

Before the Hearing Panel
Appointed by the Timaru District Council

Under The Resource Management Act 1991 (**RMA**)

In the matter of The Proposed Timaru District Plan

Andrew Willis - Hearing G - Interim Reply – Financial Contributions

11 August 2025

Council's Solicitor:

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**anderson
lloyd.**

Introduction

- 1 My name is Andrew Willis. I hold the qualifications and experience set out in my s42A report (paragraph 1.1.1). I confirm that I have read the Code of Conduct for Expert Witnesses, contained in the Environment Court Practice Note 2023, and that I have complied with it when preparing this Interim Reply.
- 2 This Interim Reply responds to Panel Minute 42 which was issued by the Hearings Panel on 18 July 2025 (**Minute 42**). In Minute 42 (paragraph 11) the Panel directed the following:

"For Mr Willis:

(a) Clarify:

- i. With input from Mr Dixon, the basis for applying a 4% financial contribution for open space, what evidence there is to support this, including s32 material that supports the similar provision in other district plans; and*
- ii. Please discuss with Ms Vella how the Newbury principles apply to the framing of the permitted activity rule, now enabled by RMA s77E. Does the Panel have to be satisfied that the requirement for a 4% contribution fairly and reasonably relates to the development enabled by the rule and whether it is reasonable at the time of setting the contribution of 4% as a permitted activity rule? Is there still a step where the Council will need to satisfy itself as to the fairness and reasonableness at the time an applicant seeks to rely on the permitted activity rule, or through a resource consent pathway if an applicant disputes the contribution.*
- iii. What evidence do we have that 4% is fair and reasonable as a starting point for a permitted activity?*
- iv. How would Council practically apply the rule as a permitted activity?"*

- 3 This reply responds to the above direction.

Status of submission points post Hearing G

- 4 As per the interim reply process set out in Minute 14, Paragraphs [5]-[6],¹ I have attached a table titled "Status of issues raised in evidence - post Hearing G – Financial Contributions" at **Appendix A**. The table represents a 'stock take' of the issues identified at paragraphs 3 to 5 of the summary of my section 42A report, dated 4 July 2025. I have not recommended any changes to my s42A recommendations in this Interim Reply.

¹ Minute 19, paragraph 5.

The basis for applying a 4% financial contribution for open space (clause 3.a.i) and is 4% fair and reasonable as a starting point for a permitted activity (clause 3.a.iii)

- 5 In his evidence attached to this report in **Appendix B**, Mr Dixon has clarified the basis for applying a 4% financial contribution for open space, with reference to:
- (a) the Council's Long Term Plan (**LTP**) green space targets to meet growth requirements (paragraph 8); and
 - (b) the land price per m² for new green space (paragraph 9).
- 6 Mr Dixon explains that 325m² of additional green space is required per new additional dwelling, at a land cost of \$70.28m.² This therefore requires \$22,841 for land costs for each new dwelling. Mr Dixon identifies that 4% of the registered valuation of the land value of each new allotment / for each dwelling, based on \$220,000 (excluding GST) per lot, equates to an average of \$8,800. As such, the additional land cost for the required greenspace per dwelling is actually greater than the proposed 4% contribution.
- 7 I note that the above calculated cost is just for the land, and does not include the cost of developing the land into a community facility, such as through the installation of playground equipment, seats, tables, fencing, safety matting footpaths and hardstanding (paragraph 10). The actual cost therefore would be in excess of \$22,841 for each new dwelling.
- 8 Mr Dixon also provides the example of the proposed 7,133m² new park in the Gleniti development area (paragraphs 11 and 12), identifying the land costs (\$700k) and development costs (\$600k), and the resultant cost of \$8,125 for each of the 160 lots in the residential expansion area. Importantly, Mr Dixon notes that this park only partially meets the 52,000m² green space requirements for 160 new lots, with the shortfall of over 44,000m² being partially achieved through stormwater swale areas.
- 9 Mr Dixon, considers that, based on the anticipated costs associated with meeting the LTP targets for green space and playgrounds, a 4% financial contribution is actually insufficient to fund the green space LTP targets for growth, but is fair and reasonable (paragraph 13).
- 10 I consider that Mr Dixon has clarified the basis for the 4% and that this quantum is supported by the figures provided. Mr Dixon's evidence clearly demonstrates that the Operative District Plan's \$500 per lot is insufficient to fund the LTP's green space requirements. Regarding whether 4% is a reasonable starting point for a permitted activity, if the 4% figure was in excess of the actual cost of providing the LTP-required levels of service, then in my opinion this would not be a reasonable starting point. However, in my opinion Mr Dixon's evidence clearly demonstrates that this figure is actually insufficient to cover the full cost of development. As such, I consider it is a very

² Using the accepted stormwater swale land cost valuation used for the Gleniti development area.

conservative starting point as a permitted activity – i.e. to be permitted, developers are only being charged an amount that is less than the full cost of providing the greenspace. However, I accept Mr Dixon's evidence that this amount is fair and reasonable (paragraph 13).

