use (such as state highways, farming activities, recreational activities) to complaints from a newly establishing, more sensitive land use (such as new houses and other noise-sensitive activities). Such complaints can compromise the established land use by restricting when or how it can operate.

There are already District Plan provisions which address reverse sensitivity effects, including specific provision for the Shaw/Huna Road Structure Plan Area relating to protection from SH 30 noise effects.

A new, specific provision to protect residential uses from noise and other effects from the Paroa Rugby and Sports Club is proposed. This may require the development to provide acoustic and visual screening to the club's site boundary.

**6.2 Proposed Plan Change 8 – Huna Road(Cont.)****4.6.6. Transport**

The traffic assessment shows that that increasing demand from the proposed Structure Plan area would cause significantly more delays to the Huna Road approach. The current peak hour delay of 139 seconds will increase to 320 and 662 seconds when 90 and 150 dwellings are, respectively, added. These large delays are likely to impact on the outcome of drivers choosing suitable gaps and is expected to result in a decreased level of safety at the intersection.

The stretch of State Highway 30 between Awakeri and Whakatane has been identified as a high-risk rural road. Waka Kotahi/NZ Transport Agency (WK) is therefore planning to invest in safety improvements and safer speeds in the short term:

- Making Huna Road and Shaw Road left in and left out only;
- Widening road shoulders;
- Flexible (wire rope) median barriers to prevent head-on crashes;
- Upgrading the Thornton Road intersection with a roundabout;
- Upgrading the Mill Road intersection with a roundabout.

It is proposed that subdivision and development that leads to an increase in traffic can only occur safely with the safety improvements in place.

District Plan controls on development are therefore necessary to ensure traffic safety risks are acceptable. Discretionary Activity status is proposed for development proposals where the planned safety improvements are not in place given the uncertainty on what alternative improvement solutions may come forward and the wider effects these may have.

**4.6.7. Stormwater**

Bay of Plenty Regional Council (BOPRC) require on-site detention to be provided to prevent an increase in volume of runoff from the site in a 72-hour one hundred year (climate change-adjusted) event.

The indicative inundation area shown on the Structure Plan will be used for stormwater control. This area provides the space to incorporate the required attenuation and storage devices to mitigate downstream effects of stormwater discharge from the development into the Kopeopeo Canal via Marshalls Drain at predevelopment discharge rates.

The feasibility of appropriate stormwater management for each land block has been demonstrated and there is enough space to provide appropriate on site mitigation for each parcel to be self-sufficient, and several options to optimise outcomes with a collective approach.

These are design issues that will need to be considered in the detailed design for future subdivision consent applications and asset construction approvals, and through stormwater discharge consent applications.

The District Plan objectives and policies do not explicitly address low impact design methods. Additional objectives, policies and rules for integrated stormwater management within the Huna Road Structure Plan area are therefore proposed to confirm that water sensitive design outcomes are required across the development.

**6.2 Proposed Plan Change 8 – Huna Road(Cont.)****4.6.8. Plan change zone options**

The overarching objective of the Plan Change is to provide an improved supply of land for housing, aligned with the Council’s Urban Growth Strategy, Regional Policy Statement, and central government National Policy Statements.

The Section 32 Report evaluates several “reasonably practical options” to achieve this (See Section 10.0). These are:

- Deferred Residential Zone and Rural Zone (i.e. No Change).
- Residential Zone – rezone Structure Plan area to standard Residential Zone, with updated Structure Plan.
- Mixed Residential Zone and Urban Living Zone – rezone Structure Plan area to standard Residential Zone, coupled with an Urban Living Zone over a defined area to promote medium density development, with updated Structure Plan.

The Mixed Residential and Urban Living Zone option is the preferred option. This option best achieves the desired outcomes with the lowest implementation costs.

Several options are excluded because they are not practicable:

- Rural Plains Zone: would not address the shortage of housing land in the District.
- Medium Density Residential Zone/Standards: consistent with the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021. This could reduce restrictive planning rules that make it more difficult to build homes. However, having a unique set of plan objectives, policies and rules for one small area would be overly complex to implement, and is best addressed through a wider District Plan review.
- Industrial Zone: the site is adjacent to a zoned residential area and generally unsuitable for industrial use. There is no demonstrated need for further industrial zoned land at this location.

**5. Options analysis - *Ngā Kōwhiringa*****5.1. Option 1: Approve proposed Plan Change 8 for public notification (recommended option)**

This option involves Council continuing to lead plan change for this area and notifying it for public submissions.

**5.1.1. Advantages**

- Council would continue to lead the plan change, with an overarching structure plan that supported a well-functioning urban environment.
- While proposed Plan Change 8 does not provide for the full development capacity required over the next 10 years, proposing this plan change and the EBOP spatial plan does demonstrate Council’s commitment to meet its responsibilities under the NPS-UD

**5.1.2. Disadvantages**

- Council does meet the costs of the plan change, however many of the costs of the plan change have already been incurred in getting to this stage. Further additional costs are not likely to be significant and can be met under existing budgets.

## 6.2 Proposed Plan Change 8 – Huna Road(Cont.)

### 5.2. Option 2: Do not progress public plan change

Under this option, Council would not progress with the public plan change. The individual landowners could apply for private plan change(s) or resource consent applications.

#### 5.2.1. Advantages

- There would be no immediate cost to Council associated with the public plan change.

#### 5.2.2. Disadvantages

- Council would not be making changes to the District Plan to enable more development options for housing and would not be meeting its requirements to give effect to the NPS-UD
- If private plan changes are proposed, they may not be well coordinated between the different landowners, not have an overall structure plan, and could result in an uncoordinated urban form. Council would also still incur costs in responding to private plan changes.

## 6. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

### 6.1. Assessment of Significance

The decisions and matters of this report are assessed to be of high significance, in accordance with the Council's Significance and Engagement Policy.

The following criteria are of particular relevance in determining the level of significance:

- **Level of community interest:** Plan Change 8 includes land that is very visible from State Highway 30, there is a shortage of developable greenfields land, and the Julian's Berry Farm is a popular destination for locals and visitors to Whakatāne over spring and summer.
- **Level of impact on current and future wellbeing:** the expected level of adverse impact on the current and future wellbeing of our communities or district.
- **Consistency:** Notifying Plan Change 8 is consistent with the decision in 2021 by the Strategy and Policy Committee to develop plan changes to rezone Deferred Residential land to Residential.
- **Reversibility:** while resource consents will still be required to undertake development of the land, undertaking the plan change is expected to result in changes to the use of land from rural to residential, which is not expected to be reversible.
- **Impact on whānau/hapū/iwi:** much of the surrounding land is Māori freehold title, with a number of marae located close by. The development will change the amenity of the immediate environs. It is notable that the plan change also includes approximately 3.3 hectares of Papakāinga development. Engagement has been undertaken with Te Rūnanga o Ngāti Awa, who have provided input for the draft plan change, and a representative from Ngāi Taiwhakaea who has indicated opposition to the plan change based on the change in land use from rural to urban.

In terms of the significance of this decision, it is noted that the resulting action from approving the preferred option would be for the proposed change to be publicly notified to every ratepayer in the district, who would then be able to make a submission and present at a future hearing.

### 6.2. Engagement and community views

Consultation has occurred with:



**6.2 Proposed Plan Change 8 – Huna Road(Cont.)**

- Landowners
- Regional Council
- Waka Kotahi
- Te Rūnanga o Ngāti Awa (TRONA)
- Paroa Rugby and Sports Club
- Ministry for the Environment
- Ngāi Taiwhakaea

A record of consultation is set out in Appendix 3 of the Section 32 Report, and input from TRONA is set out in Appendix 4.

The following key concerns have been identified:

- Traffic safety;
- Stormwater management;
- Reverse sensitivity effects on farming, roads and recreational activities; and
- Changing the land use from rural to urban.

Changes to the draft plan change were made to respond to many of these. The Plan Change will be publicly notified so there will be an opportunity for further input and changes.

TRONA has identified a range of interest that will need to be considered in the public notification of the Plan Change: hapu, trusts, and residents.

Consultation has also occurred with Ngāi Taiwhakaea through their hapū representative, who has indicated opposition to the plan change on the basis that they do not want to see a land use change from rural to urban, as well as potential reverse sensitivity effects. As the plan change would be publicly notified there will be opportunities to further work through these matters.

**7. Considerations - *Whai Whakaaro*****7.1. Financial/budget considerations**

The cost of the plan change can be met through the existing policy planning budget. Total additional expenditure is expected to be less than \$50,000.

**7.2. Strategic alignment**

Proposed Plan Change 8 is anticipated by the Whakatāne District Plan, given the land is either identified for future growth or, in the case of the Kawarehe Trust land, is Māori freehold and the District Plan is enabling of Papakāinga development. No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

**7.3. Climate change assessment**

Based on this climate change assessment, the decisions and matters of this report are assessed to have low climate change implications and considerations, in accordance with the Council's Climate Change Principles. The plan change incorporates low impact stormwater design, active transport modes, and building platform levels above projected pluvial flooding heights.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report****7.4. Risks**

The plan change covers prominent land on the outskirts of Whakatāne. There may be objections from the community to the change in land use or loss of the popular berry farm. However, the landowners all want the plan change to happen, it has long been identified as an area for future development, and the plan change will be publicly notified so the community will be able to submit and have their say on the change.

**8. Next steps - *Ahu whakamua***

Should the recommended option be approved by the Committee, Council staff will complete the administrative tasks to have proposed Plan Change 8 ready to be notified and sent out with the next instalment of Council rates.

**Attached to this report:**

- Appendix A: Plan Change 8 – Huna Road, section 32 Evaluation Report

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report**

# Plan Change 8 – Huna Road Housing


Section 32 Evaluation Report  
Prepared for Whakatane District Council

29 November 2023



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

Document Quality Assurance

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Reviewed by:	Nicholas Woodley Manager Policy, Planning and Consents Compliance	
Status: Final Draft	Revision / version: 15	Issue date: 29 November 2023
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**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

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Appendix 2: Record of Consultation

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### 6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)

## 1.0 Introduction

The main purpose of proposed Plan Change 8 is to rezone land at Huna Road to provide additional housing capacity.

The land proposed for rezoning is approximately 15ha in area, shown in Figure 1 below.



Figure 1: Land Proposed for Rezoning

Most of the land (10ha) is zoned Deferred Residential under the operative District Plan.

Part of the land (5ha) is zoned rural, but with intentions to development the land as papakainga housing.

An assessment of demand for dwellings in the district has established that the land is now needed as part of the residential land supply.

The land to be rezoned is capable of providing 150-175 house sites.

The development of land for housing will be integrated with the housing already developed at Shaw Road (60 sites).

## 2.0 Outline of Proposed Plan Change

The main features of the Plan Change are to:

- Rezone the land as Residential Zone and Urban Living Zone;

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- Amend the Shaw/Huna Road Structure Plan to show:
  - Revised internal road layout;
  - Medium density housing area (up to 25 dwelling units);
  - Papakainga housing area (up to 60 dwelling units);
  - Other housing;
  - Mixed Use Centre;
  - Access controls on State Highway 30;
  - Protect Paroa Rugby and Sports Club from reverse sensitivity effects
  - Active transport routes for cycling and walking.



Figure 2: Proposed Structure Plan

- Retain an 80m setback from the State Highway and area for on-site stormwater management on the Shaw/Huna Road Structure Plan.
- Add a new rule to restrict development until safety improvements are provided on State Highway 30.
- Add a new rule to allow discretion over the protection of the Paroa Rugby and Sports Club from reverse sensitivity effects;
- Add new objectives, policies and assessment criteria for stormwater and land use integration using low impact design measures.
- Add a new rule to enable a Mixed Use Centre business activity of up to 100m<sup>2</sup> to be established on the site at a location defined generally on the Structure Plan.



6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)

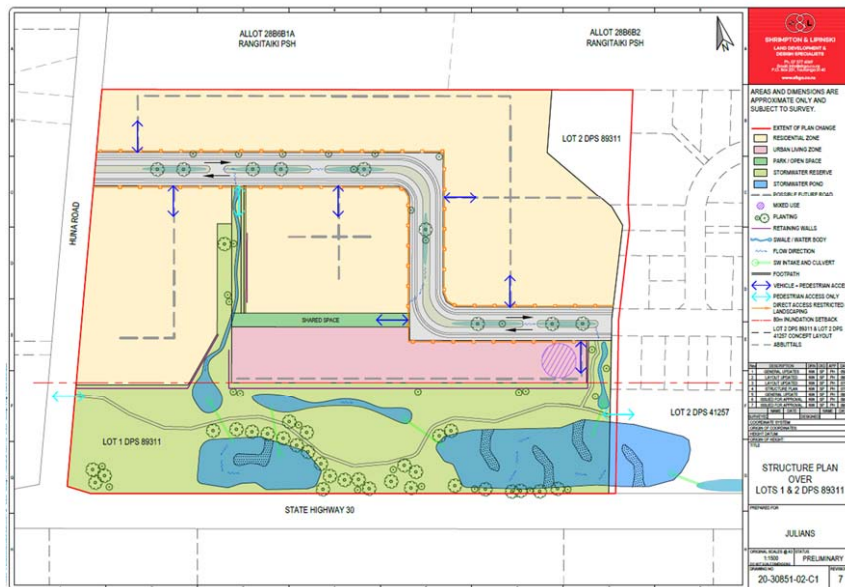
3.0 Land Parcels

3.1 12 Huna Road - Lot 1 DPS 89311 - Julians Land Co Ltd

The Julians Land Co Ltd (Julians) land consists of the Julian’s Berry Farm complex. The land area is 10.8165 ha.

The berry farm covers the majority of the land. A large main building is located on the western boundary of the site which acts as a visitor centre / shop / café and accommodates the management, ablution and storage facilities associated with the operational requirements of the farm. A large, sealed carpark with access to Huna Road is located directly outside the main building.

The outcome sought by the owners is a comprehensively designed residential subdivision that will yield approximately 100 residential units consisting of 71 standard dwellings and 29 medium density dwellings. The proposed development layout is shown in the Figure below.



Proposed Development Layout

The Julians initially requested a private plan change to rezone the land. The technical information provided with the draft rezoning request has been used to support the proposed plan change.

3.2 234A State Highway 30 –Lot 2 DPS 89311 - Dawn Parade 2012 Ltd

The land directly adjoins the eastern boundary of 12 Huna Road. The land area is 5,187m<sup>2</sup>.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

This property contains a dwelling at the northern end and curtilage defined by lawn areas and mature trees.

Dawn Parade Ltd also own the adjacent block (Lot 2 DPS 41257) that is zoned Residential.

The outcome sought by the owners is a residential subdivision (4 lots) alongside the existing zoned land that will create approximately 30 house lots in total. The proposed development layout is shown in the Figure below, with the existing zoned area outlined in red.



Figure Proposed Development Layout with the existing zoned area outlined in red.

The layout does not follow the operative Structure Plan which envisages an access connection between Karearea Drive and Kotare Drive.

**3.3 30A Huna Road – Part of Allot 28B6B2 Rangitaiki PSH - Kawarehe Trust**

The land directly adjoins the northern boundary of 12 Huna Road. The land area is approximately 5ha.

