SUBMISSION

TO: **Finance and Performance Committee**

Auckland Council

FROM: Andrew Body

Andrew Body Limited

SUBJECT: Submission on the Auckland Council Draft 2021 Contributions Policy

DATE: 13 October 2021

Development Contributions are a sensible economic instrument

1. We support development contributions as a fair and efficient economic instrument for Council's to use to fund growth. Imposing cost, by way of a development contribution, on the party that causes the cost and receives a consequent benefit is more likely to lead to good economic outcomes than an "averaging" approach to cost attribution.

Substantially increased contributions collected

2. Auckland Council's development contributions' collections have increased from $65m in 2013 to $226m in 2021 and Council's latest 10 year budget assumes $2.7bn of development contributions. So Council plans to continue to increase annual development contributions as part of funding its contribution to the region's growth.

Being correct in principle doesn't make Development Contributions correct in practice

3. Councillors are clearly strong supporters of development contributions, as they should be. However in practice implementation is complex. The planning of project costs is notoriously difficult. Certainty of projects proceeding in the budgeted form and cost declines rapidly as the forecast period extends. How the costs are split across developments (causality) is complex and apparently small changes can make big differences. Stakeholders, including Councillors, have little if any visibility over the quality of implementation by Officers.

No external and independent review

4. There has been no external, let alone independent, review of the Officers' work for this policy and it appears that there has never been an external review of their work. Council Officers appear to so far have had only limited interest in maintaining stakeholder confidence in its policy, instead taking more of a rate-setting approach. It is time for an external and ideally independent review overseen by stakeholders as a confidence reset. Schedule 1 contains my suggested outline for an external and independent review.

Council work for the policy is incomplete

5. Officers were made aware of and acknowledged the deficiencies around demand factors in their early 2018 work and they made a promise when the 2019 policy was adopted in late 2018 to do the work for the next policy update. By October 2019 Officers had apparently not undertaken any work on demand factors (refer development contributions policy update meeting in October 2019).

Local Government Act doesn't say policy can be only partly correct

6. The Local Government Act 2002 (Act) is clear on development contributions. Section 197AA of the Local Government Act requires development contributions to be "fair, equitable and proportionate portion of the total cost". It doesn't allow for them to be only partly correct. Given the age of the demand factor work the Council is relying for this policy and Council's own acknowledgement of the need for further work the policy is likely to be incomplete, wrong and illegal.

Kainga Ora has reduced development contributions

7. Kainga Ora says it has a special arrangement with Auckland Council on development contributions (see letter in Schedule 2, my yellow highlights). Council Officers said Kainga Ora paid the same development contributions as other developers in the 20 September 2021 Have Your Say meeting. How can these undisclosed differences in contributions be consistent with the Local Government Act? The arrangement should be made public in order to ensure confidence in the Council's approach.

Monitoring of Development Contributions by the development community should be easy

8. Information on funds raised for particular projects should be transparently and continuously disclosed by Council. Funds raised for projects that do not proceed should be immediately returned to developers, in order to be consistent with the Act.

No encouragement for affordable housing

9. The policy does not mention affordable housing. Council should be delivering encouragement to affordable housing developers in this policy in order to be consistent with the Unitary Plan.

No bargain with the development community

10. Council's inefficiency in consent processing and construction compliance creates significant costs for the development communities. I note by way of example that there are significant delays in the Council's processing of consents and applications for sub-division approvals and code compliance certificates. Ironically Kainga Ora has responded to these problems by employing Council staff to do as much consenting as it can. Council Officers are operating in silo's here and don't see the opportunity for a bargain with the development community. This draft policy should have been accompanied by a mea culpa from the Council to improve its processes and reduce costs to the development community.

Budget pressures are not a justification for bad policy

11. Councillors should resist any budgetary pressure to approve a principled policy that is poorly implemented. Bad policy will be more expensive and more damaging to the Council's budget than taking the time to get this policy right.

Schedule 1 – Outline of external and independent review

Terms of reference

The purpose of the review of the draft contributions policy 2021 is to transparently ensure that the policy:

i. is consistent with the Local Government Act 2002
ii. is based on principles that economically economic sound
iii. incorporates up-to-date research and other information that is robustly assembled and tested
iv. incorporates Council practices that reflect the inherant uncertainty of its forecasting process and
v. ensures stakeholder confidence through accountability of the Council.

Where these purposes are not met by the current draft policy the review will correct the policy and create a new draft policy.

Resourcing

Stakeholders (for example those that made submissions to the Councillors in the 12 October Have Your Say event) will agree with Council on the appointment of a steering group of three people who are independent of the stakeholders including Council.

The steering group will employ consultants as required to underake the detail work under the steering group's guidance.

Council will pay for the associated costs.

Stakeholder input

Stakeholders including the Council will be updated in detail at stages while the review is being undertaken and the steering group will consult transparantly with stakeholders.

Timetable

The review and new draft policy will be completed in April 2022.

The steering group will be appointed in October 2021 and consultants employed in November 2022.

First report back to stakeholders in December 2021 will outline the framwork that the steering group is applying and the work programme.

Schedule 2

Kāinga Ora
Homes and Communities

Waterloo Quay Office
PO Box 2628, Wellington 6140

0800 801 601
www.kaingaora.govt.nz

14 September 2021

Andrew Body
[redacted]

Dear Mr Body

Thank you for your email dated 9 August 2021 to Kāinga Ora – Homes and Communities requesting the following information under the Official Information Act 1982 (the Act):

1) *The amounts paid by Kāinga Ora (previously called Housing New Zealand) to Auckland Council as development contributions, in each of the 2017, 2018, 2019, 2020, 2021 financial years*

2) *Any correspondence Kāinga Ora may have had with Auckland Council since 1 July 2018 in regard to changing Auckland Council's development contributions policy.*

I have discussed your request with the relevant team in Kāinga Ora and can advise you that from the 2016/17 financial year, Kāinga Ora (and its preceding organisations) paid the following amount in Development Contributions (DCs) to the Auckland Council:

2016/17	2017/18	2018/19	2019/20	2020/21
$11,561,558	$14,277,756	$11,678,727	$7,930,258	$4,241,315

It is important to note that due to infrastructure investment undertaken by Kāinga Ora in certain areas of Auckland (such as those with Large Scale Projects), an agreement was reached with Auckland Council that resulted in lower amounts of DCs paid by Kāinga Ora in the 2019/20 and 2020/21 financial years.