- 11 Whilst I consider that Mr Dixon has provided sufficient justification for the proposed 4% financial contribution, I note that the Panel expressly referred to s32 material that supports the similar provision in other district plans. Accordingly, I sought to review s32 material for the Mackenzie, Ashburton, Waitaki and Waimate district plans, which were identified in Mr Dixon's primary evidence provided with my s42A report. Unfortunately, I was unable to locate online s32 reports for the 2014 Ashburton District Plan, the 2014 Waimate District Plan, the 2010 Waitaki District Plan or the 2004 Mackenzie District Plan. Should the Panel require further research on this matter (in addition to Mr Dixon's evidence), I would need to contact the respective Councils directly to obtain these documents.

Applying the Newbury principles to a permitted activity rule (clause 3.a.ii)

- 12 Ms Vela has responded to this direction in her Memorandum of Counsel for Hearing G (dated 11 August 2025), stating how the Newbury principles apply to the framing of the permitted activity rule (in the section "matters relating to financial contributions" at paragraphs 6 – 12).
- 13 Regarding whether the Panel has to be satisfied that the requirement for a 4% contribution fairly and reasonably relates to the development enabled by the rule and whether it is reasonable at the time of setting the contribution of 4% as a permitted activity rule, in my opinion, the Panel should consider these matters, irrespective of any Newbury requirement as such an assessment is good planning practice and would be considered as part of an efficiency and effectiveness assessment.
- 14 In my opinion, based on Mr Dixon's advice, the required 4% is fair and reasonable. Regarding resource consents, in my opinion the Council can re-consider the fairness and reasonableness of the financial contribution through a resource consent pathway, as I note that FC-O2 requires development to contribute "*fairly and equitably towards the costs of offsetting or compensating adverse effects on the environment that are not practicable to avoid, remedy or mitigate.*" Applying this objective will enable a fairness and reasonableness assessment through a consent process. I also note that a condition on a subsequent resource consent decision needs to be fair and reasonable, in the same way that a condition on a controlled activity consent is.
- 15 However, an additional matter of discretion could be included in FC-R1, FC-R2 and FC-R3 that expressly enables consideration of the extent to which the required financial contribution is fair and reasonable, should the Panel prefer this. Alternatively, or in addition to this, clause 2.5 in Appendix 7 could be modified to include a fair and

reasonableness assessment requirement. I have not shown these changes as, based on the evidence of Mr Dixon, I do not consider these are necessary.

Applying the financial contributions rule as a permitted activity (clause 3.a.iv)

- 16 I note that the Council is entitled to make a rule requiring a financial contribution for a permitted activity (section 77E(1)). I have reviewed other district plans that contain financial contributions rules and note that for the majority, these apply as a condition when a resource consent is triggered. There are however some examples of financial contributions applying as permitted activity standards (e.g. FC-R1 in the Napier City Proposed District Plan), with non-compliance resulting in a restricted discretionary activity.
- 17 In terms of applying the recommended permitted activity rule, I anticipate that a developer would request the Council provide a statement setting out the required financial contributions (via the proposed Financial Contributions Certificate) for their development, and if this amount was paid, then the activity would not trigger a consent under this rule. This would be similar to the proposed Flood Assessment Certificate approach for natural hazards.
- 18 This approach avoids the need for an otherwise permitted activity requiring a controlled activity resource consent (and paying the associated consent fee) simply for financial contributions. In addition, it does not rely on the development triggering another rule in the district plan to apply (as is the case with some other district plans assessed). I also note that an enforcement action process is required for a controlled activity consent where the required financial contribution is not paid, as controlled activity consents cannot be declined. In my opinion, a permitted activity standard defaulting to a restricted discretionary activity is a clearer and more plan-consistent way of managing this issue.

APPENDIX A

Status of issues raised in evidence – Financial Contributions – Hearing G

Notes:

- 1 *Status: The status of the issue reflects my understanding of the status of resolution as between those submitters who pre-circulated evidence for Hearing G. It does not attempt to reflect whether the issue is agreed between submitters who did not pre-circulate evidence for Hearing G.*
- 2 *Status: An asterisk (*) against the status denotes where I have made an assumption based on the amendments I have recommended. However, I am not certain as to that status because the amendments I have recommended are different to that sought by the submitter.*
- 3 *Relevant submitters: Relevant submitters are those who pre-circulated evidence for Hearing G. Other submitters who did not pre-circulate evidence may be interested in the issue (as submitters in their own right, or as further submitters) but they have not been listed here.*
- 4 *Orange shading identifies matters still outstanding. Green shading identifies matters resolved since my s42A summary.*

Issue (raised in evidence)	Relevant provision(s)	Status	Relevant submitter(s) that pre-circulated evidence
The Financial Contributions chapter and App 7 need amending to ensure the purpose for which financial contributions are required is more clearly and comprehensively set out, in accordance with s77E of the Amendment Act.	FC chapter and App 7	Assumed to be resolved	No evidence has been provided on this matter.
The financial contributions should only be for the cost of new or upgraded infrastructure over and above what would have been routine upgrade and replacement work.	App 7 s1.0	Resolved	Rooney Group Limited [191, 249, 250, 251, 252, 174] - evidence of Mr Hole at paragraph 8.
The proposed 4% financial contributions for open space and recreation is a significant increase from the \$500 under the ODP.	App 7 s2.4	Outstanding	Rooney Group Limited [191, 249, 250, 251, 252, 174] - evidence of Mr Hole at paragraphs 17 to 29.