The outcome sought by the owners is a papakainga housing development that will create up to 60 house sites.

The proposed development layout is shown in the Figure below.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**



Figure – Kawarehe Trust Concept Master Plan

A wastewater connection between the Trust land and Karearea Drive is also proposed, through Lot 2 DPS 89311 - Dawn Parade 2012 Ltd.

The housing will remain in Trust ownership and rented or leased to occupiers. Roads and open space will also remain in Trust ownership.

The Trust are considering whether they will retain ownership (and maintenance) of three waters infrastructure within the Trust land or vest the infrastructure with Council, including easements over all of the infrastructure.

Decisions on how best to manage infrastructure to support the papakainga are matters that fall outside the District Plan and do not need to be addressed in the proposed Plan Change.

## 4.0 Evaluation Report Requirements

### 4.1 Overview

When the Council undertakes a plan change it is required to prepare an Evaluation Report under Section 32 of the Resource Management Act 1991 (RMA).

The Evaluation Report must examine whether the objectives of the proposal are the most appropriate way to achieve the purpose of the Act, and whether the provisions (the policies, rules and other methods) are the most appropriate way of achieving the objectives.

The Evaluation Report aims to explain to the community and decision-makers why the change is being considered, how the change fits with the wider policy framework of the Council, and the relevant policy framework of the Regional Council and Central Government, and what alternatives have been considered.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

The Evaluation Report also provides a record for future reference of the background reports and assessments, consultation, and the assumptions and risks that have been taken into consideration.

Before Council publicly notifies a plan change it must have 'particular regard' to the Evaluation Report, and if changes are made to the plan change as a result of submissions a further evaluation must be made.

A proposed plan change must be accompanied by an Evaluation Report at the time of public notification.

If a proposal will amend a plan that already exists (as in this case with the operative District Plan), the Evaluation Report must relate to —

- (a) the provisions and objectives of the amending proposal; and
- (b) the objectives of the existing plan to the extent that those objectives—
  - (i) are relevant to the objectives of the amending proposal; and
  - (ii) would remain if the amending proposal were to take effect.

## 4.2 Objectives

An objective is a statement of what is to be achieved through the resolution of an issue. Objectives clearly state what is aimed for in overcoming the issue or promoting a positive outcome, or what the community has expressed as being desirable in resolving an issue. Objectives should be clear enough to provide targets that policies should seek to achieve<sup>3</sup>.

Section 32(1)(a) requires an examination of the extent to which an objective is the most appropriate way to achieve the purpose of the RMA. "Most appropriate" has been interpreted as meaning "suitable".

## 4.3 Provisions

"Provisions" are the policies, rules, or other methods that implement, or give effect to, the objectives of the proposed plan or change:

Section 32(1)(b) requires that an evaluation report must:

*"... examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by—*

- i identifying other reasonably practicable options for achieving the objectives; and*
- ii assessing the efficiency and effectiveness of the provisions in achieving the objectives; and*
- iii summarising the reasons for deciding on the provisions; and..."*

## 4.4 Level of Detail

Section 32(1)(c) requires that an evaluation must "contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal."

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

#### 4.5 Benefits and Costs

Section 32(2) states: “An assessment under subsection (1)(b)(ii) must:

- (a) 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—
  - i. economic growth that are anticipated to be provided or reduced; and
  - ii. employment that are anticipated to be provided or reduced; and
- (b) if practicable, quantify the benefits and costs referred to in paragraph (a); and
- (c) assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.

#### 5.0 Previous Evaluation of Urban Zoning and Structure Plan

The land at Huna Road was zoned 'Deferred Residential' in 2012 as part of the District Plan Review. A Section 32 Report<sup>1</sup> was prepared for the area which included evaluations of:

- Cultural heritage;
- Natural heritage;
- Landscape;
- Isolation/Connectivity;
- Versatile soils;
- Contaminated land;
- Land use incompatibility;
- Natural Hazards – Land stability;
- Natural Hazards - Flooding/inundation;
- Infrastructure;
- Transport.

The evaluation concluded that the rezoning for urban development was appropriate, with the following elements included:

- Residential Zoning of 10.5 ha adjacent to Keepa Road;
- Deferred Residential Zone on the balance 10.5 ha (the land subject of this Plan Change);
- Amendments to the Strategic (Urban Growth) Chapter objectives, policies and rules;

<sup>1</sup> Shaw Road/Huna Road Rezoning, Bloxham Burnett Olliver, 25 February 2013

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- A Structure Plan showing an internally connected road layout, 80m setback from the State Highway and area for on-site stormwater management.

The operative Shaw/Huna Road Structure Plan is shown in the Figure below. The Deferred Residential Zone is shown in orange.

**2.6.3 Shaw / Huna Road Structure Plan**



28 August 2017

Chapter 2 - Strategic

2-16

Figure: Operative Shaw Road Structure Plan

The evaluation that follows confirms and updates the previous assessment.

## 6.0 Resource Management Issues

### 6.1 Housing Land Demand and Supply

An assessment of demand for housing and the extent to which the operative District Plan provides development opportunities that match this demand was undertaken in 2021 for the Council<sup>2</sup>.

After several decades of no growth, Whakatāne district has recently transitioned into a high growth area. Strong growth in the population is expected to continue in the future and changes in demographics suggests that demand for dwellings is expected to remain high. Analysis of the

<sup>2</sup> Whakatāne District Housing Demand Economic Assessment; ME, June 2021

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

Whakatāne District Plan suggests that there may not be enough capacity to meet the expected demands in the medium or long term.

The market has tended to supply larger dwelling types, both recently and historically. Increases in dwelling prices may result in changes to the types of dwelling that are viable within Whakatāne and Kawerau districts. As dwelling sale prices increase the financial viability of higher density dwellings and redevelopment becomes increasingly feasible.

The market may begin to deliver increasing numbers of attached and apartments in the coming decades. Projections suggests that over the coming three decades approximately 30 new attached and apartments dwellings would be demanded per annum. This is more than double what the market has developed over the last five years.

The capacity enabled within the Operative District Plan (ODP) and the household dwelling demand preferences indicates that there will be shortages of both traditional standalone house and attached dwellings in the future. The comparison shows that in the,

- short term (2021-2024) the enabled supply of all dwelling types exceeds the demands – no unmet demand.
- medium term (2025-2031) there is unmet demand for standalone dwellings of 750 units, with demand (1,210 units) over the decade being significantly larger than enabled supply (460 units). Also, over this period there is a small unmet demand for attached dwellings (40 units).
- long term (2032-2051) the outcome is significantly worse with large amounts of unmet demand for standalone (2,590 units) and attached (560 units) dwellings.

Under the NPS UD requirements for provision of housing, Council is required to provide sufficient development capacity in its district to meet expected demand for housing in the short, medium and long term.

The Eastern Bay of Plenty is experiencing consistent annual population and economic growth and requires an integrated spatial plan to support and guide future planning and investment decisions. To enable this, the Whakatāne, Kawerau and Ōpōtiki district councils are working with several project partners comprising of mana whenua representatives, government departments and the regional council to prepare a spatial plan.

The spatial plan will provide strategic direction based on shared outcomes that recognise spatial differences, constraints and opportunities from a four wellbeing's approach (economic, social, cultural and environmental). In doing so, the Spatial Plan will enable growth and development in the Whakatāne, Kawerau and Opotiki districts.

A Spatial Plan Foundation Paper on Housing and Land<sup>3</sup> assumes that the Huna / Shaw Rd Deferred Residential Zone will be rezoned to residential in the short term, providing an additional 110 dwellings.

The Foundation Paper identifies challenges and barriers affecting Papakainga development. Papakainga development is viewed as a platform for increasing intergenerational home ownership. These developments show whānau that there is an affordable way to achieve quality and secure housing. The rezoning and structure plan can assist in improving certainty for development, including the provision and funding of infrastructure.

<sup>3</sup> Whakatane-Kawerau Spatial Plan Foundation Paper Housing and Land May 2022

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

There is a strong strategic case to rezone the land at Huna Road and to enable it to be used for housing.

## 6.2 Landscape

The land is not identified as having significant landscape or amenity values.

The residential activities will consolidate residential use at this location.

Visual quality will be enhanced by the stormwater management area alongside the State Highway.

## 6.3 Ecology

The land is not identified as having significant ecological values.

The proposed stormwater management area alongside the State Highway will provide natural habitat and enhance ecological values for the area, extending the existing stormwater area.

## 6.4 Archaeology

There are no recorded archaeological sites within the property at 12 Huna Road (Julians) and no previously unrecorded sites were identified during the archaeological survey<sup>4</sup>.

There are five previously recorded archaeological sites in the general vicinity of the Huna Road property. Two of these sites (W15/332, 816) are located on the dune ridge in the vicinity of Mill Road 1km to the southeast of Huna Road. Identified archaeological features within these two sites include pits, terraces and shell middens associated with the traditional Māori settlement of Pupuaruhue.

Given the close proximity of several significant recorded archaeological sites associated with the pre 1900 Māori settlement of Pupuaruhue there is a possibility that unrecorded subsurface archaeological sites not identifiable by ground survey methods may be encountered during ground disturbance associated with the proposed residential subdivision development.

Heritage New Zealand (HNZ) authority to modify damage or destroy possible unrecorded archaeological sites will need to be obtained prior to the commencement of earthworks associated with the development, and discovery protocols<sup>5</sup> established at resource consent stage through consultation with Tangata Whenua.

## 6.5 Cultural Values

Ngati Awa have been engaged as part of the plan change process. Several concerns have been raised about the plan change and these are set out in Section 7.2 below.

Specific cultural matters are addressed below.

<sup>4</sup> Archaeological Assessment, Proposed Residential Subdivision Development, 12 Huna Road, Phillips May 2022

<sup>5</sup> Ngati Awa Discovery Protocol



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## 6.5.1 Providing for Ngati Awa cultural values in land management planning and decision making

Kawarehe Trust has joined Plan Change 8 as a way to better enable its proposed papakainga housing development through residential zoning and associated structure planning.

The concerns are:

- Challenges associated with the development and use of Maori freehold land is not always recognised and provided for by Council
- PC8 does not recognise and provide for Kawarehe Trusts ongoing role in perpetuity in deciding tenancy of up to 60 homes on multiply owned Maori Freehold Land, the tenure of which is as tenants in common, by preferred classes of alienee of which the Maori Land Court currently records 236 names.

The District Plan makes specific provision for papakainga housing in the Rural zone rules as a controlled activity. The Residential Zone does not make specific provision for papakainga, relying on the general provisions for housing. However, papakainga is clearly envisaged:

*“4.6 Other Methods:*

*Council will encourage communities to develop neighbourhood plans that enable people and communities to provide for their social, economic and cultural well-being while adverse effects on the environment are managed. Plans could provide for Papakāinga housing and community gardens.”*

There are also several references to Papakainga in the “Strategic” chapter that give policy context to the Residential zone provisions:

**“Strategic Objective 1 Growing our District**

*Growth is encouraged in a carefully planned, sustainable way while minimising the impact on the environment, including existing communities; retaining the characteristics and values of the District; and managing risk by avoiding or mitigating natural hazards.*

**Policy 8**

*To provide for a wide range of housing opportunities including;*

*a. traditional residential development in the Whakatāne urban area and in small townships;*

...

*h. papakāinga development;*

**Strategic Objective 7 Our Special Places – Māori and Iwi**

*Subdivision, use and development are managed so that tangata whenua, including kaitiaki maintain and enhance their culture, traditions, economy and society.*

**Policy 2**

*To recognise marae and papakāinga as an essential focus of the retention of Māori culture, traditions, society and the development of a self-sustaining economy.*

**Policy 7**

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

*To recognise and provide for protected customary rights, traditional Māori uses and practices, relating to natural and physical resources such as māhinga kai, waahi tapu, papakāinga housing and taonga raranga.*

The proposed Plan Change also enables “Comprehensive Residential Development”, intended to enable broad innovation in delivery of housing with a variety of typologies and tenure arrangements, beyond more conventional, mainstream forms:

**Strategic Objective 6 Creating Liveable Places**

*Development within urban areas will contribute positively to sustainable communities and enhance the amenity and character of these areas.*

**Policy 3**

*To enable comprehensive development within Structure Plan areas where higher quality urban design and environmental outcomes will be achieved.*

The existing Residential Zone provisions should effectively enable development of Papakainga under the Trusts preferred ownership structure.

## 6.5.2 Protecting places and relationships of cultural significance:

Managing development impacts on heritage, including through discovery protocols is an established practice through the consideration of Iwi Management Plans in the resource consent process.

For example, the Ngati Awa Environmental Plan requires:

*“Accidental Discovery Protocols as a condition to a resource consent and/or archaeological authority to damage, modify or destroy a cultural heritage site<sup>6</sup>.”*

Interpretation of cultural sites/values is matter that can also be addressed through the consideration of Iwi Management Plans in the resource consent process. A Structure Plan can indicate specific sites for recognition and measures for protection. However, at this stage no specific sites of cultural significance are identified within the Plan Change 8 areas.

Street naming protocols are applied under the Councils Road Naming and Property Addressing Policy (Reviewed March 2019):

*“Preference will be given to road names with cultural, historical or geographic significance, or in keeping with an existing theme*

...

*“Road names should reflect local historical, cultural or geographical significance, using the following criteria:*

*Cultural significance: The area/name is significant to Maori or a culture other than Maori. Supporting documentation will need to be provided.*

...”

At this stage, there are no specific provisions identified for inclusion in the proposed Plan Change.

<sup>6</sup> Policy 9.1.5 Ngati Awa Environmental Plan

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## 6.6 Natural Hazards

A geotechnical investigation was undertaken in 2012 when the land was rezoned to Deferred Residential<sup>7</sup>. The investigation identified that ground improvements, earthworks or specifically designed foundations will be required for future buildings and roads.

An assessment of natural hazard risk has been undertaken for the part of the site currently zoned Deferred Residential, addressing volcanic hazards, earthquake (liquefaction and fault rupture); tsunami, landslip and flooding<sup>8</sup>. The risk assessment is supported by an updated Geotechnical Investigation Report<sup>9</sup>.

The risk assessment has been undertaken in accordance with the policies of the RPS Natural Hazards and Appendix L Methodology for Risk Assessment. Based on the assessment of likely natural hazards the natural hazard risk for the site is assessed as low.

A geotechnical assessment investigation and assessment of the Trust land also concludes that the site is generally suitable for residential development<sup>10</sup>. The geotechnical constraints affecting the proposed development can be addressed by undertaking suitable ground improvement measures and providing appropriate engineering designed foundations suitable for the site.

On the above basis the proposal, being greenfield development, complies with RPS Policy NH 4B which requires:

*“...a Low natural hazard risk to be achieved on development sites after completion of the development (without increasing risk outside of the development site)...”.*

## 6.7 Soil Contamination

### 6.7.1 Deferred Residential Land

A Detailed Site Investigation (DSI) has confirmed the area zoned “Deferred Residential” is a ‘piece of land’ due to elevated soil contamination levels from historical land uses<sup>11</sup>.