Regarding the second part of your request, a search of Kāinga Ora email servers was requested for correspondence mentioning DCs between Auckland Council and Kāinga Ora since 1 July 2018. This search returned 2,376 potential results.

Due to the large amount of time that would be required to assess all of these emails and identify whether or not they discuss changes to Auckland Council's DC policy, I am refusing the second part of your request under section 18(f) of the Act as, *'the information requested cannot be made available without substantial collation or research.'*

I do not consider that the public interest in release of the withheld information outweighs the need to withhold it. You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

Yours sincerely

Rachel Kelly
Manager Government Relations

Auckland Council Draft Contributions Policy 2021 Consultation
Auckland Council
Private Bag 92300
Auckland 1142

15 October 2021

Submission on the Auckland Council Draft Contributions Policy
by the Auckland Community Housing Providers Network

Who We Are and Submission Introduction

The Auckland Community Housing Providers Network (ACHPN) represents 23 Community Housing Providers (CHPs) who own or manage 6000 homes in the Auckland region and deliver affordable housing across a range of tenure options. CHPs are not-for-profit charitable organisations that fund their housing operations from a mix of philanthropic funds, government and council grants, social and commercial debt facilities and the reinvestment of surpluses from their development and operational activities into growing supply.

The uncertainty of the previous 24 months has highlighted the essential role that CHPs have played in the lives of tens of thousands of Aucklanders and there is apetite within the sector to deliver more units and support a greater number of whānau. CHPs are experts in delivering dense affordable developments at scale but this can be difficult when in competition with for-profit developers. Where private developers can recover Development Contribution (DC) costs by conferring them onto future homeowners, the proposed increases cannot be offset by CHPs as rents and house prices are set at what households can afford to pay based on their incomes. Consequently, DCs are a direct imposition cost on the supply of affordable housing. With 8,386 Aucklanders on the Social Housing Register[1] and in excess of 18,000 experiencing homelessness[2], DCs are a disproportionate burden on the CHPs who are best placed to assist Aucklanders into affordable long-term housing options.

This submission will reitarte many of the same points and echo many of the same concerns as were previously expressed in ACHPN's 2018 submission on the Development Contribution Policy. The ACHPN recognises Council's need for Development Contributions and their requirement to pay for growth costs, our concern is that the manner in which they are charged has added unnecessary barriers to the provision of dense and affordable housing developments. The crux of this paper submits that an alternative Community Housing Provider HUE should

[1] Q2 2021 HUD Quarterly Report for Auckland
[2] Amore, K. (2016) Severe housing deprivation in Aotearoa / New Zealand: 2001 – 2013. He Kainga Oranga/Housing & Health Research Programme, University of Otago Wellington.

be established to lessen capital constraints for developing affordable housing options and/or GFA bandings should be ammended to encourage the densitification of all new developments. This submission will examine *why* and *how* such changes should be implemented in Auckland Council's updated Contributions Policy.

Proposed Changes to Council's Draft Contributions Policy
Firstly, ACHPN supports the use of DCs as a fair and effective mechanism for funding growth and imposing the cost of the growth on the organisation or entity that is responsible creating the cost.

We note that Council recognises that recent legislative changes requires Council's DC policy to support the development of Māori land. ACHPN is concerned with the recommendation that Council uses a grant scheme funded from its Cultural Initiatives Fund to fund (in whole or part) the DCs resulting from the development of Māori land.

ACHPN supports the proposed alternative which is to remit DCs resulting from the development of Māori land and use grants from the Cultural Initiatives Fund to assist with the development costs of Māori land

When Developers have to Pay Development Contributions
ACHPN does not agree with the recommendation to amend the DC policy to require payments of DCs at the granting of Building Consent. Paying DCs early is an additional unfunded cost for CHPs which cannot be recovered from its social and affordable housing income

Increasing the magnitude of Development Contributions will require CHPs to take on larger interest-accruing loans for the development of affordable homes. Compared to for-profit developers who can recover their costs + profit upon the imminent sale of the properties, the model of up-front DC payments disproportionately effects the CHPs who retain their properties for a social good.

A deferred or incremental payment of DCs will minimise the capital deficit incurred by CHPs and will reduce additional barriers to development. This is particularly prevalent given the indicated intention to expand DC's to cover 30 years of infrastructure priorities.

ACHPN recommends Council retains its current DC payment policy. Deferring these Contribution payments will significantly assist CHPs to reduce the cost of providing Social and Affordable Housing.

The Contributions Policy Review 2021 signals an intention to consider the cost of Auckland's 30 year infrastructure priorities by area, starting with Drury. The recommendations of this submission similarly emphasizes strategic long-term thinking, especially in the critical matters of affordability and density. ACHPN appreciates the need for long term infrastructure planning as when our members commit to a development, they are also committing to that area for decades. Unlike house-builders who jump from one development to another, CHPs have vested interests in infrastructure effectively contributing to the health and happiness of the community as well as additional costs not being conferred onto ratepayers.

We also recognise that Council has a funding challenge in being able to meet Council's LTP investment plans that will support the delivery of at least 145,800 properties over the next 10 years. We believe our proposed amendments as set out below will not adversely reduce

Council's Development Contribution income as our proposed changes affect how contributions are collected and is not proposing an overall reduction in Development Contributions. ACHPN proposes two practical solutions that will increase the supply of affordable housing by incentivising the supply of affordable housing in-line with its stated AUP objectives.

Option 1: Amending the GFA bands and the units of demand (HUE)
The settings in the draft Development Contributions policy are discordant with the Auckland Plan's stated goals of density and affordability. Section 32(d) of the Draft Contributions Policy has the stated aim of considering how Development Contributions will be charged to achieve the Auckland Plan's aspiration of a "more compact city to make better and more efficient use of infrastructure." However, the GFA banding continues to incentivise developers and house builders to supply properties as large as is feasible under the provisions of the AUP, while penalising the suppliers of small affordable homes. The recommendations of this submission are designed to achieve an affordable, dense, and well-planned city as aligned with the Auckland Plan's aims.

