



SECTION 32 REPORT PROPOSED DISTRICT PLAN CHANGE 51

Section 32 Report

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AMENDMENTS TO FINANCIAL CONTRIBUTION PROVISIONS

1. Introduction

Before a proposed District Plan change is publicly notified the Council is required under section 32 of the Resource Management Act 1991 ('RMA') to carry out an evaluation of the proposed change and prepare a report. As prescribed in section 32 of the Act:

An evaluation must examine:

- (a) the extent to which each objective is the most appropriate way to achieve the purpose of the Act; and*
- (b) whether, having regard to their efficiency and effectiveness, the policies, rules, or other methods are the most appropriate for achieving the objectives.*

An evaluation must also take into account:

- (a) the benefits and costs of policies, rules, or other methods; and*
- (b) the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the policies, rules or other methods.*

Benefits and costs are defined as including benefits and costs of any kind, whether monetary or non-monetary.

A report must be prepared summarising the evaluation and giving reasons for the evaluation. The report must be available for public inspection at the time the proposed change is publicly notified.

The Plan Change seeks to make amendments to the General Provisions chapter, specifically section 3.4 which deals with Financial Contributions and the Permitted Activity sections of the various area chapters, to assist with interpretation and the efficient function of the District Plan.

2. Context

The purpose of the RMA is to promote the sustainable management of natural and physical resources. Sustainable management includes managing the use and development of natural and physical resources to enable people to provide for *their social, economic, and cultural wellbeing and for their health and safety*. The Act also contains an explicit function for Territorial Authorities to maintain and enhance amenity values and the quality of the environment. The District Plan is the primary

vehicle for achieving these purposes. It provides for the management of activities in the Wellington City District through objectives, policies and rules. To continue promoting the sustainable management of resources over time, it is necessary to amend the District Plan and respond to changes in environmental, social, economic, legislative and cultural circumstances. The process which led to the development of this Plan Change was initiated in response amendments to the Local Government Act 2002 ('LGA'), which allows for Councils to impose development contributions to help fund infrastructure as a result of growth

3. Process & Consultation

The establishment of the RMA brought about the introduction of financial contributions which are aimed to promote the sustainable management of natural and physical resources in terms of section 5 of the RMA. However, this resource-based focus has created problems and has restricted local authorities' ability to promote other social, economic and cultural policy objectives.

The limitations of the financial contribution regime was recognised as part of the Local Government reforms. When the Local Government Act was enacted in 2002 it provided Council with the ability to impose development contributions to allow for the recovery of infrastructure and service costs relating to growth. If a local authority elects to use development contributions, it is required to prepare and adopt policy on development contributions as a component of its funding and financial Policies in its Long Term Council Community Plan ("LTCCP"). This Council's Development Contributions Policy was adopted 28 June 2005, with the Policy effective from 1 July 2005.

This new Policy is now seen as the primary funding tool and in response to this, amendments are needed to section 3.4 of the District Plan which deals with Financial Contributions and the Permitted Activity rules of the various area chapters. These changes will assist with interpretation and the efficient function of the District Plan. In addition, the Plan Change will close the opportunity for developers or landowners to circumvent the Policy through the use of Certificates of Compliance.

Specific consultation was undertaken with statutory agencies as required under Clause 3 of Schedule 1 of the Resource Management Act 1991 (RMA). This involved:

- Ministry for the Environment
- Tenth Trust (Te Atiawa)
- Te Runanga O Toa Rangatira Inc
- Greater Wellington (Regional Council)
- The Department of Conservation

4. Appropriateness of Objectives

Section 32 requires the Council to be satisfied that the objectives of the District Plan are the most appropriate means of achieving the purpose of the RMA. Proposed District Plan Change 51 does not change any of the objectives in the District Plan.

5. Appropriateness of Policies, Rules and Other Methods

Section 32 also requires the Council to consider whether the policies, rules and other methods used in the District Plan are the most appropriate methods of achieving the Plan's objectives.

The Table below assesses the efficiency, effectiveness and appropriateness of the proposed plan change. Option 1, retaining the status quo, would not be an appropriate means to achieve the intent of the new Development Contributions Policy. Retaining the status quo will enable landowners and developers to take advantage of the 'loophole' and seek a Certificate of Compliance for a permitted activity, paying a much lower financial contribution under the District Plan rather than paying the correct development contribution in line with the intent of the Development Contribution Policy and the actual effects of the development. The economic cost would be great, with the loss in revenue in turn impacting on social/cultural and environmental outcomes.

Option 2, the Proposed District Plan Change is recommended because it is considered to be the most efficient and effective way to manage monetary contributions, with the best outcome in terms of the costs and benefits at the environmental, social/cultural and economic levels.

Matrix of Options for the Proposed District Plan Change 51

	<p>OPTION 1: Status Quo</p> <p>Maintain existing provision for option of payment of financial contribution on permitted activities</p> <p>This option is NOT RECOMMENDED.</p>	<p>OPTION 2: Amend District Plan as proposed</p> <p>Notify a district plan change to amend existing policies and rules in the General Provisions chapter, section 3.4 and the Permitted Activity rules of the various area chapters</p> <p>This is the RECOMMENDED option.</p>
<p>Costs</p>	<p>Environmental costs – May limit Councils ability to achieve positive environmental outcomes sought via Development Contribution Policy. May limit Councils ability to negotiate positive environmental outcomes in lieu of monetary contributions i.e. green corridors, riparian strips.</p> <p>Economic costs – Council maybe unable to recoup the cost of funding network infrastructure, community infrastructure and reserves as a result of growth related expenditure. Public potentially to pay debt through rates increase</p> <p>Social costs – potential for community to be unsatisfied with planning outcomes and level of infrastructure provided</p>	<p>Environmental costs - unlikely</p> <p>Economic costs – Developers and landowners are faced with potentially weightier contributions which could lead to development delays or last opportunity costs.</p> <p>Social costs – May increase the cost of some developments which are likely to be imposed on consumers.</p>
<p>Benefits</p>	<p>Environmental benefits – no change</p> <p>Economic benefits – Developers can circumvent Development Contribution Policy through the use of a Certificate of Compliance potentially paying less contribution.</p> <p>Social benefits – reduced development costs may translate into lower cost developments and services which could be passed onto consumers</p>	<p>Environmental benefits – Sustainable management of network infrastructure, community infrastructure and reserves in line with Local Government Act 2002 and Resource Management Act. Potential to negotiate positive environmental outcomes in lieu of monetary contributions.</p> <p>Economic benefits – Council is able to gather appropriate revenue levels to help fund capital expenditure as a result of growth. Avoids Council imposing rates serviced debt with the cost of growth spread equitably.</p> <p>Social benefits – Public assurance infrastructure will continue to be provided and maintained. Existing residents are not paying for newcomers facilities.</p>

Efficiency and Effectiveness of achieving Objectives	The intent of the Plan's objectives cannot be efficiently nor effectively achieved	Most efficient and effective in achieving the Plan's objectives and improves the smooth functioning of the District Plan
Most appropriate for achieving Objectives	Not considered appropriate as developers can circumvent Development Contribution Policy through the use of a Certificate of Compliance via District Plan rules	Appropriate, because proposed amendments to the District Plan complement the Development Contributions Policy.