The investigation identified the site has been potentially subjected to four separate land uses from the HAIL perspective:

- Horticultural land use at the site for berry production;
- Storage of horticultural chemicals and petroleum products at 12 Huna Road;
- Due to the age of a number of the site buildings, it is likely that asbestos products are present within other building materials;
- Potential for lead-based paint on existing buildings.

Resource consent will be required (from both district and regional council) once subdivision and development of the site occurs.

<sup>7</sup> Geotechnical Investigation for the Proposed Zonation Change, State Highway 30 Shaw and Huna Roads.

<sup>8</sup> Natural Hazard Assessment 12 Huna Road and 234A SH 30, Whakatane, S and L Consultants, October 2022

<sup>9</sup> Geotechnical Investigation Ref 20136.000.001, ENGEO DATED 23 May 2022

<sup>10</sup> 30a Huna Road Development Geotechnical Assessment Report, WSP, May 2023

<sup>11</sup> Combined Preliminary and Detailed Site Investigation 12 Huna Road, 234 and 234a State Highway 30, Whakatane, Bay of Plenty, ENGEO, June 2022

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

A Remedial Action Plan (RAP) and Site Management Plan (SMP) will need to be prepared to support the resource consent application. The RAP will outline remediation requirements for soil impacted by contaminants above human health and environmental discharge criteria and monitoring and management procedures for the balance of the earthworks due to the detection of contaminants above background levels and potential for encountering unidentified contamination.

Following completion of site earthworks, a Site Validation Report (SVR) will be required to present the validation sampling data and confirm that site earthworks were performed in accordance with the RAP.

These consent processes will provide for the remediation of the site to ensure the human health is not compromised.

No additional provisions are needed in the District Plan.

#### 6.7.2 Trust Land

A DSI has confirmed that concentrations of contaminants are below adopted human health guidelines (residential (10% produce)) and adopted background criteria<sup>12</sup>.

#### 6.8 Reverse Sensitivity

Reverse sensitivity is the vulnerability of an established land use (such as state highways, farming activities, recreational activities) to complaints from a newly establishing, more sensitive land use (such as new houses and other noise-sensitive activities). Such complaints can compromise the established land use by restricting when or how it can operate.

For the adjacent State Highway, reverse sensitivity effects may arise from:

- noise and vibration;
- vehicle generated emissions, especially to air;
- lighting/glare;
- dust;
- non-point source pollution e.g. stormwater run-off, spray-drift and litter.

These effects will be mitigated by a proposed 80m buffer along the SH road boundary. This setback is consistent with Waka Kotahi Guidance<sup>13</sup>.

For the nearby rural activities, reverse sensitivity effects may arise from:

- noise;
- odours;
- dust.

Through consultation, Ngai Taiwhakaea have raised specific concerns about the rural/residential use conflict, and would prefer the area remain rural zone, or alternatively, rural residential.

<sup>12</sup> 30A Huna Road, Preliminary And Detailed Site Investigation Report, WSP, May 2023

<sup>13</sup> Guide to the management of effects on noise sensitive land use near to the state highway network, September 2015, Version 1.0

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

Rural interface effects will be mitigated by the separation provided by Huna Road (20m) and the front boundary setback (4m).

This distance is generally consistent with the rural zone "distance to boundary rule" which requires a 25m boundary setback for dwellings. The intention of the 25m boundary setback is to ensure that land use activities that are sensitive to the effects of rural activities do not constrain the operation of these rural activities including through the use of physical separation requirements<sup>14</sup>.

The separation function could be enhanced further by the provision of screen fencing or planting along the Huna Road interface at the time of development, to be provided by the developer or future owner.

For the adjacent Paroa Rugby and Sports Clubrooms reverse sensitivity effects may arise from:

- noise and vibration;
- traffic;
- lighting/glare.

These existing effects can be mitigated, if necessary, by appropriate boundary treatment within the Structure Plan area, such as an acoustic fence and screen planting at the time of development, to be provided by the developer or future owner.

There are several Operative District Plan provisions that already address reverse sensitivity effects including:

- ODP Rule 2.3.3 and 2.4.4 *Subdivision of Residential Zoned Land at Shaw/Huna Road*:  
*"the means by which the interface with rural land is managed to minimise visual and noise impacts and other reverse sensitivity effects of rural activities on neighbours and integrate with the rural landscape";*
- ODP Rule 3.5.1 *General Information Requirements* includes a requirement that all applications address:  
*"the proposed method of addressing any potential or actual reverse sensitivity effects that may arise as a result of the activity,"*<sup>15</sup>
- Under rule 3.7.28 *Amenity Values and Rural or Urban Character Effects*, Council must have regard to:  
*"the potential for reverse sensitivity effects on existing lawfully established activities"*
- Under 3.7.41 *Reverse Sensitivity*, Council must have regard to  
*"the location of proposed dwellings on the site in relation to existing lawfully established activities where there is a potential for reverse sensitivity effects (e.g. where the existing activity may generate noise, odour, dust, vibration, traffic);"*
- Under 11.2.8 *Noise sensitive activities near any of State Highways 2, 30 and 34*, any new building housing a noise sensitive activity within 80m of State Highway 30 in the Residential Zone at Shaw Road must meet an internal road-traffic design sound level of 40 dBLAeq (24h) inside all habitable rooms. An acoustics design report from a suitably

<sup>14</sup> Objective Rur3 T, Policy 3.

<sup>15</sup> Rule 3.5.1.1 f viii

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

qualified and experienced acoustics expert must be provided to the Council demonstrating compliance

- Under 12.7.1 *Subdivision With or Without Public Roads* Council must exercise its control over;

*“adverse effects likely to arise from the subdivision, associated development or subsequent use of the land including reverse sensitivity effects;”*

These provisions are generally appropriate for the protection of rural and transport activities. However, Rule 11.2.8 of the WDP should be amended to *“Residential Zone at Shaw/Huna Road”* to avoid any doubt about what area is affected by the rule.

For the Paroa Rugby and Sports Clubrooms, the proposed Plan Change identifies the boundary of the site with the Residential Zone as sensitive and requires any application to assess reverse sensitivity effects and to propose appropriate mitigation measures.

## 6.9 Transport

### 6.9.1 Previous Assessment

A transport assessment was undertaken in 2012 when the land was rezoned to Deferred Residential<sup>16</sup>.

Modelling of the SH30 intersection with Shaw Road for the addition of 200 lots was found to increase the volume of right turn movements and delays to a ‘Level of Service F’. Although the number of vehicles queued was small, the length of delay was of safety concern with predicted growth of traffic.

The modelling showed that a 100 lot first stage could be managed in the existing environment up to 2022 with a future intersection upgrade likely be necessary after this.

### 6.9.2 Road Network Effects

Since the land was rezoned, significant traffic growth has occurred on the wider network.

An updated traffic assessment<sup>17</sup> shows that that increasing demand from the proposed Structure Plan area would cause significantly more delays to the Huna Road approach, with a current peak hour delay of 139 seconds, increasing to 320 and 662 seconds when demand is added representing 90 and 150 dwellings, respectively. These large delays are likely to impact on the outcome of drivers choosing suitable gaps and may reasonably be expected to result in a decreased level of safety at the intersection.

In the last 3 years, there has also been a shift of government policy that places a much stronger emphasis on traffic safety with a strategic priority of *“Developing a transport system where no-one is killed or seriously injured”*<sup>18</sup>.

<sup>16</sup> Proposed Residential Subdivision, Shaw Road, Huna Road Scoping Assessment, Traffic Design Group, October 2012.

<sup>17</sup> SH30, Huna Road Whakatane subdivision intersection capacity analysis, WSP 4 July 2023

<sup>18</sup> Strategic Direction: Government Policy Statement on Land Transport 2021/22-2030/31

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

*“The primary focus of this priority is to develop a transport system that advances New Zealand’s vision that no-one is killed or seriously injured while travelling. New Zealand roads will be made substantially safer.”*

This provides context for the planned safety improvements to State Highway 30 along the frontage of the Huna/Shaw Road Structure Plan area.

The stretch of State Highway 30 between Awakeri and Whakatane has been identified as a high-risk rural road. Waka Kotahi/NZ Transport Agency (WK) is therefore planning to invest in safety improvements and safer speeds as part of New Zealand’s Road to Zero strategy<sup>19</sup>.

WK has undertaken a community engagement process for the safety improvements from mid-2022. This initially focused on getting feedback from iwi and hapū representatives, Whakatāne District Council staff, landowners, businesses, emergency services and other key stakeholders such as heavy haulage, cycling groups, schools and bus companies. From September 2022, engagement has included online information, print and radio advertising, four community open days, Council meetings, hui, and industry forms<sup>20</sup>.

The proposed safety improvements include:

- Flexible median barriers to prevent head-on crashes - designed to flex when hit, slowing vehicles and absorbing the impact of the crash.
- Providing wide road shoulders at regular intervals to allow slow vehicles to pull over, so emergency vehicles can pass easily.
- Making some side roads and accessways left in and left out only, so people don’t have to cross the busy highway.
- Upgrading key intersections with roundabouts, to make it safer for people to turn on and off the state highway and provide a turnaround function to support the median barrier.

Safer speed limits for SH30 have been in place since August 2023.

The proposed safety improvements are shown in the plan in the figure below.

<sup>19</sup> Awakeri to Whakatāne Proposed safety improvements Information Sheet March 2023

<sup>20</sup> <https://www.nzta.govt.nz/projects/sh30-awakeri-to-whakatane-safety-improvements>

6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)



For the section of State Highway 30 along the frontage of the Huna/Shaw Road Structure Plan area the specific safety improvements are:

- Making Huna Road and Shaw Road left in and left out only;
- Widening road shoulders;
- Flexible (wire rope) median barriers to prevent head-on crashes;
- Upgrading the Thornton Road intersection with a roundabout;
- Upgrading the Mill Road intersection with a roundabout (not shown on the figure).

The programme and funding for these improvements are subject to formal approval but the indicative programme and budget<sup>21</sup> is:

- 2024/25 Construction season - Mill Road roundabout within existing road footprint, 60km speed, and seal widening (\$6M);
- 2025/2026 Construction season Year 2 - Thornton Road roundabout and wire barrier in the next construction season (\$10M)

These changes to the transport environment have implications for the Structure Plan area and the planned rezoning.

It is proposed that subdivision and development that leads to an increase in traffic can only occur safely with the planned safety improvements in place. District Plan controls on development are therefore necessary to ensure traffic safety risks are acceptable.

<sup>21</sup> Verbal Advice, Waka Kotahi 6 July 2023



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

If the above safety improvements do not proceed as planned, interim improvement solutions to support the development could be considered by Waka Kotahi. This would require submission of a concept design and supporting traffic assessment report to be reviewed by Waka Kotahi Safety Engineers as part of any subdivision application process.

Discretionary Activity status is proposed for development proposals where the planned safety improvements are not in place given the uncertainty on what alternative improvement solutions may come forward and the wider effects these may have.

6.9.3 Possible Longer Term Road Network Development

Consideration is being given to a possible extension of Shaw Road to the east, crossing the Kopeopeo Canal and connecting into the planned roundabout on Mill Road/SH 30. This is shown indicatively in red on the figure below.



Figure Possible extension of Shaw Road

6.9.4 Internal Road Network

The development intention is to provide an internal future link to connect Huna Road to Shaw Road as an extension of Kotare Drive as indicated generally on the operative Structure Plan.

A wider carriageway and more robust pavement are proposed for this through-route to allow for a future bus route and heavier traffic while still indicating to motorists that they are in a confined environment to encourage slower vehicle speeds.

The internal road network of the proposed development will be designed and constructed in accordance with the Development Code including intersections.

These are design details that will be confirmed as part of the detailed design for a future subdivision consent application.

The Strategic Chapter includes the following objectives and policies:

*“Strategic Objective 6*

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

*Development within urban areas will contribute positively to sustainable communities and enhance the amenity and character of these areas.*

*Policy 1*

*To require that development on deferred residential zoned land at Ōhope Maraetōtara East (Area 12) and Shaw/Huna Road implement the following design principles:*

*a. Roads and Accessways – the design of road treatments and private vehicle accessways within future subdivisions and developments need to provide for connectivity to the adjoining areas.*

*b. Pedestrian and Cycle Links and Routes – provide for pedestrian and cycle links and identify the size, location and design of those links.*

*Policy 2b.*

*The design and layout of new multi-modal transport networks, by ensuring that all new development is integrated and linked into existing development and that existing transport networks are at the time of upgrade, retrofitted with multi-modal opportunities; and*

Controlled and restricted discretionary subdivision provision for the Shaw/Huna Road area includes the following criterion:

*b. the means by which vehicle, cycle, pedestrian and future infrastructure connectivity is provided to the Deferred Residential land to the west;*

...

*i. the consistency of the development with the Structure Plan in Appendix 2.6.3.*

No additional provisions are needed in the District Plan.

**6.9.5 Active Transport**

Footpaths and shared use paths are proposed along the main internal road and also within the stormwater reserve located between the main residential area and SH30.

With the development of the site located immediately to the east, these footpaths will then connect with the existing paths within the Shaw Road residential subdivision.

Paths within the stormwater reserve can also function as shared pedestrian and cycle paths.

A shared use path connecting Shaw Road to the Hub shopping centre, Gateway Industrial area, and the Whakatāne township is currently in planning and expected to be delivered within the 2023/24 financial year. With the proposed internal pathways this will provide a safe, continuous pathway to schools, recreation, shopping and employment, providing residents with appropriate choices for active modes of travel.

**6.9.6 Public Transport**

There are currently no public transport services operating or planned for the Huna Road and Shaw Road area. However, provision has been made for bus stops within the Shaw Road development and there are a number of inter-city services that operate on the adjacent SH30 corridor.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

The Bay of Plenty Regional Council operates public transport services in the Whakatāne District and has indicated within the Regional Public Transport Plan 2022-23 that a bus network refresh will be delivered in 2022 with longer term improvements planned for delivery in 2025/26. The planning of long-term improvements will provide an opportunity for bus services to be investigated and delivered to the plan change area at an appropriate time.

6.10 Water Supply

The extent of the impact on the water supply from the proposed residential development has been assessed via hydraulic modelling by the Council and is acceptable.

A new 250mmØ watermain connecting off the existing watermain at SH30/Shaw Road intersection and along SH30 up to Huna Road is required. A new 150mmØ watermain will tee off from the new 250mmØ watermain along Huna Road to the development entrances off Huna Road.

These new watermains are to ensure the required pressure distribution to supply the level of service for domestic, mixed use and firefighting reticulation.

For resilience and assistance in firefighting requirements the Julian's and the Rangitaiki PSH - Kawarehe Trust land are reliant on the adjoining property to the east being developed as interconnection to the existing watermains within Kotare and Kārearea Drives are essential (See Figure below).



WDC Existing Water Mains

The internal reticulated system will be designed as per the WDC Development Code.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

These are design details that will be confirmed as part of the detailed design for a future subdivision consent application.

No additional provisions are needed in the District Plan

6.11 Wastewater

For Dawn Parade 2012 Ltd and the Julian's land, a connection point into the existing gravity wastewater system will be provided from the existing reticulated wastewater at Kotare Drive. The existing reticulated wastewater network flows to a pump station within the Shaw Road development. The pump station connects to the WDC wastewater treatment plant via a rising main generally located along Kopeopeo Canal Road.