To encourage the supply of new affordable housing in Auckland we suggest the GFA floor bands are amended to encourage the supply of smaller affordable houses and that this is supported by amending the HUE ratios to encourage the supply of smaller affordable housing.

For instance, the Contributions Policy could be amended as follows:

GFA	HUE (non-stormwater)
0 to 85m^2	0.65
86 to 129m^2	0.70
130 to 175m^2	1.00
>176m^2	1.25

We appreciate the calculation of HUEs is more complicated than is set out above and varies depending on the development type. What is being proposed is taking a finer grain approach to calculating HUEs that encourages the supply of smaller affordable units and better reflects the likely infrastructure investment associated with each development. With the magnitude of DCs increasing to include 30 years of infrastructure priorities it is essential that they are charged in a manner which best reflects the likely infrustructure impacts associated with new developments while delivering the goals of Auckland Plan.

Option 2: Establishing a Community Housing Provider HUE
Another and arguably simpler option is for Council to establish a special HUE band for Community Housing Providers who supply, invest and own Social and Affordable housing. The simplest way to do so is to reduce the HUE, for example by 33%, for housing supplied for the purposes of Social and Affordable housing. The table below sets out how this will look for housing supplied as 'Attached dwellings – low rise':

GFA	HUE	HUE for CHPs (0.33 reduction for Social and Affordable Housing)
0-99m^2	0.70	0.47 (0.33 reduction)
100-249m^2	0.90	0.57 (0.33 reduction)
>250^2	1.10	0.77 (0.33 reduction)

Implementation and Precedent
Creating bespoke statutory carve-outs for CHPs is not a new or unique concept in Aotearoa. There are a few examples in national legislation and local council bylaws of carve-outs for

"Registered Community Housing Providers". Registered Community Housing Providers are defined in the Public and Community Housing Management Act 1992 as CHPs that are registered with the Community Housing Regulatory Authority (a part of the Ministry of Housing and Urban Development), the agency charged with overseeing the financial viability and the governance structures of CHPs.

The Income Tax Act 2007 exempts any income derived by Registered Community Housing Providers (with a few other caveats) from tax. In this instance, income is only exempted from tax if 85% of the people benefitting from the Trust's activities have income or assets which do not exceed a preset level. This demonstrates the malleability of carve-outs within national legislation and similar bespoke approaches should be examined by Auckland Council to align CHP-specific HUEs or deferred payment plans with the Auckland Plan's intended outcomes.

In response to growing unaffordability nationally, there is a growing precedent by local authorities to create DC carve-outs for CHPs. Hamilton City Council's Contributions Policy allows, at the Council's discretion, to "grant a remission of up to 100% [of Development Contributions] to social housing developments". Similarly, Manawatū District Council has established a "Social and Affordable Rental Housing Residential Unit Rebate Sheme Criteria" for Registered CHPs to receive a rebate of up to 50% of their DCs on selected developments. If Auckland Council chose to follow the example of these local authorities it would formalize and establish public criteria for the provision of discretionary grants which are currently being administered by Auckland Council in an ad hoc, informal, and inequitable manner. Alternatively, Registered CHPs could have specific HUE or deferred payment schedules within the Auckland Council's DC policy akin to those utilized for rebates and grants by Hamilton CC and Manawatū DC.

Conclusion

The ACHPN thanks the Auckland Council for the opportunity to submit on the Auckland Council Development Contributions Policy Review for 2021. We strongly recommend Council adopts our proposed amendments as they will benefit Auckland and will be a powerful tool for addressing housing affordability in Auckland while not reducing the capital requirements to support Auckland's growth.

ACHPN reserves the right to speak at any future consultation opportunities pertaining to Auckland Council's Development Contributions Policy. We are also willing to meet to discuss in more detail our proposed amendments if you so require. If you do require any further information, please do not hesitate to contact myself.

On behalf of ACHPN,

Gabby Clezy

Chair of Auckland Community Housing Providers' Network

[redacted]

AK HAVE YOUR SAY

Auckland Council
Te Kaunihera o Tāmaki Makaurau

Contributions Policy 2021

Feedback must be received by **17 October 2021**

Development contributions are charged to people responsible for new developments to ensure that an appropriate share of our investment in infrastructure is recovered from those who either create the need for the infrastructure or benefit from our investment.

We charge development contributions where the new development requires us to provide new or upgraded infrastructure for:

- transport, footpaths, roads and intersections
- drainage systems and stormwater mitigation
- parks, park facilities, sports grounds and community facilities.

The infrastructure required to support Auckland's growth includes infrastructure to allow houses to be built now, through to the regional investments necessary to support communities in a growing city.

Our Contributions Policy sets out the costs to be recovered and how these are charged in different parts of the region. This is regularly updated for new information, including projected growth, planned investment, or policy decisions made.

The current Contributions Policy took effect in January 2019. We want your feedback on a new Contributions Policy, to take effect from January 2022.

We encourage you to give feedback online at akhaveyoursay.nz, or you can complete this form and:

Scan and Email your completed form to contributions.policyteam@aucklandcouncil.govt.nz

If COVID-19 alert levels permit, you can drop off your completed form off at your local library, service centre or local board office.

Post your completed form to this freepost address:
Auckland Council
Contributions Policy Team
Freepost Number 190197
Private Bag 92300
Victoria Street West
Auckland 1142

Your details

Your name and feedback will be included in public documents. All other personal details will be kept private.

First name: [redacted]

Email addres

Your local b

Is your feedback on behalf of an organisation or business? (If yes, this confirms you have authority to submit on the organisation's behalf)

☑ Yes ☐ No Name of organisation/business: Bellfield Estate Ltd
Papatura Developments Ltd
Bellfield Retail Ltd
GYP Properties Ltd.

Important privacy information

The personal information that you provide in this form will be held and protected by Auckland Council in accordance with our privacy policy (available at **aucklandcouncil.govt.nz/privacy** and at our libraries and service centres) and with the Privacy Act 1993. The privacy policy explains how we can use and share your personal information in relation to any interaction you have with the council, and how you can access and correct that information. You should familiarise yourself with this policy before submitting this form.