Issue (raised in evidence)	Relevant provision(s)	Status	Relevant submitter(s) that pre-circulated evidence
Approved subdivisions are proposed in the context of the ODP's financial contributions requirements which are now proposed to be amended. Previously calculated financial contributions should be grandfathered.	FC chapter and App 7 s2.0	Assumed to be resolved	No evidence has been provided on this matter.

Appendix B – Supplementary Evidence of Andrew Dixon

BEFORE THE

**TIMARU DISTRICT COUNCIL HEARING
COMMITTEE**

IN THE MATTER

of the Resource Management Act 1991

AND

IN THE MATTER

of the Proposed Timaru District Plan

SUPPLEMENTARY EVIDENCE BY ANDREW MARK DIXON

Introduction

1. My full name is Andrew Mark Dixon, and I am the Group Manager - Infrastructure for the Timaru District Council. I previously provided evidence in respect of the Proposed District Plan dated 3 June 2025. I have the qualifications and experience set out in that evidence.
2. I was unable due to prior commitments to attend Hearing G on 8 July 2025 where the matters raised in my primary evidence were discussed. I understand that at that hearing, questions were raised about the proposed increase in per unit contributions for Open Space and Recreation from \$500 to 4%. Specifically, clarity on the proposed approach to providing open space and recreation services with this funding.
3. I also understand that questions were raised about how the other Councils that I referred to as having similar approaches spent this funding. I am not able to provide this detail; however, it is relevant that benchmarked the proposed 4% is lower than all adjacent Councils.
4. After the hearing, the Panel issued the following direction in Panel Minute 42 (paragraph 11):

"[11] For Mr Willis:

(a) Clarify:

(i) With input from Mr Dixon, the basis for applying a 4% financial contribution for open space, what evidence there is to support this, including s32 material that supports the similar provision in other district plans; and..."

5. This evidence responds to the questions raised at the hearing and subsequent direction in Panel Minute 42.
6. I am authorised by Timaru District Council to provide this evidence.
7. In preparing this statement I have reviewed:
 - a. GIS mapping;
 - b. Future development plans for the Gleniti area;
 - c. The Council's swale stormwater land procurement policy; and
 - d. Recent playground development costings.

Why TDC needs the 4% increase in funding

8. TDC has green space targets in its LTP (see p 61 of the LTP24/34) of 13ha per 1000 residents. This target requires every additional person in the district to be provided with 130m² green space. Council is currently just meeting this target and to continue to do so with growth additional land for green space is required. Adopting an average occupancy per dwelling of approximately 2.5 persons, this equates to 325m² additional green space per new dwelling.
9. Based on a land price of \$70.28 per sqm (using the accepted stormwater swale land cost valuation used for the Gleniti development area), this equates to an additional land cost of \$22,841 per new dwelling, which far exceeds the Operative District Plan's \$500 per new allotment. I understand that 4% of the registered valuation of the land value of each new allotment / for each dwelling based on \$220,000 ex GST per lot equates to an average of \$8,800. As such, the additional land cost for the required greenspace per dwelling is greater than the proposed 4% contribution.
10. This land cost excludes the development of the park area into a community facility such as installation of playground equipment, seats, tables, fencing, safety matting footpaths and hard stands.

Example of Gleniti Development

11. An example is the new park in the Gleniti Development area as per the map below. This highlighted land is for future reserve purposes and Council will be required to fund the development of this land as a neighbourhood park. The area of this land is 7,133m². The reserves contribution will assist in funding this.



12. There is a neighbourhood park planned for this site that will service growth of 160 lots in the residential expansion area. At a cost developing this neighbourhood park estimated to be \$600,000 and the land cost \$700,000 (QV ratable value). The total park development cost is

\$8,125 per additional lot. It should be noted that this park only partially meets the green space requirement that would be 52,000 square metres of land. This is a shortfall of over 44,000sqm that is partially achieved through stormwater swale areas.

Conclusion

13. Based on the anticipated costs associated with meeting the LTP targets for green space, a 4% FC will not fully fund recreational green space LTP targets for the growth that it is applied to, but is considered to be fair and reasonable.

A handwritten signature in black ink, appearing to read 'A. Dixon', with a long horizontal stroke extending to the right.

Andrew Dixon

11 August 2025