The Julian's land will require a new Pump Station and rising main to connect to suitable wastewater receiving manhole connection point from an extension of the existing network at the western end of Kotare Drive. The connection is reliant on the adjoining property to the east being developed.



WDC Wastewater

For the Trust land, disposal via connection to the council sewer is feasible and is the preferred option over on-site treatment and disposal<sup>22</sup>. This connection will require an easement across 234 State Highway 30. Connection would be at a council manhole in the Shaw Road Subdivision, either at the end of Karearea Drive (preferred), or Kotare Drive. It may be possible to connect to council sewer without the need for sewer pump station, depending on the connection point and the development of Dawn Parade 2012 Ltd land.

<sup>22</sup> 30a Huna Road Papakainga Three Waters Feasibility Assessment, WSP, June 2023

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

The Rugby Clubrooms adjacent to the Structure Plan area is also interested in having a connection to the council sewer.

The gravity wastewater pipelines to service the individual lots within the proposed developments will be designed and constructed to the WDC code of practice.

These are design details that will be confirmed as part of the detailed design for a future subdivision consent application.

No additional provisions are needed in the District Plan.

6.12 Stormwater

6.12.1 Rangitāiki Drainage Scheme

The subject land (shown generally in area bordered red on the following figure) is within the Rangitāiki Drainage Scheme and Rating Area managed by BOPRC<sup>23</sup>.



Rangitāiki Drainage Scheme (Figure 1e)

The Rangitāiki Plains covers an area of 29,000 ha between Matatā and Whakatāne, extending from the coast to Kawerau and covers the lower flood plains of the Rangitāiki, Tarawera and Whakatāne Rivers.

The land is mostly used for dairying, horticulture and grain cropping. There are also small areas of wetland reserve and urban development. Prior to European settlement in 1890 the Rangitāiki Plains consisted mostly of wetlands.

<sup>23</sup> Rangitāiki Drainage Scheme Asset Management Plan, BOPRC, 2006

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

The scheme has 88 km of major canals (arterial) and 240 km of drains. Excess water drains from the Plains via these assets from a network of further smaller drains into the Tarawera, Rangitāiki and Whakatane Rivers.

Drains are designed to a 20% AEP standard, of 28 mm/day. They are intended to maintain the groundwater table to a level appropriate to surrounding ground levels, for the predominant land use (currently dairy farming), without causing over drainage and therefore excessive peat shrinkage.

Drains and canals need regular maintenance to ensure that their capacity remains at design drainage standards. Maintenance of the scheme is funded by a rate struck over the area of benefit. Rates for any property are calculated on the basis of land area and benefit classification of that property.

The Flood Protection and Drainage Bylaws 2020 apply to all flood protection and drainage assets managed by, or under the control of, Bay of Plenty Regional Council.

Written approval is required for any works within 12m of the drains identified on the map in the figure below.



Figure: Flood Protection and Drainage Bylaw Applicable Area<sup>24</sup>

#### 6.12.2 Proposed Stormwater System

BOPRC require on-site detention to be provided to prevent an increase in volume of runoff from the site in a 72-hour 100 year including climate change event. This detention should be to a minimum standard of 80% of pre-development peak discharge in accordance with the Stormwater Management Guidelines for the Bay of Plenty region (BOPRC Guideline 2012/01). BOPRC require that the RCP 8.5 climate change scenario is considered.

<sup>24</sup> <https://boprc.maps.arcgis.com/apps/webappviewer/index.html?id=ef5e8a3a789c46fcaa5b4f5db4cd6880>

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

BOPRC will require stormwater discharge consents to be obtained for respective developments.

For the Julians land, the indicative inundation area shown on the Structure Plan will be used for stormwater control<sup>25</sup>, but extended in width by approximately 14m giving an overall width of 94m.. This area provides the space to incorporate the required attenuation and storage devices to mitigate downstream effects of stormwater discharge from the development into the Kopeopeo Canal via Marshalls Drain at predevelopment discharge rates.

The land and assets will vest to WDC following the transfer of any BOPRC stormwater discharge resource consents and the establishment and maintenance period.

The system is located adjacent to an existing drain (Marshalls Drain) that takes water from the roads and rural land to the Orini Canal and then to the Whakatāne River. The developers current design intention is to bund off the inundation area along the southern boundary fronting SH30 as well as the western and eastern boundary extents. The bund will separate the existing open drainage system of Shaw Road development and SH30, allowing these systems to operate separately with no connection or influence from the proposed development.

The gravity storm water pipelines to service the individual lots within the proposed development will be designed and constructed to the WDC code of practice.

The finished ground level and minimum height for building platforms, take into consideration the required flood level of RL3.0m with freeboard.

For the Trust land, the recommended option is onsite detention with a pond or swale providing capacity for Q100 and overdesign events, discharging to the Orini Canal Catchment<sup>26</sup>.

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<sup>25</sup> Engineering Assessment Report for 12 Huna Road & 234a SH30, Whakatane, S and L, Julians Land Co., November 2023

<sup>26</sup> 30a Huna Road Papakainga Three Waters Feasibility Assessment, WSP, June 2023

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**



*Figure: Possible Discharge to Orini Canal Catchment*

The feasibility of appropriate stormwater management for each land block has been demonstrated and there is enough space to provide appropriate on site mitigation for each parcel to be self-sufficient.

There are alternative solutions that could potentially optimise development outcomes and create additional development capacity, including by:

- Providing a single continuous wetland detention basin across all development land parcels to increase storage volume capacity;
- Piping of Marshall Drain in a similar fashion to the adjoining ‘Shaw Road’ development;
- Incorporation of Marshalls Drain into the inundation area to increase storage volume capacity;
- The diversion of some of the stormwater from the Julian’s land through the Trust land to the Orini Canal Catchment to reduce storage volume requirements.

These alternatives would require specific, detailed feasibility assessment and investigation as part of the discharge consent application process under the NRRP if they are to be pursued.

Stormwater concepts will need to be in line with appropriate industry practice including construction of wetlands and dry ponds. All stormwater concepts and delivery of infrastructure will require full operational and maintenance plans for such assets to be submitted.



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

These are design issues that will need to be considered in the detailed design for future subdivision consent applications and asset construction approvals, and through stormwater discharge consent applications.

## 6.12.3 Plan Provisions

The operative District Plan “Strategic” chapter includes the following objectives and policies for all structure plan areas:

*“Strategic Objective 6*

*Development within urban areas will contribute positively to sustainable communities and enhance the amenity and character of these areas.*

*Policy 1*

...

*d. Stormwater Reserves – provide for low impact design stormwater methods (e.g. using principles of hydrological neutrality) and identify how those methods integrate into the public stormwater system.*

...

*Policy 2.*

...

*b. Utility systems within new development areas take into consideration the sustainability of the whole workings of the utility - e.g. stormwater runoff, storage and treatment; construction materials selection, ongoing energy and maintenance costs; renewal cycles and opportunities for retention devices on individual sites as well as actively encouraging water conservation measures on residential sites.*

...”

Controlled and restricted discretionary subdivision provisions for the Shaw/Huna Road area include the following assessment criteria:

*“...the means by which the stormwater ponding/attenuation area shown on the Structure Plan is integrated into the design of the subdivision.”*

There is scope within the operative District Plan objectives and policies to achieve low impact/ water sensitive design outcomes for development. However, the current assessment criteria focus on the attenuation area and do not explicitly address the best practice treatment train approach to ensure stormwater discharging from the structure plan area is appropriately treated. The Council Code of Practice for Development does not address low impact design methods.

Additional objectives, policies and rules for integrated stormwater management with the Huna Road Structure Plan area are therefore proposed to confirm that water sensitive design outcomes are required across the development.

Stormwater discharges will require consent from BOPRC under the RNRP which includes specific direction on the provision of appropriate stormwater systems including the use of source controls to avoid the contamination of stormwater.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

6.13 Utilities

Existing overhead power supply and a ground mounted transformer is located on Huna Road. The power authority will be contacted at the detailed design stage to confirm whether this connection has the capacity from this point of supply.

Telecommunications services are available within the current urban area at the end of Shaw Road. Extensions to the existing networks will be required to service the proposed development. Confirmation of supply and network upgrades that may be required will be requested from the UFF provider at the time of detailed design.

These are matters that will be confirmed as part of the detailed design for a future subdivision consent application. No additional provisions are needed in the District Plan.

6.14 Open Space

Provision of open space for recreation is not shown on the Structure Plan and is determined through the Councils Level of Service Policy, applied at the time of subdivision.

The existing 2,493m<sup>2</sup> neighbourhood reserve and playground on Shaw Road is beyond an ideal walking distance of 400m for approximately half of the Julians land. See Figure below with 400m radius shown.



Figure: Existing neighbourhood reserve and playground on Shaw Road with walking distance of 400m

An additional pocket park neighbourhood reserve (750m<sup>2</sup>) may therefore be needed to provide accessible open space, particularly for children, elderly and others who are less mobile. The area of neighbourhood reserve can take into account the open space benefit provided within the stormwater attenuation area with its active transport and passive recreation function. There is

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

potential for co-location. Providing seating, paths, areas for passive recreation increases the quality of the overall neighbourhood.

The additional reserve land provision can be offset against development contributions for reserves (Up to 1% of land value).

These are matters that will be confirmed as part of the detailed design for a future subdivision consent application.

For the Trust land, the proposal includes the setting aside of private communal open space for use as recreation space for papakainga residents.

No additional provisions are needed in the District Plan.

### 6.15 Construction

The Structure Plan area will be subject to earthworks and infrastructure development typical of most housing development (noise, sediment and erosion, construction traffic).

These are matters that will be confirmed as part of the detailed design for a future subdivision consent application, discharge and earthworks consent applications to BOPRC.

As noted above, Heritage New Zealand (HNZ) authority to modify damage or destroy possible unrecorded archaeological sites will need to be obtained prior to the commencement of earthworks associated with the development, and discovery protocols established at resource consent stage.

No additional provisions are needed in the District Plan.

### 6.16 Development Contributions

Development will be subject to the payment of Development Contributions (DCs) under the Council Development Contributions Policy (DC Policy). This includes District Wide DCs for roading/Transport and Community Infrastructure.

Adjoining residential and deferred residential land comprising the Huna/Shaw Road Structure Plan Area is already identified as a "Project Catchment" for DCs related to "Whakatāne Water treatment and reticulation" and "Whakatāne water and wastewater treatment and reticulation".

Units of demand for the Huna/Shaw Road Structure Plan Area are 200 HEU's in 20 years (as per pre-development estimate in 2018).

The DC policy is currently under review as part of the LTP. The review should include an extension of the Huna/Shaw Road Structure Plan Area DC Contributions Areas to encompass the Trust Land (60 HUE) and Rugby Club (HUE to be assessed), in addition to updating the Schedule of Assets with current project scope and cost estimates.

### 6.17 National Planning Standards (NPStds)

The Proposed Plan change will be reformatted to comply with the NPStds at a future date as part of the District Plan.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## 7.0 Consultation

### 7.1 Summary

A record of consultation is set out in Appendix 3, summarised in the following table.

Party	Issues	Outcome
BOPRC	Stormwater Management	Stormwater inundation areas shown on Structure Plan.
Waka Kotahi	Road Safety	Traffic Safety Performance Standards included in Plan Provisions.
Landowners	Development issues	Agreed approach on zoning, rules and structure plan.

### 7.2 Consultation with iwi authorities

Te Runanga o Ngati Awa (TRONA) have been engaged as part of the plan change process, including on the draft provisions under Clause 3(1)(d) and 3B of Schedule 1.

Several concerns have been raised. See TRONA input included in Appendix 4.

In summary, the principle concerns are understood to be:

- Stormwater management:
  - support for low impact design
- Traffic safety:
  - support for safety measures to be applied;
  - engagement on transport solutions;
- Reverse sensitivity:
  - Te Paroa Rugby and Sports Club
- Providing for Ngati Awa cultural values in land management planning and decision making:
  - enabling Maori freehold land to be developed
- protecting places and relationships of cultural significance:
  - managing development impacts on heritage
  - street naming and interpretation of cultural sites/values
- the need for direct consultation with Ngai Taiwhakaea:
  - environmental effects/impacts

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- lack of consultation with hapu, residents and Maori land block owners.

Several of these concerns have been addressed directly through the Plan Change, or otherwise as identified through other Council systems and procedures. Plan Change provisions include:

- Low impact stormwater objectives, policies and rules;
- Provision for alternative transport safety measures as a Discretionary Activity, allowing for wide consultation/engagement;
- Specific reverse sensitivity rules for Te Paroa Rugby and Sports Club;
- Inclusion of the papakainga area in the Structure Plan, and associated consideration in infrastructure planning and provision.

## 8.0 Evaluation Method

### 8.1 Appropriateness of Objectives

An evaluation report must examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of the Act.

The purpose of the Act is to promote the sustainable management of natural and physical resources. The matters of National Importance, Other Matters and Treaty of Waitangi provide the principles for assessing whether the purpose of the Act is being achieved.

In this case, the Plan Change will implement operative urban objectives for the Structure Plan.

The appropriateness of the objectives for the proposed Plan Change should be assessed against the purpose and principles in Part 2 of the Act, the Regional Policy Statement, Iwi Planning documents and National Policy Statements.

### 8.2 Appropriateness of Provisions

#### 8.2.1 Reasonably Practicable Options

An evaluation report must identify other reasonably practicable options for achieving the objectives.

In this case, the reasonably practicable options range from leaving the land in rural use, to alternative types of urbanisation at lower or higher levels of intensity.

#### 8.2.2 Evaluating Effectiveness

Effectiveness generally means consideration of the extent to which the intended objectives will be achieved by an option.

An option should be evaluated as reasonably effective and not fatally flawed before its efficiency is considered.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)****8.2.3 Evaluating Efficiency**

The most efficient option will be the one that can achieve the outcome at least overall or net cost, taking into account all costs and benefits arising from the intervention<sup>27</sup>.

The obligation under section 32(b)(ii) is to give effect to the objective in the least restrictive manner possible or at the least cost possible.

Hence the efficiency of the options can be evaluated and compared by assessing the following:

- Costs and benefits of establishing the provisions;
- Costs and benefits of compliance with the provisions.

**8.2.4 Economic Growth and Employment**

An 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

- (i) economic growth that are anticipated to be provided or reduced; and
- (ii) employment that are anticipated to be provided or reduced; ...

**8.2.5 Risk of Acting or Not Acting**

An evaluation must assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.

**8.2.6 Scale and Significance**

An evaluation must contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal.

Appropriate assessments of environmental effects have been undertaken as described above which provide sufficient detail to undertake an evaluation.

**9.0 Appropriateness of Objectives****9.1 Operative District Plan Objectives**

The overarching objective of the Plan Change is to provide an improved supply of land for housing, aligned with the Council's Urban Growth Strategy.

<sup>27</sup> Royal Forest & Bird Protection Society Inc v Whakatāne District Council [2017] NZEnvC 051 (Royal Forest & Bird). at paragraph [59]:

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

The Plan Change seeks to implement operative District Plan objectives for the Structure Plan area.