Your feedback (all questions are optional)

1. Updating capital projects in the 10-year Budget

In June 2021 Auckland Council adopted its Recovery Budget (10-Year Budget 2021-2031), which included a 10-year capital programme and 30-year Infrastructure Strategy.

We are proposing to update the Contributions Policy to reflect the latest cost projections and timing of the 10-year capital programme in the 10-year Budget. We are also updating our projections of population and development, both by area and over time, to align with those projections in our 10-year Budget.

The proposed updates will have different impacts on the amount of contributions required in different areas, depending on what investment is planned and the projected growth over time in each area.

More information on this proposal can be found on page 11 of the consultation document.

What do you think about this proposal?

- ☐ Agree
- ☑ Disagree
- ☐ Other
- ☐ I don't know

Tell us why

Refer to attached submissions.

2. Including capital projects beyond 10 years

Auckland is growing rapidly, and major infrastructure investment is required. The 10-year Budget commits significant investment to support growth in identified investment priority areas. However, this is not enough to address the cumulative impact of growth over the 30-year term of our Infrastructure Strategy.

Additional infrastructure will be required to cope with the expected growth. All development over the next 30 years will benefit from this.

We propose to include the additional investment from 2032 onwards, that we intend to deliver in order to cope with the expected growth, in our Contributions Policy. We plan to amend the Contributions Policy in stages for each investment priority area as information becomes available, starting with Drury.

The proposed change in Drury will raise the development contribution price from between $11,000 and $18.300, to $84,900 for development in the area.

This reflects the infrastructure investments required to develop a new community the size of Napier, that is accessible and sustainable. The options for funding this infrastructure are from taxpayers, ratepayers or developers. We think it is fair that developers in the area pay an appropriate share of the costs of this investment. This won't affect house prices as they are determined by supply and demand.

More information on this proposal can be found on page 11 of the consultation document and Attachment D.

What do you think about our proposal to add projects beyond 10-years to the policy in stages starting with Drury?

- [ ] Agree with the proposal and starting with Drury
- [ ] Agree with the proposal but not starting with Drury
- [x] Disagree
- [ ] Other
- [ ] I don't know

Tell us why

Refer to submissions attached.

3. Payment timing change

Under the 2019 policy, the timing of contribution payments due at building consent on residential development was extended to between 6 and 24 months after consent is granted.

Since then, our finances have been affected by COVID-19 and our ability to fund infrastructure for growth is now more constrained.

In light of this, we propose that contributions are paid at the time building consent is granted for all development (residential and non-residential), except non-commercial development on Māori land. Therefore, developers will have to pay development contributions due at building consent 6 to 24 months earlier than at present.

Earlier receipt of payment will allow us to bring forward some of our planned investment.

More information on this proposal can be found on page 15 of the consultation document and Attachment F.

What do you think about requiring developers to pay their contributions when building consents are granted?

- [ ] Agree
- [x] Disagree
- [ ] Other
- [ ] I don't know

Tell us why

Refer submissions.
Payments of this nature are difficult to fund. Any further impacts on funding projects will result in projects not proceeding or at best significant cost added resulting in section prices increasing and affordability made worse.

4. Supporting development of Maori land

A change in legislation requires our Contributions Policy 2021, along with some of our other financial policies, to support the principles of Te Ture Whenua Maori Act 1993, including to facilitate development and utilisation of Māori land.

We are proposing to continue supporting the development of marae, papakāinga and Māori housing on Māori land with grants available through the Cultural Initiatives Fund.

Currently, there is not enough money in this fund to meet all requests. As such, we plan to review the level of funding as part of the Annual Budget 2022/2023, along with which types of Māori land should be eligible for a grant.

Additionally, we propose to exempt not-for-profit development on Māori land from reserve contributions.

The earlier payment timing proposed above would not apply to non-commercial development on Māori land.

More information on this proposal can be found on page 15 of the consultation document and Attachment G.

What do you think about our proposal to support Māori development with grants?

- ☐ Agree
- ☐ Disagree
- ☒ Other
- ☐ I don't know

Tell us why

Selective contributions responsibility does not make sense. Although supporting Development of Maori land should be encouraged via exemption from Reserve Contributions and early payment requirements is not fair, reasonable or supportable. There are other mechanisms to offer support other than to create disparities between development groups.

5. Other proposed changes

We are proposing some other minor changes to funding areas:

- Transport – three additional funding areas

  This allocates the cost of transport infrastructure to the investment priority areas in Drury and the Auckland Housing Programme areas.
- Stormwater – one new and four amended funding areas

  This provides close alignment with planned investment in stormwater within the Central and Takanini areas.

We also propose that the new policy include a clause confirming our ability to recover debt collection costs for outstanding development contribution payments. The current policy does not specify this.

Proposed funding area maps have been published with this consultation document.

What do you think of the proposed changes (please be clear which proposal you are talking about)?

Refer to our formal submissions attached.

6. Do you have any other feedback on the draft Contribution Policy 2021?

Refer formal submissions attached.

Also the extent, time and formal process in developing, considering, consultation of the proposed policy is insufficient.

Council officers who proposed the plan changes should actually meet key developers to understand the process, time, costs, frustration at the woeful process administered by Auckland Council and the impacts this has on prices and timing.

Need more room? You can attach extra pages, but please make sure you include your name and contact information on each page.

Tell us some more about you

These questions are optional but will help us understand which groups of the community are engaging with us.

What gender are you?

☐ Female ☑ Male ☐ Another gender (please specify): _____

What age group do you belong to?

☐ Under 15 ☐ 15-17 ☐ 18-24 ☐ 25-34 ☐ 35-44

☐ 45-54 ☑ 55-64 ☐ 65-74 ☐ 75+

Which ethnic group(s) do you feel you belong to? (Please select as many as apply)

☑ Pākehā/NZ European ☐ Māori ☐ Cook Islands Māori

☐ Samoan ☐ Tongan ☐ Indian

☐ Chinese ☐ Southeast Asian ☐ Korean

☐ Other (please specify): _____

Would you like to subscribe to any of the following (tick all that apply):

☐ People's Panel – to take part in council surveys

☐ Our Auckland – your weekly guide to what's happening in Auckland

☐ Auckland Conversations - free public events, offering ideas, inspiration and action for world-class cities

You can also visit AK Have Your Say at akhaveyoursay.nz to find out about, or register to receive regular updates on, consultation activities happening across Auckland.