9.2 Purpose and Principles

Section 5 sets out the purpose of the RMA, which is to “*promote the sustainable management of natural and physical resources*”.

Sustainable management ‘means managing the use, development, and protection of natural and physical resources to enable people and communities to provide for their social, economic and cultural wellbeing and for their health and safety, while -

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

In achieving this purpose, councils also need to recognise and provide for the matters of national importance identified in section 6, have particular regard to other matters referred to in section 7 and take into account the principles of the Treaty of Waitangi under section 8.

The proposed Plan Change objectives will appropriately recognise and provide for relevant matters of national importance as set out below.

Matter	Evaluation
(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:	The Development Area is not in the coastal environment.
(b) the protection of outstanding natural features and landscapes from inappropriate subdivision, use, and development:	The Structure Plan area does not include any outstanding natural features and landscapes.
(c) the protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna:	The Structure Plan area does not contain areas of significant indigenous vegetation and significant habitats of indigenous fauna. Downstream waterways provide habitats for indigenous fauna. Stormwater management systems will ensure that adverse effects are avoided.
(d) the maintenance and enhancement of public access to and along the coastal marine area, lakes, and rivers:	The Structure Plan area is not adjacent to the coastal marine area, lakes, and rivers.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

<b>Matter</b>	<b>Evaluation</b>
(e) the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga:	Development will have acceptable effects subject to koiwi and artefact discovery protocols being established for development.  Appropriate development of Whenua Maori will be enabled.
(f) the protection of historic heritage from inappropriate subdivision, use, and development:	The Structure Plan area contains sand ridge that may have been a place of historic occupation.
(g) the protection of protected customary rights:	The Structure Plan area is a place that has no areas of protected customary rights.
(h) the management of significant risks from natural hazards.	The Structure Plan area is assessed as being susceptible to potential land instability and rainfall related flood hazards. However, site development and management controls can ensure that associated risks are maintained at a low level.

The proposed Plan Change objectives are appropriate regard to other relevant 'other matters' as set out below.

<b>Matter</b>	<b>Evaluation</b>
(a) kaitiakitanga:	Provision for ongoing engagement with Iwi/hapu through the content and development phases.
(aa)the ethic of stewardship:	Stewardship is an ethic that embodies the responsible planning and management of resources. The plan change assessment has identified all relevant resource issues and identified new objectives to address place specific outcomes.
(b) the efficient use and development of natural and physical resources	The proposed Plan Change promotes efficient use and development of resources through the proposed Structure Plan.  The Structure Plan provides for the integration of land use and infrastructure. The spatial layout optimises land use capacity for development whilst protecting natural and physical resource values.
(b) the efficiency of the end use of energy:	The Structure Plan area is located adjacent to existing infrastructure and services in the urban area, providing for efficient use of existing resources, including energy use. Access to local centres by active transport



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

Matter	Evaluation
	modes will reduce the need for car travel for some goods and services.
(c) the maintenance and enhancement of amenity values:	Amenity standards will meet accepted District Plan standards for neighbourhoods and sites.
(d) intrinsic values of ecosystems:	The Structure Plan area does not have significant ecosystem values, having been used for farming and horticulture for many years.
(e) [Repealed]	
(f) maintenance and enhancement of the quality of the environment:	The proposed plan change will result in a change from a rural to an urban environment, but this change will result in a quality environment.
(g) any finite characteristics of natural and physical resources:	The value of the land for rural production will be foregone with urbanisation. This is an inevitable outcome of land use change, and an acceptable trade off having regard to the district's overall land use strategy and enhanced community wellbeing associated with improved housing supply.
(h) the protection of the habitat of trout and salmon:	The Structure Plan area does not contain habitat of trout and salmon.
(i) the effects of climate change:	The primary direct response to climate change effect will be in the design of the stormwater management system. The system design will include rainfall projections that incorporate appropriately conservative climate change predictions.
(j) the benefits to be derived from the use and development of renewable energy	The proposed Plan Change has no direct relationship to the use and development of renewable energy. However, new homes will be thermally efficient, and increasingly incorporate new technology for on-site power generation using renewable energy.

The principles of the Treaty of Waitangi (Te Tiriti o Waitangi) have been taken into account in the proposed Plan Change as set out below.

Matter	Evaluation
(a) Partnership	This requires the partners to act reasonably and to make informed decisions.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

Matter	Evaluation
	<p>The Council has identified and undertaken consultation with relevant Manawhenua interests.</p> <p>Through consultation, the Council and hapu identified the need to have ongoing engagement as planning and development proceeds.</p>
(c) Active Protection	<p>Development will have acceptable effects subject to koiwi and artefact discovery protocols being established for development, and recognition of cultural values through place naming and other measures that express cultural identity.</p>

9.3 Regional Policy Statement

The District Plan must give effect to the provisions of the Regional Policy Statement (RPS).

The RPS includes objectives and policies that focus on achieving a compact, well designed and sustainable urban form, including implementing high quality urban design and live-work-play principles, and co-ordinating new development with infrastructure provision. The RPS promotes the integration of land use and transport planning.

There is a focus on promoting energy efficiency, considering the cumulative effects of new activities, taking into account the principles of the Treaty of Waitangi, and avoiding and mitigating natural hazard risks.

The Urban and Rural Growth Management Chapter focuses on the quality of urban development and ensuring that development is co-ordinated with the provision of infrastructure. The primary tool to achieve this is the use of structure plans.

The RPS includes High Quality Urban Design Principles as drivers of sustainable management; and ‘the live-work-play policy approach to future development’. The live-work-play approach includes ‘providing the opportunity for people to meet most of their daily needs within their own community and community cohesion and more harmonious lifestyles. It gives opportunity for people to remain active through all stages of life, in a healthy and safe environment’.

The objectives and policies also address productive potential of rural land, ensuring there is adequate infrastructure, quality and mauri of water and avoiding or mitigating natural hazards. Specific policies address minimising the effects of land and soil disturbance, recognition of Kaitiakitanga and taking into account the principles of the Treaty of Waitangi.

The proposed Plan Change objectives will give effect to relevant RPS objectives and policies.

9.4 Regional Land Transport Plan 2021-2031

The region has identified five key priorities – which align with the RLTP objectives – and are necessary to progress towards the RLTP vision.

These are:

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

1. Reducing road deaths and serious injuries;
2. Improving environmental sustainability;
3. Improving multimodal access and choice;
4. Supporting regional growth; and
5. Improving resilience within the transport system.

The proposed Plan Change is consistent with these priorities:

- Safety Improvements on SH 30 are a prerequisite to development occurring. The improvements are a Prioritised Activity programmed to occur over the estimated time period 2021/22–2024/25.<sup>28</sup>.
- The Structure Plan requires provision for multimodal transport with connection into the Whakatāne off-road Cycle Trails to support commuter, recreational, and tourism access throughout the district<sup>29</sup>.
- The rezoning will provide needed residential development capacity;
- By providing multi-modal options and routes, system resilience will improve. The Structure Plan requires a full connection through the growth cell, increasing route choice within the network.

## 9.5 Te Mahere Whakarite Matatiki Taiao Ō Ngāti Awa (Ngāti Awa Environmental Plan)

The Structure Plan area is within the area over which Ngāti Awa exercises kaitiakitanga.

### 9.5.1 Culturally Significant Waterways.

The Environmental Plan identifies Culturally Significant Waterways. Three rivers are subject to statutory acknowledgements within the Ngāti Awa Settlement. These are the Whakatāne, Rangitāiki and Tarawera rivers including their tributaries.

The Whakatāne River was valued by Ngāti Awa as a source of food including eels, kākahi, oysters, fish, and whitebait. It was also used by Ngāti Awa to transport goods to and from the inland settlements of the iwi.

The Structure Plan area discharges stormwater to drains that reach the Whakatāne River. The stormwater management system will apply low impact design principles, including dry basins and wetlands, that recognise and provide for Te Mana o te Wai.

### 9.5.2 Cultural Heritage, Practices and Identity

The objective and policies identify the importance of protecting cultural heritage from land use and development.

<sup>28</sup> RLPT Table 7: Road to zero activities

<sup>29</sup> RLTP Appendix 4 – Regional Programme / Hōtaka ā-rohe, #41

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

Whilst there have been no specific issues raised through consultation with Ngati Awa the archaeological report completed as part of the proposal identifies the potential for unrecorded archaeological to be discovered.

The physical site works associated with the subdivision and development of land provide the mechanism for consents and authorities and further engagement with Ngati Awa to ensure archaeology and associated cultural values are appropriately managed.

#### 9.5.3 Kaitiakitanga

The practice of kaitiakitanga in contemporary times involves active involvement in resource management processes (e.g. plan changes and resource consent process); restoration and enhancement projects; as well as monitoring the environmental and cultural impacts of activities.

Kaitiakitanga can be given expression beyond the Plan Change through engagement in consenting under District and Regional Plans and other authorisation processes to ensure that appropriate environmental outcomes are achieved, consistent with the Environmental Plan.

### 9.6 National Policy Statement - Urban Development 2020

The National Policy Statement on Urban Development (NPS-UD) aims to ensure that New Zealand's towns and cities are well-functioning urban environments that meet the changing and diverse needs of communities.

Principal objectives are:

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

*Objective 2: Planning decisions improve housing affordability by supporting competitive land and development markets.*

Related policies are:

*Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:*

*(a) have or enable a variety of homes that:*

*(i) meet the needs, in terms of type, price, and location, of different households; and*

*(ii) enable Māori to express their cultural traditions and norms; and*

*(b) have or enable a variety of sites that are suitable for different business sectors in terms of location and site size; and*

*(c) have good accessibility for all people between housing, jobs, community services, natural spaces, and open spaces, including by way of public or active transport; and*

*(d) support, and limit as much as possible adverse impacts on, the competitive operation of land and development markets; and*

*(e) support reductions in greenhouse gas emissions; and*

*(f) are resilient to the likely current and future effects of climate change.*

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

*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.*

Council is required to provide at least sufficient development capacity in its region or district to meet expected demand for housing:

- (a) in existing and new urban areas; and
- (b) for both standalone dwellings and attached dwellings; and
- (c) in the short term, medium term, and long term.

In order to be sufficient to meet expected demand for housing, the development capacity must be:

- (a) plan-enabled (i.e. appropriately zoned with housing a permitted, controlled, or restricted discretionary activity); and
- (b) infrastructure-ready (i.e. there is adequate existing development infrastructure to support the development of the land, or funding for adequate development infrastructure to support development of the land is identified in a long term plan); and
- (c) feasible and reasonably expected to be realised (i.e. based on consideration of past development trends and future landowner and developer intentions).

The NPS-UD directs councils to remove overly restrictive planning rules that make it more difficult to build homes. It requires councils to respond to changes in demand by enabling denser housing in walkable distances to areas such as around city centres and rapid transit stops.

Where planned urban built form involves significant changes to an area, the NPS recognises that these changes may detract from amenity values appreciated by some people but improve amenity values appreciated by other people, communities, and future generations, including by providing increased and varied housing densities and types; and are not, of themselves, an adverse effect.

The proposed plan change objectives are consistent with the NPS-UD.

## 9.7 National Policy Statement on Freshwater

Te Mana o te Wai is the fundamental concept of the NPS-FM and is a new approach to the management of activities that affect freshwater for local authorities and developers.

No freshwater ecosystems, including wetlands will be adversely affected by the proposed Plan Change.

The stormwater management system will apply low impact design principles, including dry basins and wetlands, that recognise and provide for Te Mana o te Wai. Additional objectives, policies and rules for the integration of land use and stormwater management will promote this outcome.

## 9.8 National Policy Statement for Highly Productive Land 2022

The purpose of the policy is to direct new housing development away from highly productive land, where possible. Preventing inappropriate subdivision, use and development will ensure the availability of highly productive land for food and fibre production.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

The transitional definition of HPL applies to all LUC class 1, 2, and 3 land in general rural and rural production zones.

The Julians land is LUC Class 2. However, because the site is currently identified as Deferred Residential / Residential Zone under the operative District Plan the NPS-HPL does not apply. Land that councils have already identified for future urban development is not treated as highly productive land under the NPS HPL.

The Trust land is not HPL, being LUC Class 4.

## 9.9 National Policy Statement on Indigenous Biodiversity 2023

The purpose of the policy is to direct councils on their roles and responsibilities for identifying, protecting and maintaining indigenous biodiversity under the Resource Management Act 1991.

The land is not identified as having significant ecological values or areas of indigenous biodiversity.

The proposed stormwater management area alongside the State Highway will provide natural habitat and enhance ecological values for the area, extending the existing stormwater area. The proposed concept for the papakainga includes areas of native planting: Pa Harakeke.

Overall, the development will result in an increase of cover by indigenous vegetation in the urban area, consistent with the restoration objectives of the NPS IB

- *Policy 13: Restoration of indigenous biodiversity is promoted and provided for.*
- *Policy 14: Increased indigenous vegetation cover is promoted in both urban and non-urban environments.*

## 9.10 Conclusion

The objectives of the proposal are the most appropriate way to achieve the purpose of the Act having regard to the purpose and principles of the Act and key policy instruments that give expression to the purpose and principles.

# 10.0 Appropriateness of Provisions

## 10.1 Reasonably Practicable Options

Practicable options for the Structure Plan area provisions are identified as:

- Deferred Residential Zone and Rural Zone (No Change).
- Residential Zone – rezone Structure Plan area to standard Residential Zone, with updated Structure Plan.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- Mixed Residential Zone and Urban Living Zone – rezone Structure Plan area to standard Residential Zone, coupled with an Urban Living Zone over a defined area to promote medium density development, with updated Structure Plan.

The Deferred Residential Zone is a rural zone that avoids activities within the Deferred Residential Zone that may compromise the future use of rural land for residential purposes. Residential development is a discretionary activity, with resultant subdivision a controlled activity.

The Residential Zone enables a density of 1 dwelling / 350m<sup>2</sup>; with a 9 metre building height limit; outdoor living areas; privacy, coverage and permeability restrictions. Higher density or larger scale development is a discretionary activity.

The Urban Living Zone enables a density of 1 dwelling / 200m<sup>2</sup> (for attached dwellings), with a 10 metre building height limit; outdoor living areas; privacy, coverage and permeability restrictions.

## 10.2 Excluded Options

Several options are excluded because they are not practicable:

- Rural Plains Zone: rezoning the Deferred Residential land to Rural Plains or retaining Rural Plains zoning over the Trust land would not address the shortage of housing land in the District. Residential use of the land has been signalled for over ten years and infrastructure has been committed in planning and funding, including through development contributions.
- Medium Density Residential Zone/Standards (MDRS): rezoning consistent with the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 could reduce restrictive planning rules that make it more difficult to build homes. However, having a unique set of plan objectives, policies and rules for such a small area would be overly complex to implement and is not practicable, nor necessary. This option would be more appropriately addressed through a review of the District Plan, or District wide plan change. The provision for a Comprehensive Development Consent under Chapter 2 also provides a consent pathway for innovative delivery of housing, consistent with the MDRS.
- Industrial Zone: the site is adjacent to a zoned residential area and generally unsuitable for industrial use. There is no demonstrated need for further industrial zoned land at this location.

## 10.3 Evaluation

Practicable options are evaluated below against criteria for effectiveness and efficiency.

Colour coding of the table cells provide a qualitative rating of how well an option will meet the evaluation criteria:

- Green - High
- Orange – Moderate
- Red – Low/Critical

6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)

Evaluation Criteria		Options		
		Deferred Residential Zone	Residential Zone	Mixed Residential and Urban Living Zone
<b>Effectiveness</b>				
<b>Urban Growth Accommodation</b>	Sufficient land area suited for future urban and economic development that provides residents a range of lifestyle and development choices.	Will not actively contribute to urban land supply additional residential development capacity and housing choice in the short term.  Does not meet NPS UD for "plan enabled" capacity.  Maintains a future option for urbanisation provided that no interim subdivision or development occurred that would compromise this outcome.	Provides a reasonable degree of choice	Provides a higher degree of choice
<b>Environment</b>	Subdivision and development completed in a structured and integrated pattern, with the environmental qualities of the land fully identified and sustainably managed, including the restoration of indigenous biodiversity.	Presents a greater risk that urban development may occur on a piecemeal basis with variable or poor long-term outcomes.	Outcomes defined and implemented in an integrated way.	Outcomes defined and implemented in an integrated way.
<b>Infrastructure</b>	Efficient and safe operation of the transport network and adjoining rural activities.  Efficient and effective provision of water, wastewater and stormwater.	Presents a greater risk that urban development may occur on a piecemeal basis with variable or poor long-term outcomes.	Outcomes defined and implemented in an integrated way.	Outcomes defined and implemented in an integrated way.
<b>Natural Hazards</b>	Low hazard risk following development.	All options must comply with RPS risk policy	All options must comply with RPS risk policy	All options must comply with RPS risk policy
<b>Cultural Landscape</b>	Identified sites, areas and resources of cultural significance identified and protected, including Te Mana o te Wai.	Presents a greater risk that urban development may occur on a piecemeal basis with variable or poor long-term outcomes.	Outcomes defined and implemented in an integrated way.	Outcomes defined and implemented in an integrated way.
<b>Efficiency</b>				
<b>Costs and benefits of establishing the provisions.</b>	Cost of plan changes and other related policy development	No costs.	Costs of Plan Change	Costs of Plan Change
<b>Costs and benefits of implementing the provisions.</b>	Consenting costs	Uncertainty and high consenting costs as a discretionary activity.	Reasonable consenting costs, although more complex for medium density due to discretionary activity status.	Lower consenting costs.
<b>Economic Growth and Employment</b>		No benefits.	Development provides for improved land supply for housing. Construction sector gains.	Development provides for improved land supply for housing. Construction sector gains.



6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)

Risks of acting or Not acting		Risk of reduced housing land supply leading to scarcity and cost increases.	No significant risks	No significant risks
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**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## 10.4 Preferred Option

The Mixed Residential and Urban Living Zone option is the preferred option.

This option best achieves the desired outcomes with the lowest implementation costs.

## 11.0 Conclusion

The main purpose of proposed Plan Change 8 is to rezone land at Huna Road to provide additional housing capacity.

The land to be rezoned is capable of providing 150-175 additional house sites.

An assessment of demand for dwellings in the district has established that the land is needed as part of the residential land supply.

Key resource management issues for development that need to be addressed through the Plan Change primarily concern the provision of safe access to and from SH30 to the Structure Plan area. Other place specific issues can be addressed through amendments to the Structure Plan.

The operative District Plan provisions do not explicitly address the treatment train best practice approach to ensure stormwater discharging from the structure plan area is appropriately treated. Additional objectives, policies and rules for integrated stormwater management are proposed.

All other matters can be addressed appropriately through operative District Plan provisions, resource consents including those under the Regional Natural Resource Plan, and the implementation of other Council policies.

The overarching objective of the Plan Change is to provide an improved supply of land for housing, aligned with the Council's Urban Growth Strategy. The objectives of the proposal are an appropriate way to achieve the purpose of the Act having regard to the purpose and principles, and national, regional and district level policy instruments that give expression to the purpose and principles.

The preferred provisions to achieve the objectives are a Mixed Residential Zone and Urban Living Zone – rezone Structure Plan area to standard Residential Zone, coupled with an Urban Living Zone over a defined area to promote medium density development, with updated Structure Plan. This option best achieves the desired outcomes with the lowest implementation costs.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## Appendix 1: Proposed Plan Change 8 Provisions

**CHAPTER 2 STRATEGIC****Changes to Objectives And Policies**

Amend the objectives and policies as follows:

Strategic Objective 1 Growing our District

Policy 1 Urban development shall be enabled through the:

a. rezoning from Deferred Residential to Residential the following sites:

i. Maraetōtara East (Area 12) (see Figure 2.1); and

ii. ~~Rezoning Shaw/Huna Road (approximately 10ha to Residential and 12ha to Deferred Residential(see Figure 2.2).~~

Delete Policy 3

Delete Figure 2.2 Shaw / Huna Road / State Highway 30

Strategic Objective 6 Creating Liveable Places

Policy 1 To require that development on deferred residential zoned land at Ōhope ~~and Maraetōtara East (Area 12) and Shaw/Huna Road~~ implement the following design principles:

**Add the following new objectives and policies:**

**Shaw/Huna Road Structure Plan - Integration of Land Use and Stormwater Management**

**Strategic Objective 9:**

**The environmental quality, character, amenity and cultural values of the Shaw /Huna Road Structure Plan area are developed, and then maintained and enhanced through the integrated management of land use and stormwater.**

Policy 1:

Stormwater generated within the Shaw/Huna Road Structure Plan is managed through the application of low impact design principles with the development of a “treatment train”, using measures that distribute stormwater management across the site, including:

- a. Source control – individual lot level stormwater management approaches such as soak holes for capturing roof runoff, rain gardens, water harvesting;
- b. Site control – collecting and conveying runoff from a collection of lots through to smaller stormwater management facilities such as dry attenuation zones, swales, through to;
- c. Larger dedicated catchment facilities, such as detention basins and treatment wetlands.

Policy 2

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

The design of stormwater infiltration measures is based on a geotechnical assessment to achieve and maintain a low level of natural hazard risk within the Structure Plan area without increasing risk elsewhere;

Policy 3

The formed width of roads is minimised to reduce stormwater run-off while ensuring that road function and safety is maintained;

Policy 4

Open space is used for stormwater management and recreation including the provision and protection of adequate space to safely accommodate detention ponds and overland flow paths; and

Policy 5

The treatment wetland that discharges to Marshalls Drain is designed as a single, continuous wetland, not a pond, and is planted and maintained with appropriate native wetland species.

Policy 6

All new buildings within the structure plan area are constructed from inert building materials (for example no unpainted zinc or copper products are used).

**Changes to Rules**

Delete existing rules as follows:

**2.2.4 Incompatible Activities**

2.2.4.1 Delete reference to Shaw/Huna Road Deferred Residential Zones

Add new rules as follows:

**2.2.2.3 Comprehensive Residential Development**

2.2.2.3 Add reference to Shaw/Huna Road Structure Plan

**2.2.5 Shaw/Huna Road Transport Management**

2.2.5.1 Any subdivision and development within the Shaw Road/Huna Road Structure Plan area shall not commence until the following safety improvements on State Highway 30 are operational:

- a. Huna Road and Shaw Road intersections are left in and left out only;
- b. Roundabout at Thornton Road;
- c. Median Barrier between Thornton Road and Shaw Road.

2.2.5.2 Non-compliance with Rule 2.2.5.1 shall be a Discretionary Activity.

**2.2.6 Shaw/Huna Road Mixed Use Centre**

2.2.6.1 A business activity may be established and operated as a permitted activity within the area at Shaw/Huna Road shown in Figure 2.2 subject to the following:

- a. The location is within the mixed use centre area shown on the Structure Plan;
- b. The activity is a retail activity;

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- c. The GFA of the activity does not exceed 100m<sup>2</sup>;
- d. Siting and height of buildings comply with the rules of the applicable zone;
- e. Noise complies with Rule 11.2.6;
- f. Lighting and glare comply with Rule 11.2.16;
- g. Signage complies with Rule 11.2.19.

2.2.6.2 Non-compliance with Rule 2.2.6.1 shall be a Restricted Discretionary Activity.

**Changes To Assessment Criteria For Controlled Activities**

Amend the criteria as follows:

**Subdivision of Residential Zoned Land at Shaw/Huna Road**

2.3.3.1 Council shall exercise control over:

- d. the criteria listed in 12.7.1; 13.2.26; 13.2.27; 13.2.28 and 13.2.29 with particular regard to 13.2.28.8.
- e. the means by which vehicle, cycle, pedestrian and future infrastructure connectivity is provided to the Residential and Urban Living-zoned land to the west and north;
- f. the means by which the interface with rural land is managed to minimise visual and noise impacts and other reverse sensitivity effects of rural activities on neighbours and integrate with the rural landscape;
- g. the means by which the interface with the Paroa Rugby and Sports Club is managed to minimise visual, light, noise, and vibration reverse sensitivity effects of club activities on residential activities;
- ~~h. the means by which traffic impacts on Shaw Road and the Shaw Road/State Highway 30 intersection are mitigated;~~
- i. the means by which ~~the stormwater ponding/attenuation area shown on the Structure Plan~~ management is integrated into the design of the subdivision;
- j. the means by which the building platforms comply with Rule 18.2.3.2;
- k. the means by which direct access from the residential zone to State Highway 30 is avoided;
- l. the means by which the subdivision design ensures that dwellings are not built within 40m of State Highway 30 (see Rule 11.2.8.2) and that dwellings within 80m of State Highway 30 address reverse sensitivity effects of traffic noise; and

**Changes to 2.4 Assessment Criteria for Restricted Discretionary Activities**

Amend the criteria as follows:

**Subdivision of Residential Zoned Land at Shaw/Huna Road**

2.4.4.1 Council shall restrict its discretion over matters listed below;

- a. the criteria listed in 12.7.1; 13.2.26; 13.2.27; 13.2.28 and 13.2.29 with particular regard to 13.2.28.8.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- b. the means by which vehicle, cycle, pedestrian and future infrastructure connectivity is provided to the Deferred Residential land to the west;
- c. the means by which the interface with rural land is managed to minimise visual and noise impacts and other reverse sensitivity effects of rural activities on neighbours and integrate with the rural landscape;
- d. the means by which the interface with the Paroa Rugby and Sports Club is managed to minimise visual, light, noise, and vibration reverse sensitivity effects of club activities on residential activities;
- e. ~~the means by which traffic impacts on Shaw Road and the Shaw Road/State Highway 30 intersection are mitigated;~~
- f. the means by which the stormwater ponding/attenuation area shown on the Structure Plan management is integrated into the design of the subdivision;
- g. the means by which the building platforms comply with Rule 18.2.3.2;
- h. the means by which direct access from the residential zone to State Highway 30 is avoided;
- i. the means by which the subdivision design ensures that dwellings are not built within 40m of State Highway 30 and that dwellings within 80m of State Highway 30 address reverse sensitivity effects of traffic noise; and
- j. the consistency of the development with the Structure Plan in Appendix 2.6.1.

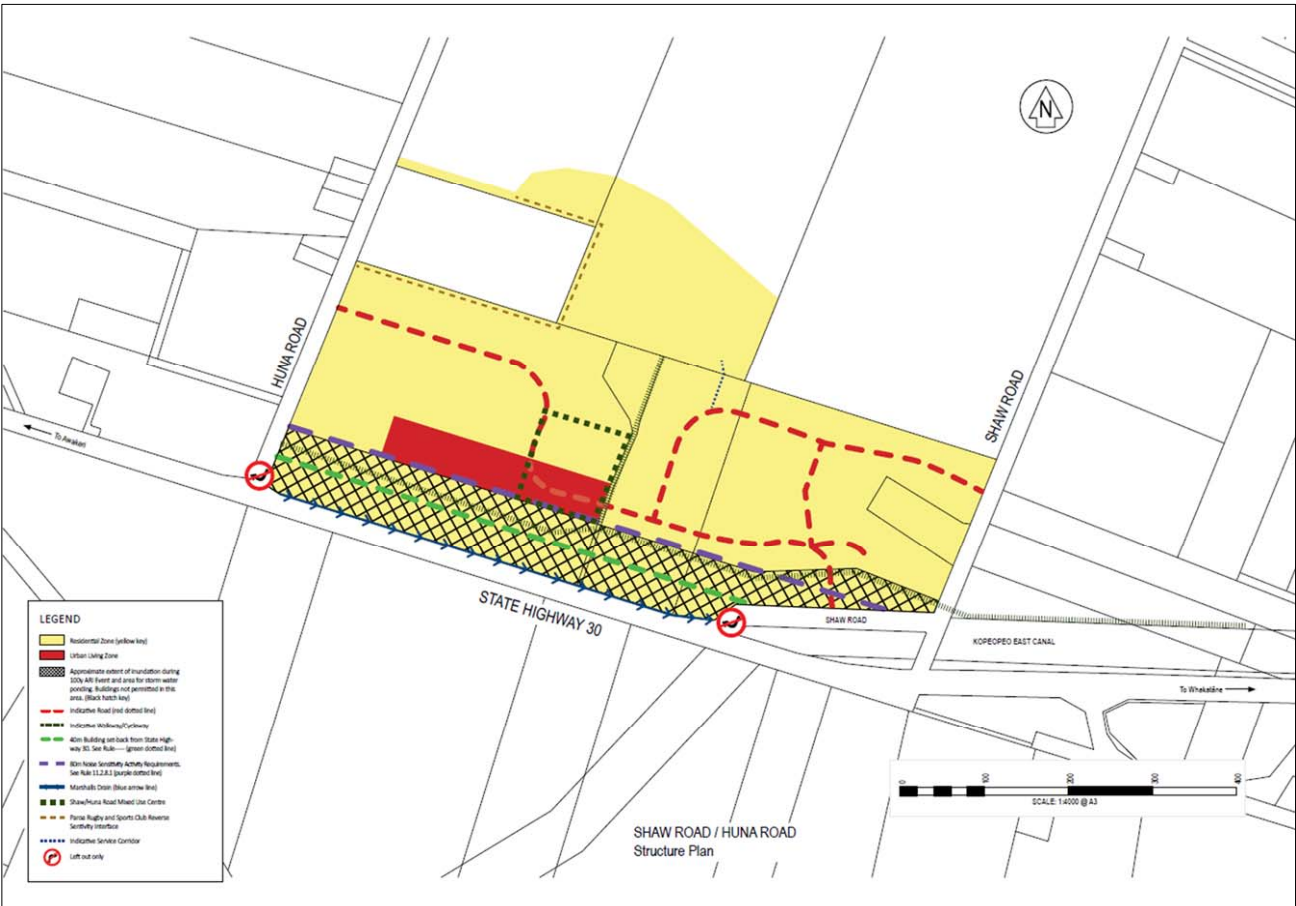
**2.4.5 Shaw/Huna Road Mixed Use Centre**

The Council shall restrict its discretion to:

- a. Traffic effects of an increased greater scale of operation on the adjacent streets and surrounding road network;
- b. Amenity effects of any non-compliances on surrounding residential activities.