BAL MATHESON
BARRISTER
LLB (Hons) BA (Hons)

14 October 2021

Development Contributions submissions
Contributions.PolicyTeam@aucklandcouncil.govt.nz
AUCKLAND

By email

SUBMISSION ON DEVELOPMENT CONTRIBUTIONS POLICY – BELLFIELD ESTATE

Background

1. This submission is filed on behalf of Bellfield Estate and Papakura Developments Ltd (collectively, **Bellfield**) and is in respect of the Bellfield Estate, Opaheke Road, Papakura (**Bellfield Estate**).

2. Bellfield Estate is a large, master planned, residential development that was initially approved under the previous residential fast track process, the SHA process, and was subsequently included in the Auckland Unitary Plan as the Opāheke 1 Precinct (I454). The development occupied the land previously used for the Papakura Golf Course and the Papakura Pony Club.

3. As part of its development, the original developer entered into a development agreement with Auckland Council (**Development Agreement**). That agreement required the developer to undertake about $5m of enabling works on the site (including bulk earthworks necessary to address stormwater issues), the establishment of a large park, and it also required the vesting of land for esplanade reserves.

4. The Bellfield Estate development will comprise 5 stages. The status of the stages, and approximate numbers of dwellings proposed under each stage, is set out below:

    a. **Stage 1**: subdivision applications have been lodged and granted. All 99 Lots in Stage 1 have been sold.

    b. **Stage 2**: subdivision applications have been lodged but not yet granted. All but 1 of the 91 lots in Stage 2 have been sold.

    c. **Stage 3**: Subdivision plan prepared, with the application to be made in the next two weeks. All 118 Lots in stage 3 have already been sold.

    d. **Stage 4**: Preliminary subdivision plans complete.

    e. **Stage 5**: Preliminary subdivision plans complete.

5. The impact of the proposed Development Contributions Policy 2021 (**Proposed DC Policy**) would result in the average development contribution for each lot rising from $18,346 plus GST to $84,912 plus GST - an increase of $66,566. If this additional cost is imposed, completion of future stages will be unviable without a significant increase in section prices. As an example on Stage 3 of Bellfield Estate, this would be an increase of $7,854,788; this is just *one stage* of the development.

6. Bellfield Estate and the Opāheke 1 Precinct Plan was subject to extensive consultation. The Masterplan, which was approved as a variation to the then Proposed Unitary Plan, allows limited opportunity to be able to mitigate in any way the significant increase in development contributions.

7. The decisions made in respect to the Opāheke 1 Precinct and the Bellfield Estate development, and the obligations placed on the developer, were made on the basis of the infrastructure available at the time and on the reasonable development contribution policies then in effect.

8. The establishment of Opāheke 1 Precinct was considered appropriate because there was sufficient infrastructure to service the proposed urban form resulting. I454.1 Precinct description reads:

> The Opaheke 1 precinct comprises some 27 hectares of land between Bellfield Road and Opaheke Park, approximately 1.5km south of the Papakura Metropolitan Centre.
>
> The purpose of the precinct is to provide for comprehensive and integrated development of the site, making efficient use of land resources and infrastructure, and increasing the supply of housing in the Papakura area. Development within the precinct is envisaged to provide approximately 500 new dwellings comprising a mixture of attached and detached typologies.
>
> The development of the precinct will be integrated with Opaheke Park through the alignment of proposed roads, pedestrian linkages, and the enhancement of specified green corridors.

9. The Opāheke Precinct provisions impose significant obligations in respect to reserve areas but also the provision of Affordable Housing Lots within the proposed development. The proposed increase in development contributions will make it impossible for Bellfield Estate to comply with these requirements of the Opāheke 1 Precinct.

Reasons for submission

10. Bellfield's concerns about the Proposed DC Policy include:

    a. The nature of the proposed works to be funded as part of the Drury- Opāheke funding area, and the lack of any benefit accruing to the Opāheke 1 Precinct.

    b. The need for an appropriate (and a very transparent) transitional policy in terms of when any new development contribution policy would take effect, particularly for staged developments and particularly for those that are the subject of an existing development agreement with Auckland Council.

    c. The quantum of the proposed increase, and the lack of any staged programme of increases.

    d. The financial impacts on approved Masterplanned Precincts has not been fully considered and allowed for.

e. A significant number of the works projects outlined as requiring funding extend well beyond the next 10 years and projects that are already proposed should not be supporting these works that have not got any sort of approval.

Preferred Relief

11. Bellfield's preferred relief is to exclude the Opāheke 1 Precinct from the development contribution regime proposed for the wider Drury-Opaheke area/Southern Growth area. The extent of works proposed to be funded by Council in this wider area are extensive, incredibly capital intensive, are not required for the development of Bellfield Estate and will not provide any meaningful benefit to the Opāheke 1 Precinct and ultimately are not necessary to enable the development within that precinct.

12. If that relief is not granted, then Bellfield seeks the relief below.

Transitional Policy

13. Bellfield Estate requests that clause 2 "Applicable policy", and clauses 38 and 39 "Staged subdivision development" be retained with the amendments described below:

2 Applicable policy

13. This policy applies to applications lodged on or after 10 January 2022
14. Development contribution per unit of demand prices will apply to applications based on applicable lodgement dates (as per Attachment D).
15. Subject to clause 16, where a development has multiple applications lodged during the currency of different policies, the policy in force at the time each application was lodged will apply to that application.
16. If different policies apply at the time of lodgement of applications for resource consent and for building consent in relation to the same stage of development, the developer may choose which policy they wish the charge to be calculated under.

Staged subdivision development

38. Where a staged subdivision development is undertaken under a single consent, the contribution calculated will be based on the contribution amounts applying on the date of consent lodgement and will continue to apply to each stage of the development.
39. Where a staged development is undertaken under multiple consents, each consent shall be subject to the policy applying at the time each separate consent is lodged.

14. Central and local government policy strongly encourages the provision of residential dwellings within Auckland, particularly at the affordable end of the scale. Bellfield Estate meets an urgent need in this regard, but Bellfield Estate is simply not in a position to approach any purchasers and request that they pay "an additional $60,000+" on top of their original contracted price.