**Changes to 2.6 Appendices**

**Delete and Replace Shaw/Huna Road Structure Plan with the following:**



Appendix 1: Proposed Plan Change 8 Provisions

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)****CHAPTER 3 ZONE DESCRIPTIONS, ACTIVITY STATUS, INFORMATION REQUIREMENTS  
AND CRITERIA FOR RESOURCE CONSENTS.****Amend the Zone Description for Urban Living Zone as follows:**

## 3.1.7 Urban Living Zone

- 3.1.7.1 The Urban Living Zone applies to the urban residential area in Kōpeōpeō and part of the Shaw/Huna Road Structure Plan. It is similar to the Residential Zone except that it provides for higher residential density rates and more on-site intensive design matters. Yards and height controls differ from the Residential Zone.

**CHAPTER 11 GENERAL PROVISIONS****Amend Rule 11.2.8 Noise sensitive activities near any of State Highways 2, 30 and 34 as follows:**

- 11.2.8.1 Within 80m in a Rural Zone and the Residential Zone at Shaw/Huna Road, or 40m in any other Residential zone from any of State Highway 2, 30 and 34 (measured from the nearest painted edge of the carriageway):
- a. any new building housing a noise sensitive activity shall meet an internal road-traffic design sound level of 40 dBLAeq(24h) inside all habitable rooms, teaching spaces or general office areas; and
  - b. any addition, extension or alteration to an existing building housing a noise sensitive activity which exceeds 25% of the existing GFA shall be designed and constructed to achieve a maximum internal road-traffic design sound level of 40 dBLAeq (24h) inside all habitable rooms, teaching spaces or general office areas.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## Appendix 2: Record of Consultation

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)

Party	Meetings	Key Matters Raised	Outcome
Paul and Monica Julian	Various meetings with landowners and their consultants since 2021.	The Julian's engaged development consultants in 2021 to commence preparation of a plan change to rezone their property to enable residential development. This included preparation of supporting technical reports.	Agreed approach on zoning, rules and structure plan.
Kawarehe Trust	Various meetings since 2022	The Kawarehe Trust requested to have a portion of their land be included within the proposed plan change to support a Papakāinga development.	The area identified has been included in the proposed plan change. Agreed approach on zoning, rules and structure plan.
Martin Van Der Aa	Various meetings since 2022	Development issues	Agreed approach on zoning, rules and structure plan.
BOPRC	Various meetings since 2022	Stormwater Management	Stormwater inundation areas shown on Structure Plan
Waka Kotahi	Summary sent early 2023, ongoing discussions since then	Road Safety, particularly around access from Huna Road onto State Highway 30.	Traffic Safety Performance Standards included in Plan Provisions.
Te Rūnanga o Ngati Awa	Various email communications since 2022	Impact on water and stormwater capacity constraints for future developments elsewhere.	On-site stormwater mitigation measures in accordance with BOPRC requirements and low impact design.
Paroa Rugby and Sports Club	Meeting 14 March 2023	Reverse sensitivity of development, particularly on activities at the club rooms.	Proposed zoning changes will not change noise limits or existing use. New provisions proposed to address reverse sensitivity.

Appendix 2: Record of Consultation

Plan Change 8 – Huna Road Housing | Section 32 Evaluation Report

6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)

Party	Meetings	Key Matters Raised	Outcome
			Opportunity for wastewater connection.
Ngāi Taiwhakaea	17 November 2023	Prefer the land remains rural or, if it is to be developed, would prefer to see it as lifestyle blocks given the surrounding rural land use and a concern that rezoning will increase the rates of the existing properties.	Additional commentary on residential development setback from the Rural zoned land.  Advised to consider making a submission on the plan change when it is publicly notified.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## Appendix 3: Referenced Technical Reports

Scope	Title	Author and Date
Planning	Shaw Road/Huna Road Rezoning	Bloxham Burnet Olliver, 25 February 2013
Economic	Whakatāne District Housing Demand Economic Assessment	ME, June 2021
Economic	Whakatane-Kawerau Spatial Plan Foundation Paper Housing and Land	May 2022
Archaeological	Archaeological Assessment, Proposed Residential Subdivision Development, 12 Huna Road	Phillips May 2022
Geotechnical	Geotechnical Investigation for the Proposed Zonation Change, State Highway 30 Shaw and Huna Roads	Coffey November 2012
Natural Hazards	Natural Hazard Assessment 12 Huna Road and 234A SH 30, Whakatane	S and L Consultants, October 2022
Geotechnical	Geotechnical Investigation Ref 20136.000.001	ENGEO DATED 23 May 2022
Geotechnical	30a Huna Road Development Geotechnical Assessment Report,	WSP, May 2023
Soil Contamination	Combined Preliminary and Detailed Site Investigation 12 Huna Road, 234 and 234a State Highway 30, Whakatane, Bay of Plenty	ENGEO, June 2022
Soil Contamination	30A Huna Road, Preliminary And Detailed Site Investigation Report	WSP, May 2023
Reverse Sensitivity	Guide to the management of effects on noise sensitive land use near to the state highway network, September 2015, Version 1.0	Waka Kotahi
Transport	Proposed Residential Subdivision, Shaw Road, Huna Road Scoping Assessment	Traffic Design Group, October 2012
Transport	SH30, Huna Road Whakatane subdivision intersection capacity analysis	WSP, 4 July 2023
Three Waters	30a Huna Road Papakainga Three Waters Feasibility Assessment	WSP, June 2023
Three Waters	Engineering Assessment Report for 12 Huna Road & 234a SH30, Whakatane	S and L, November 2023

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

Appendix 4: Te Runanga o Ngati Awa  
Consultation



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

TE RŪNANGA O NGĀTI AWA

26 October 2023

Attention: Nicholas Woodley

Manager Policy, Planning & Consents Compliance  
Whakatāne District Council  
Private Bag 1002  
Whakatāne 3158

**Te Rūnanga o Ngāti Awa (TRONA) Under Clause 3B<sup>1</sup> Schedule 1 of the Resource Management Act 1991 to Proposed Plan Change 8 Huna Road Urban Zoning and Structure Plan**

Tēnā koe,

**Introduction**

Thank you for inviting Te Rūnanga o Ngāti Awa (TRONA) input to Council's Plan Change 8 (PC8) to the Whakatāne District Plan, to install the Huna Road Urban Zoning and Structure Plan.

This TRONA input is provided on a without prejudice basis and may change as more information becomes known. It is written with our Ngāti Awa reader in mind and includes extracts from Whakatāne District Council's (WDC's) PC8 Summary<sup>2</sup> document and Draft Section 32 Report<sup>3</sup> (dated August 2023).

**Plan Change 8 to the Whakatāne District Plan**

The main purpose of PC8 is to rezone land at Huna Road to provide additional housing capacity in the Whakatāne district. Most of the land (approx. 10ha) is zoned Deferred Residential and part of the land (5ha) is zoned rural and intended for papakainga housing (a controlled activity in that zone – see Appendix 4).

An assessment of district housing demand identified more land is needed for residential development. The PC8 land proposed for rezoning is capable of providing 150-175 house sites overall and is intended to be integrated with existing residential developments at Shaw Road.

The primary features of PC8 are to:

- Rezone the land as Residential Zone and Urban Living Zone
- Amend the Shaw/Huna Road Structure Plan to show:

<sup>1</sup> See Appendix 1

<sup>2</sup> Proposed Plan Change 8 Huna Road Summary Document prepared by Whakatāne District Council

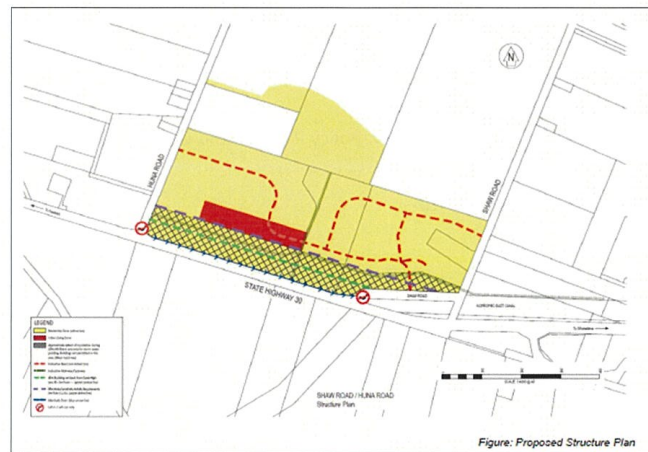
<sup>3</sup> Plan Change 8 – Huna Road Housing Draft Section 32 Report Prepared for Whakatāne District Council 22 August 2023 by Craig Batchelor, Version 9

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- Revised internal road layout
- Medium density housing area (up to 25 dwelling units)
- Papakainga housing area (up to 60 dwelling units)
- Other housing
- Mixed Centre Use
- Access controls on State Highway 30
- Active transport routes for cycling and walking
- Retain an 80m setback from the State Highway and area for on-site stormwater management on the Shaw/Huna Road Structure Plan
- Add a new rule to restrict development until safety improvements are provided on State Highway 30
- Add new objectives, policies and assessment criteria for stormwater and land use integration using minimal impact design measures
- Add a new rule to enable a Mixed-Use Centre business activity of up to 100m<sup>2</sup> to be established on the site at a location defined generally on the Structure Plan.



Figure 1: Land Proposed for Rezoning

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)****Ngāti Awa hapū with relationships with the subject land**

TRONA archival records show that after the raupatu (Crown confiscation) of 1867, some 2500 acres of land was surveyed and renamed as the Rangitaiki 28B blocks. Between 1878 and 1928 these blocks were divided further with titles issued to tipuna who affiliate to Ngai Te Rangihouhiri, Ngāti Hikakino, Ngai Taiwhakaea, Ngāti Hokopu (both) and Wharepaia hapū.

**Kawarehe Trust (Lot 28B6B2 Parish of Rangitaiki)**

'Pātaka Whenua' Maori Land Court records show that Rangitaiki 20B6B2 (the subject block) is Maori Freehold Land owned as tenants-in-common by 236 owners. The land is vested in land administrators called Kawarehe Trust, whose trustees were nominated by the shareholders and appointed by the Maori Land Court of New Zealand.

Kawarehe Trust and shareholders also own and administer Rangitaiki 28B6B1 over which an easement granting right-of-way to the land proposed for papakainga development was formalised by the Court.

Kawarehe Trust has willingly joined Plan Change 8 and is preparing consent applications to establish a papakainga residential development on 5ha of the 15.1124 ha parcel of land called Rangitaiki 28B6B2.

Kawarehe Trust, its agent (and uri) Dan Ratahi (Housing & Infrastructure Project Lead for Te Tohu o Te Ora o Ngāti Awa – Ngāti Awa Social & Health) and its consultant Kathryn McGuire have also sought TRONA's assessment of its proposed papakainga housing development activities when the applications and Assessments of Environmental Effects material is available for assessment in November 2023.

**Ngāti Awa Affected Parties**

TRONA encourages Council to engage with the following Ngāti Awa Affected Parties on PC8 district planning provisions and provide for their engagement in transport planning and consenting processes, as well:

- Shareholders of Kawarehe Trust
- Ngai Te Rangihouhiri hapu delegate, hapu and pukenga
- Ngāti Hikakino hapu delegate, hapu and pukenga
- Ngai Taiwhakaea hapu delegate, hapu and pukenga

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- Ngāti Hokopu (both) hapu delegate, hapu and pukenga
- Wharepaia hapu delegate, hapu and pukenga
- Paroa Rugby Club
- Residents of Huna and Fergusson Roads.
- **Ngāti** TRONA via TRONA Taiao Manager, Policy Planner and Consents Assessor

**Ngāti Awa Right of First Refusal Area**

TRONA notes:

- All the land subject to Plan Change 8 is within the Ngāti Awa Right of First Refusal Area.
- No other **iwj** need be engaged in the development of PC8 and subsequent consenting processes.
- Anyone can make submissions to a publicly notified Plan Change if they wish.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)****TRONA Input to Plan Change 8**

This input is provided during the pre-notification phase of the planning process.

TRONA provides the input in accord with Clause 3B Schedule 1 of the Resource Management Act 1991 which 'enables iwi authorities to identify environmental issues of concern to them' and 'indicate how these issues might be addressed'.

TRONA reserves discretion to make submissions when PC8 is formally notified and encourages Ngāti Awa hapu, whanau, affiliates, and their Clubs to make submissions to the Plan Change, as well.

**Outcomes of Early Engagement in the Pre-Notification Phase**

Council consulted some people early in the development of PC8, including some from our Ngāti Awa community. Council summarises the outcomes of that early engagement as follows:

**6 Consultation**

consultation undertaken to date is summarised in the following table.

Party	Key Matters Raised	Outcome
BOPRC	Stormwater Management	Stormwater inundation areas shown on Structure Plan
Waka Kotahi	Road Safety	Traffic Safety Performance Standards included in Plan Provisions.
Landowners	Development issues	Agreed approach on zoning, rules and structure plan.
Te Rūnanga o Ngāti Awa	Impact on water	On-site stormwater mitigation measures in accordance with BOPRC requirements and low impact design.
Paroa Rugby and Sports Club	Reverse sensitivity	Zoning changes do will not change noise limits or existing use. Opportunity for wastewater connection.

**TRONA Concerns and How they Might be Addressed**

TRONA concerns are highlighted below followed by suggestions as to how each might be addressed

**Concern 1: Stormwater Management**

TRONA supports the proposed stormwater management approach.

TRONA notes Kawarehe Trust land sits in a 'sweet spot' where the soil is friable and soaks stormwater away and where the contour is, on average, slightly elevated as well.

**Concern 2: Traffic Safety**

TRONA Concerns:

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- Dangerous right hand turn to SH30 from Huna Road
- Increased traffic effects from Huna Road to SH2 when heading north
- Uncertainty about whether affected residents, hapū, Kawarehe Trust and TRONA will be engaged on suggested transport solutions identified in section 6.9.2 and 6.9.3 of the Section 32 Report, and who will engage them

These might be addressed by:

- Statutory organisations undertaking early and ongoing engagement with Ngāti Awa parties and other affected parties on the design of proposed safety improvements like those identified in section 6.9.2 and 6.9.3 of the Section 32 and potential new PC8 rules 2.2.5

**Concern 3: Reverse Sensitivity**

TRONA Concerns:

- PC8 does not recognise and provide for pre-existing Paroa Rugby Club activities and traffic movements
- Paroa Rugby Club activities should be protected from potential complaints about noise, traffic movements, parking, late night activities and other reverse sensitivity effects potential residents in PC8 lands and nearby Shaw Road may assert.

These reverse sensitivity concerns might be addressed by:

- Working with the Club on amending reverse sensitivity provisions that recognise and provide for pre-existing activities at Paroa Rugby & Sports Club and Lawson Park.