15. It is essential that any development contribution policy should be tagged to the time at which an application is *lodged* rather than when it is *granted*. While the current wording of the policy seems clear that it is the former, Bellfield Estate requests that any Council decision on submissions and final wording of any new development contributions policy reinforce this.

16. The amendments sought by Bellfield reflect the position of many developers who undertake staged developments in the current financial environment. Finance providers are requiring that lots are presold prior to commencing each stage, and this can also delay the lodgement of subdivision applications for each stage. It would unfairly prejudice developers who choose

(or are forced to) apply for subdivision in stages if they are forced to pay subsequent higher development contribution policies (clause 39), as opposed to a developer who applies for one single subdivision consent who only has to pay the (presumably lower) development contribution that applied at the time that subdivision consent application was lodged.

17. There is also considerable benefit in developers entering into development agreements with Auckland Council, thereby clearly recording the respective infrastructure contributions to be made by each party. In circumstances where there is a development agreement in place, it is appropriate that the development contribution policies that apply to development under that agreement are also tied to the date of execution of the development agreement. In that way, the overall relativity and fairness of the development agreement can be retained.

18. The proposed amendments sought are as follows (or words to like effect):

> Staged subdivision development
>
> 38. Where a staged subdivision consent is undertaken under a single consent, the contribution calculated will be based on the contribution amounts applying on the date of consent lodgement will continue to apply to each stage of the development.
>
> 39. Where a staged development is undertaken under multiple consents, each consent shall be subject to the policy at the time each separate consent is lodged.
>
> 39A. Notwithstanding clauses 38 or 39, if a subdivision development is undertaken pursuant to a development agreement with Auckland Council then the development contribution policy that applies to that entire development shall be that which applied at the date the development agreement was executed.

Nature of Proposed Works to be funded by the increased development contributions

19. Bellfield does not agree that the proposed works will benefit the Bellfield Estate land, and therefore does not agree that the increased funding costs should apply to it (see preferred relief above). While the Development Agreement acknowledged that the developer would still be required to pay the necessary development contributions, the works undertaken by the developer under that agreement addressed many of the effects for which the additional costs are now being levied.

20. In terms of the required infrastructure, as noted earlier, the inclusion of the Opāheke 1 Precinct into the Unitary Plan relied on existing infrastructure and the obligations contained in the approval and Development Agreement. In other words, the infrastructure obligations for Opāheke 1 Precinct have already been assessed and can be provided within the scope of the funding and works provided by the Development Agreement, and by the level of development contributions applicable at the time the Development Agreement was entered into.

Quantum of the proposed increase and lack of transitional increase

21. Without prejudice to the amendments described earlier, as a matter of fairness, if such a large increase is proposed to be levied on developers (and ultimately borne by the homeowner) then it is appropriate that those increases be signalled now but staged over the next 5-10 years.

22. This would allow developers to plan ahead and to know what the likely development contributions costs will be when first identifying land for development and undertaking their initial feasibility studies. It will also assist those parties who are negotiating for land purchases. It would further allow those Developments that are underway, committed and

substantially approved to deal with their developments with some level of increase but not with the significant and likely financially fatal proposed increase in 1 year of $66,000.

23. A significant increase at the level proposed cannot be absorbed or passed on in 1st year. The comments made by representatives of Council in this respect are naive and without any commercial basis.

24. Bellfield's submission is that a 10 year levy increase schedule be prepared showing a fixed increase in development contributions on an annual basis with the 10th year equating to the proposed per lot contribution at year 10, being $84,000 plus GST. This will also have the benefit of encouraging developers to lodge subdivision consent applications and commence their developments so as to take advantage of these lower development contributions. Undertaking these developments and releasing much needed residential dwellings into the Auckland is far preferable to developers simply "land banking"

25. If there is any further opportunity to do so, Bellfield wishes to be heard in respect of its submission.

Yours faithfully

Bal Matheson

FEEDBACK ON AUCKLAND COUNCIL'S DRAFT DEVELOPMENT CONTRIBUTIONS POLICY 2021

To: Auckland Council
Private Bag 92300, Auckland 1142

Submission on: Draft Development Contributions Policy 2021

Name: Cabra Developments Limited

1. Introduction

1.1. Cabra Developments Limited (**Cabra**) is a land development company established in 1987 specialising in greenfield subdivision and residential development within the western and northern parts of the Auckland region. Cabra is committed to contributing to the response to critical housing demand through provision of additional serviced lots for residential development to the private market, thus facilitating housing supply and enabling growth within Auckland.

1.2. Cabra has successfully undertaken the subdivision of several large land parcels in the region (including in Huapai, Riverhead, Orewa, Greenhithe, Papakura, Snells Beach and Whangaparaoa) and has a proven track record in the delivery of quality residential outcomes. Cabra is familiar with the opportunities that well-developed planning provisions can make to achieving good quality outcomes. Further, these provisions need to focus on both efficiency and affordability, in turn enabling the intensification and form of development intended by the Unitary Plan in a timely manner.

1.3. Cabra also has numerous landholdings in Whenuapai, within the extent of Plan Change 5 to the Auckland Unitary Plan.

2. Background

Plan Change 5 Whenuapai

2.1. Plan Change 5 is a Council-led plan change to 'live zone' Future Urban Zone land surrounding the Whenuapai NZDF Airbase. The plan change was publicly notified in September 2017 and has been on hold since the hearings were held in May 2018. One of the reasons for the on-going delays is uncertainty of funding for the construction of arterial roads. This funding remains uncertain.

2.2. Auckland Council chose not to submit an application prepared for funding via the Infrastructure Acceleration Fund in mid-2021.

3. Auckland Council Draft Development Contributions Policy 2021

Whenuapai

3.1. In principle, Cabra supports the proposed reduction in development contributions on an Auckland-wide basis (except Drury), however given the lack of allocated funding for necessary infrastructure upgrades within Whenuapai to enable PC5 to progress, suggests that rather, development contributions should remain the same, or be increased, to make up the funding deficit. Cabra have long supported the use of development contributions in Whenuapai to enable live-zoning in the area.

Transport funding

3.2. The Local Transport contribution for Auckland's north west refers to a Housing Infrastructure Fund (**HIF**). The contribution applies to Whenuapai but excludes the Clarks / Sinton peninsula, being the location of some of Cabra's landholdings.

3.3. This indicates Council is seeking to recoup funds to repay a HIF loan, however Auckland Council's Plans and Places team have advised that application to central government for a HIF has not been sought in Whenuapai. The allocation of funding for this purpose is therefore unclear.

Funding north west Auckland

3.4. Cabra supports the following allocation of funding, however none of which appears to be specifically allocated to Whenuapai, despite charging development contributes from this suburb:

- $142m on 'greenfield transport infrastructure – north west' of which $50m is to be funded by development contributions (and $91m funded by other sources) for 'projects to support high priority greenfield growth areas, including new Redhills connections with appropriate public transport and active mode provision'. However, the nature and scope of the funding beyond Redhills (specifically to Whenuapai) is unclear and therefore further certainty is requested in this regard.
- $73m of development contributions will be allocated to funding 'local road upgrades supporting growth and facilitating better active and public transport in the north west growth area… including better public transport and active modes provision to the Metropolitan Centre (Westgate) from the growth areas'. $111m of funding is to come from other sources to deliver this. We request further information as to what this includes.

4. Alternative funding sources

4.1. Additional funding from alternative sources is required to fund growth areas.

4.2. Council's consultation documents state *"The 10-year budget includes $9.3 billion of projects with a growth component. To manage constraints on Council's revenue and*

ability to borrow, investment to support growth is focused on the joint investment priority areas with the government:

- *Auckland Housing Programme (Mangere, Mt Roskill, Oranga, Northcote, Tāmaki)*
- *Drury and the North-West (Red Hills, Westgate and Whenuapai)*
- *CRL stations at Karangahape Rd and Mt Eden."*

4.3. The consultation document goes on to state:

"We recognise that even with this approach, we are well short of being able to deliver on all the investment needed in many of the investment priority areas and in the wider city in the next ten years. The council is working with central government on alternative sources of finance for the capital investment required, such as the use of mechanisms in the Infrastructure Funding and Financing Act 2020 (IFF Act). The council will have greater capacity to invest in growth infrastructure in the decade beyond the horizon of the 10-year budget. Adding investments planned from 2032 onwards to the Contributions Policy 2021 so they can be funded by development contributions will also help address the financing issue, albeit in the future."

4.4. Further information is requested as to what and when additional funding will be sought for Whenuapai, including examples of Auckland Council working with central government on alternative funding sources.

4.5. As stated above, Auckland Council recently chose not to pursue an application for funding from the Infrastructure Acceleration Fund, one such example of a central government funding stream that could deliver necessary infrastructure within Whenuapai, contrary to the above statement.

4.6. In the absence of genuine progress to secure alternative funding sources, development contributions could be increased to contribute to this deficit, as discussed above.

5. Other matters

5.1. Cabra supports the allocation of $5.67m of development contributions for the Huapai Station Road realignment and signalisation of the intersection on SH16.

6. Key concerns

6.1. Cabra is concerned with the consequences of under-funding within Whenuapai as a result of reducing development contributions, and with the limited allocation of contributions within Whenuapai. Plan Change 5 specifically sets out the arterial road requirements to service the anticipated level of growth in Whenuapai. Failing to charge and allocate sufficient contributions to the necessary roading projects will further stymie the plan change and delay the market's delivery of houses.

6.2. Cabra seeks clarification of the HIF and the alternative funding sources that are to be pursued by Auckland Council.

6.3. Finally, Cabra seeks confirmation as to the intended allocation of the $142m for greenfield transport infrastructure in north west Auckland.

CABRA DEVELOPMENTS LIMITED

Signature	**Cabra Developments Limited**
	Attention: Duncan Unsworth (General Manager)
Address for Service	Forme Planning Limited
	[redacted]
Telephone:	[redacted]
Email:	[redacted]

Submission on Auckland Council's Contributions Policy 2021

Submitter: Civic Trust Auckland
Contact name: [redacted]
Phone [redacted]
Email: [redacted]
Postal address: [redacted]

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1. Civic Trust Auckland (CTA) is a non-profit public interest group formed in 1968 with activities and interests throughout the greater Auckland region. It is a regular submitter on matters of interest to its members, both at a local government level and also on national matters where they may affect the Auckland region. The aims of the Trust include the:
   - protection of natural landforms
   - preservation of heritage in all its aspects
   - encouragement of good planning for the city and region.

2. We note that development contributions are payable at the time of granting of consent to develop land, and that contributions are to recover from those persons undertaking development a fair, equitable, and proportionate share of the capital costs expended on that land's development over time. We note Council points out in its preamble to this consultation that evidence shows increased contributions fees do not cause house prices to rise over time, but are instead reflected in the price developers are prepared to pay for land. We make the point that notwithstanding this, the price paid for land development is ultimately reflected in the price borne by the market.

3. CTA support Council retaining the option of using and investigating other funding sources, and suggests that Council's development contributions policies should make provision in certain circumstances for the levy of contributions to be recorded as a charge against the title of the land, and be recovered either over time or upon sale of the land.

4. We note that Council proposes exempting 'not-for-profit' development on Māori land from reserve contributions. We support this in principle but make the point that exempting 'not-for-profit' Māori land from reserve contributions does not preclude Council also extending such benefits to non-Maori land. In terms of social equity therefore, this exemption should either be extended either to all not-for-profit development, or to no 'not-for-profit' development. When and if such land is subsequent sold, the recovery of public expenditure for the benefit of that land can then be recovered equitably.

5. CTA notes that ‘Development’ as defined in section 197 of the LGA 2002 includes any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure. We note in Auckland Council’s Emergency Budget 2020/2021, the provision for significant disposals of Council-owned property, including, of particular interest to CTA, the disposal of reserve land. We note the likely prospect of a deficit of open-space provision as Auckland continues to grow, and we therefore urge Council to make adequate provision, in part through targeted development contributions for the ongoing purchase of reserve land.

6. Besides the need for open s[pace, CTA consider that the retention of historic heritage (as defined in the RMA 1991) is a collective benefit the cost of which is currently borne solely by private owners, and we consider that development contributions policy should make provision for the collection of contributions towards the retention of historic heritage within the locality of any qualifying development.