**Concern 4: Provide for Ngāti Awa values, interest and mātauranga in land management planning and decision-making**

TRONA Concerns:

- Challenges associated with the development and use of Maori freehold land is not always recognised and provided for by Council
- PC8 does not recognise and provide for Kawarehe Trusts ongoing role in perpetuity in deciding tenancy of up to 60 homes on multiply owned Maori Freehold Land, the tenure of which is as tenants in common, by preferred classes of alienee of which the Maori Land Court currently records 236 names.

These concerns might be addressed by:

- Seek specialist advice from a suitably qualified and experienced Maori Land specialist who understands the peculiarities of Maori Freehold Land tenure
- Talk with Kawarehe Trustees about the potential to include provision that may assist their decision-making
- Foster and maintain positive neighbourly rapport between the PC8 parties to provide for ongoing peaceful sharing of geographic space

**Concern 6 : Protect Places and Relationships of Cultural Significance**

TRONA Concerns:

- The damage, modification or destruction of our cultural heritage has significant adverse impacts on our tribal wellbeing, integrity, and identity. Contributing factors include (but are not limited to) the following:

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- Consultation not occurring with the right Ngāti Awa representative and/or pukenga and/or decision-makers – including hapu representatives, Maori Land Trusts, Kaitiaki and TRONA staff members
- Consultation occurring too late and with little to no information provided, or with expectations Ngāti Awa respondents have capacity to contribute at their cost and outside of reasonable timeframes
- Not all places or resource of significance are known, registered, or scheduled
- If a cultural heritage site, taonga tuku iho, or koiwi is accidentally uncovered, the correct statutory procedures and Ngāti Awa kawa is not always known or followed by the finder.

These issues might be addressed by:

- Working with Ngāti Awa affected parties on wording to insert into regulation that will require persons commissioning earthworks and land disturbance activities associated with residential development in the PC8 area to:
  - provide an archaeological survey to determine whether Heritage NZ Authority is required
  - comply with the contents of the Ngāti Awa Discovery Protocol (a draft example is provided in Appendix 3) to be given effect at the cost of the developer or resident undertaking the activity
    - work with TRONA, Kawarehe Trust and Ngāti Awa affected hapu on clarifying the right people to deploy and engage are identified in the Ngāti Awa Discovery Protocol
- Work with TRONA and Ngāti Awa affected parties on:
  - the identification of appropriate street names
  - The appropriate treatment and interpretations for Te Kawarehe site and the values associated with it and
- Foster the capacity of Ngāti Awa people and entities to manage and make decisions on these important matters.

Ngai Taiwhakaea hapu has identified several concerns, including about the effects of rezoning on the rural community, increased traffic movement, housing density, potential effects of wastewater and stormwater discharge to Te Orini Canal (by groundwater influence), overland flow effects on neighbouring properties, and a lack of consultation with Ngai Taiwhakaea, Huna Road residents and Maori land block owners.

These issues might be addressed in engagement with those parties, at workshops that might be facilitated with support from TRONA.

This input is provided on a without prejudice basis and may change.

Enquiries should be directed to Bev Hughes after 6 November 2023.

Ngā mihi,

Reuben Araroa  
Manahautū

6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)

## Supporting Data

The following extracts and information support the input provided above.

### Three Land Parcels

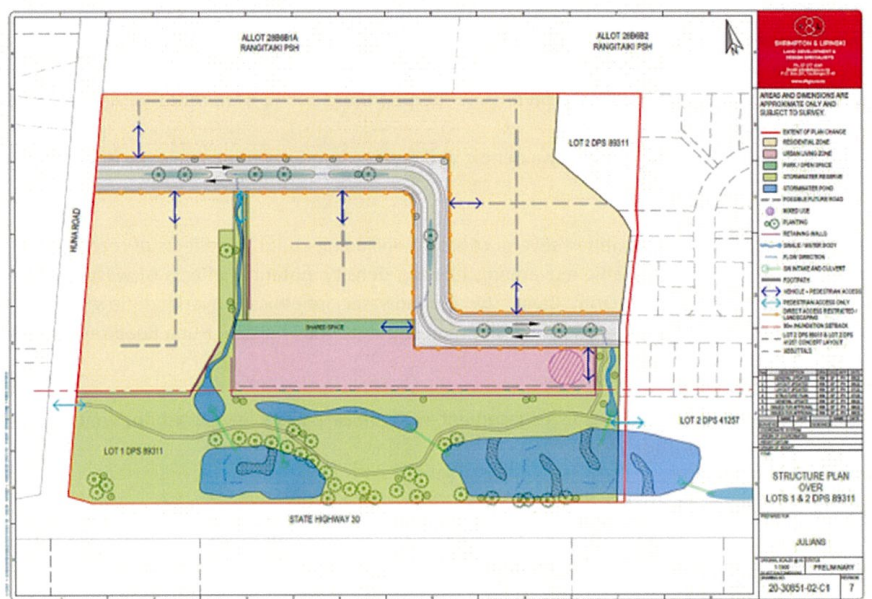
Julians Land Co Ltd, Dawn Parade 2012 Ltd, Kawarehe Trust Papakainga

#### Julians Land Co Ltd

Julian Land Co Ltd comprises 10.8165ha of General Land of Land Use Capability Class 2 (highly Productive Soils), currently Deferred Residential/Residential Zone because of which the recently established National Policy Statement for Highly Productive Land does not apply.

The berry farm covers the majority of the Plan Change 8 land. A large building is located on the western boundary of the site which acts as a visitor centre / shop / café and accommodates the management, ablution and storage facilities associated with the strawberry farms operational requirements. A large, sealed carpark with access to Huna Road is located outside the main building.

The owners seek to establish a comprehensively designed residential subdivision yielding approximately 100 residential units consisting of 71 standard dwellings and 29 medium density dwellings as shown below:



Proposed Development Layout

The Julians initially requested a private plan change to rezone the land. The technical information provided with the draft rezoning request has been used to support the proposed plan change.





**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**



Figure – Kawarehe Trust Concept Master Plan

The housing will remain in Trust ownership and rented or leased to occupiers. Roads and open space will also remain in Trust ownership.

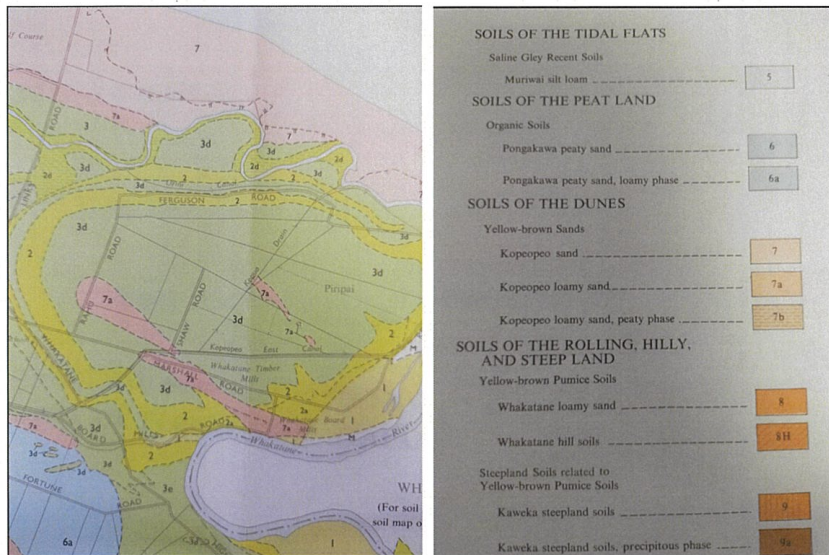
The Trust are considering whether they will retain ownership (and maintenance) of three waters infrastructure within the Trust land or vest the infrastructure with Council, including easements over all of the infrastructure.

A wastewater connection between the Trust land and Karearea Drive is also proposed, through Lot 2 DPS 89311 - Dawn Parade 2012 Ltd.

**Soils and Contour**

The NZ Department of Scientific and Industrial Research (NZDSIR) 'Soils & Land Use of the Whakatāne Borough and Environs, Bay of Plenty, New Zealand, Report prepared by WA Pullar, SR Hewitt, and JC Heine in 1978 shows the soil on which Kawarehe Trust proposes to establish the papakainga is Kopeopeo sand or loamy sand Class 7 – 7a LUC Classification.

6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)



This indicates the soils beneath the proposed papakainga are:

- Arable but not highly productive
- Relatively free draining and more capable of accommodating stormwater soakage than other soil types in the plan change 8 area
- May drain towards Te Orini Canal rather than Koapepe Canal.

From the BOPRC Bay Explorer Bathymetry and Contours Map below we note the contour across the proposed Kawarehe papakainga site is a 4m, dipping to 3m towards the north, with the higher dune system to the south rising to a maximum of 8m, thus providing some natural contour that will screen the papakainga from residential development on the Julian and Dawn Parade lands in the south.



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**



**Te Kawarehe Site**

The iwi planning document ‘Waahi Tapu Sites of Ngāti Awa’ October 1999, identifies Site 52 Te Kawarehe as:

*“This site begins at State Highway 2 encompassing all the land area on the Paroa Rugby Club side of Huna Road, heading east following Fergusson Road a distance, then bearing south whether the Shaw Road entrance and the Kopeopeo Canal passes under the State Highway. Various rites and ceremonies were conducted in and around this site due to its proximity to Orini River.”*

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## Appendix 1

## Clause 3B Schedule 1 RMA 1991

**3B Consultation with iwi authorities**

For the purposes of [clause 3\(1\)\(d\)](#), a local authority is to be treated as having consulted with iwi authorities in relation to those whose details are entered in the record kept under [section 35A](#), if the local authority—

- (a) considers ways in which it may foster the development of their capacity to respond to an invitation to consult; and
- (b) establishes and maintains processes to provide opportunities for those iwi authorities to consult it; and
- (c) consults with those iwi authorities; and
- (d) enables those iwi authorities to identify resource management issues of concern to them; and
- (e) indicates how those issues have been or are to be addressed.

Schedule 1 clause 3B: inserted, on 10 August 2005, by [section 129\(1\)](#) of the Resource Management Amendment Act 2005 (2005 No 87).

6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)

## Appendix 2 BOPRC Land Use Capability Map



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## Appendix 3

### EXAMPLE ONLY – TO BE AMENDED

#### Ngāti Awa Protocol For Dealing With Koiwi Or Taonga Tuturu Or Sites Of Significance At Te Kawarehe Site Huna Road And Shaw Road Vicinity

##### UNEARTHED DURING LAND DISTURBANCE AND EARTHWORKS ACTIVITIES

#### 1. Background

- 1.1 Te Rūnanga o Ngāti Awa has prepared this Protocol for Dealing with Koiwi or Taonga Tuturu or sites of significance in the event that *koiwi*, *sites* or other *taonga* are unearthed during the course of operations.
- 1.2 Accordingly, this protocol records those procedures.

#### 2. Definition

In this protocol the following terms have the meanings set out herein:

- 2.1 “*Koiwi*” means human remains such as skeletal material.
- 2.2 “*Taonga*” means cultural artefacts such as implements; weapons or decorations traditionally and historically utilised by tangata whenua and includes parts or the remains thereof. Archaeological features such as rua (caves) and pits are also taonga. People can gain a greater understanding of the way that pre-European Maori lived.
- 2.3 “*Site*” means the relevant location within the subject land.

#### 3. Unearthing of Koiwi or other Taonga

The following procedures will be adopted.

- 3.1 Immediately it becomes apparent or is suspected by workers at a work site, that koiwi tangata or taonga tuturu have been uncovered, all activity in the immediate area (i.e. within a 10m radius) will cease, and a cordon established.

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

- 3.2 The plant operator will shut down all machinery or activity within the cordon and advise the on-site supervisor, contractors, and client of the find and cordoned area.
- 3.3 The on-site Supervisor or contractor or their client will take the following immediate steps to:
  - a. Secure the cordon area in a way that ensures the site, koiwi tangata and taonga tuturu remain untouched
  - b. Notify Te Rūnanga o Ngāti Awa Pou Kokiri Mike Panapa at 07 307 0760 (cell number 0272140370), 4 - 10 Louvain Street, PO Box 76, Whakatāne, that it is suspected a site, koiwi tangata or taonga tuturu have been uncovered at the site.
  - c. Te Rūnanga o Ngāti Awa Pou Kokiri or staff will contact the appropriate hapū representatives and their kaumatua to act, guide, and advise the developers and any other parties, including NZ Police, Heritage NZ staff and the Archaeologist as to the appropriate course of action, tikanga and kawa.
- 3.4 The Site Manager will notify the New Zealand Police and Heritage NZ that it is suspected that the site, koiwi tangata and taonga tuturu have been uncovered at the site.
- 3.5 Te Rūnanga o Ngāti Awa Pou Kokiri or staff, hapū representatives, iwi representatives and kaumatua have discretion to agree and request the attendance of a suitably qualified and experienced archaeologist in the event that this Heritage NZ is unable to send an officer to the site.
- 3.6 The Site Manager will ensure that all site staff are available to meet and guide Te Rūnanga o Ngāti Awa staff, hapū representatives and kaumatua, Police, or Heritage NZ staff to the site, assisting with any requests that they may make.
- 3.7 If Te Rūnanga o Ngāti Awa staff, Pou Kokiri, hapū representatives, iwi representatives and kaumatua are satisfied that the site, koiwi tangata or taonga tuturu are of significance to them, they will decide how they are to be dealt with and will communicate such decision to the landowner, NZ Police and such other parties as are considered appropriate. Note that the Ngāti Awa Research & Archives Centre at Louvain House, Louvain Street, Whakatāne is a registered collector of artefacts. An alternative destination for artefacts is the Whakatāne Museum.
- 3.8 The landowner shall ensure that Te Rūnanga o Ngāti Awa staff, hapū representatives, iwi representatives and kaumatua are given the opportunity to undertake karakia (prayer) and such other religious or cultural ceremonies and



**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

activities at the site as may be considered appropriate in accordance with tikanga Maori (Maori custom and protocol).

**Advice Notes:**

1. Te Rūnanga o Ngāti Awa requests that copies of this Protocol are appended to all property files and Land Information Memoranda for each parcel of land subject to the proposed activity.
2. Te Rūnanga o Ngāti Awa Ngāti Awa Claims Settlement Act 2005 includes Protocols for Engagement with the Ministry of Heritage and Culture and the Heritage New Zealand for artefacts found on land within the Ngāti Awa rohe will be subject to return to Ngāti Awa who will seek ownership and custodianship of the artefact in perpetuity.

Signed for Te Rūnanga o Ngāti Awa



Dated this 31 day of Oct 2023

**6.2.1 Appendix A - Plan Change 8 – Huna Road, section 32 Evaluation Report(Cont.)**

## Appendix 4 Controlled Activity Status from Whakatāne District Plan 2017

### 3.3.4 Controlled Activities

3.3.4.1 A Controlled activity is an activity that,

- a. is identified as a controlled activity by a rule in the Plan;
- b. is allowed only if a resource consent is granted by the **Council** in respect of that activity;
- c. complies with the standards and rules specified in the Plan for that activity, and
- d. is assessed according to matters the consent authority has reserved control over in the Plan.

3.3.4.2 Conditions may be placed on a resource consent in reference to those matters over which the **Council** has reserved its control.