Date of submission: 17 October, 2021

Signature:

Audrey van Ryn
Secretary, Civic Trust Auckland

15 October 2021

Finance Performance Committee
Auckland Council
135 Albert Street
Auckland City
1010

RE: Development Contributions Policy 2021 Consultation

To Whom it may concern,

We are writing in regard to the Draft Contributions Policy 2021 to share our views and concerns. As New Zealand's largest Apartment Developer established in 1994, we have had extensive dealings with Auckland Council and have paid millions of dollars' worth of Development Contributions over our tenure.

We have also been heavily involved in all iterations of the Development Contributions Policy over the last 15 years.

We currently have 6 live projects in various stages of construction / marketing, with a total of 660 residential and industrial units.

We support the overall objective of the amendments, and the Councils' investment in long-term infrastructure to encourage growth.

However, there are a few changes that will have a fundamental impact on large residential development which are **unworkable** in their current form. This will create more barriers and will likely result in a significant downturn in residential development, decreasing new stock, and therefore further straining the housing market by pushing prices up.

We have outlined our areas of concern below, and welcome working with Council to achieve our shared objective: creating efficient and thriving communities for New Zealanders.

1. **Timing of payment.**

Currently, for our average residential development, we pay approximate $1.5m - $2m in Development Contributions. We pay this upon issuance of 224(c) as this typically this is our first trigger point, and is usually 3 months prior to CCC.

This is well before we receive any settlement monies, and we factor this into our funding requirements & cashflow.

Similar to other developers, we run a risk averse timeline in this order:

- Acquire the development land / buildings
- Design, Market & pre-sell the development
- Acquire Resource Consent
- Acquire Building Consent
- Obtain bank finance
- Settle the development loan & commence demo / construction

The above sequence of events is a result of many years' experience and is the most efficient and risk-averse way we conduct development. Requiring payment before issuance of Building Consent is not workable as developers need the funding facilities to pay the DC's, while funders will not approve loans without Building Consents being uplifted.

2. Certainty

In order to obtain funding, we require precise budgets and cashflow with a large degree of certainty.

Developers need to be able to 'lock in' their Development Contributions prior to commencement of a project. We have spent many years consulting with Council on this point. In the past, we have had deferral agreements to deal with this issue.

The most concerning issue for developers is that we cannot obtain funding unless a Resource Consent and Building Consent are in place. Once these are secured, then we approach financiers to commence development loans. Developers can simply not be expected to fund Development Contributions at that early stage of the project, and before any funding is approved. Please see accompanying letters from Bank of New Zealand, and Reesby & Company that concur with our assessment of the proposal.

3. Proposed amendments

We understand the council's need to front-foot infrastructure over the next 10 years, and therefore the desire to acquire capital sooner.

However, there also needs to be consideration for the logistical realities of off the plan development.

Options for Payment Timing

14. The council has three options for payment timing:

a) retain the status quo with amendments to address technical issues with payment timing for attached dwellings, see below

b) amend the status quo for residential building consents currently charged at code compliance certificate to only apply to developments of five or more attached dwellings

c) change payment timing for development contributions due at grant of building consent
   i. reverse the decisions made as part of the Contributions Policy 2019 and bring forward the payment of development contributions on residential building consent to the grant of building consent
   ii. bring forward payment of development contributions on non-residential building consents to the grant of building consent

d) in addition to c) above bring forward the payment of development contributions triggered at resource consent for subdivision from the time a section 224(c) certificate is applied for to the grant of resource consent.

Option C above would only deter large residential developments, and we therefore recommend the inverse of the proposal.

i.e. Residential developments of fewer than 5 dwellings to be payable after the issue of a Building Consent. Residential developments of 5 or *more* dwellings (treated as non-residential) should be due upon the issue of 224(c) certificate; or CCC – whichever is the earlier. This would mean no change from the 2019 DC policy.

Alternatively, to give Council more certainty, and possibly create a tool to borrow against, deferral payment structures or bank bonds may be implemented (as have been used in the past), and the DC would become payable at the uplift of the CCC.

The below excerpts from the Finance and Performance Committee Open Agenda, seems only to focus on the Council's position as a result of COVID-19, but Developers' have suffered the same economic affects.

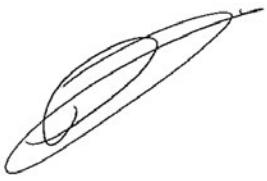
> *"The 2019 policy extended payment timing for residential development to better align with when cash was received from the sale of dwellings. Since then, the council's finances have been impacted by COVID-19 impacting our ability to fund growth infrastructure."*

It seems very unfair to simply blame COVID as if Council are the only party who have suffered losses because of the pandemic. COVID hardship should be shared, yet this new policy citing COVID as a catalyst for policy change is very Council-centric.

In summary, we look forward to working alongside Council so that we can achieve our shared objectives and create a workable system to maximise the production of quality housing.

Should you have any queries, or would like to discuss further, please do not hesitate to contact us on either of the emails below, or [redacted]

Kind regards,



Jamie Hutchens
Director
[redacted]

Ben Dearlove
Director
[redacted]

14th September 2021

Finance Performance
Committee
Auckland Council
135 Albert Street
Auckland City
1010

RE: Development Contributions Policy 2021 Consultation

To Whom It may concern,

We are writing in regard to the Draft Contributions Policy 2021 to share our views on the timing of payment for Development Contributions in support of our client Conrad Properties' submission.
We commend the work that Auckland Council does and understand the important part that Development Contributions have in enabling the Auckland Council to invest in vital infrastructure needed to support the ongoing growth in our community.
However, we are concerned that the proposed amendment to require payment of Development Contributions on uplift of Building Consent, as opposed to on uplift of titles at the end of a development, may have an unintended consequence of inhibiting the ability of some developers to proceed with a transaction due availability of funding. This may in turn adversely impact the vital supply of new builds to the Auckland region.
We work with a number of large property developers, including Conrad Properties, and for the most part development transactions are structured in a similar manner as outlined below;.

1. Acquire the development land / buildings on a conditional or unconditional basis
2. Design, Market & pre-sell the development
3. Acquire Resource Consent
4. Acquire Building Consent
5. Obtain bank finance
6. Settle the property & commence demo / construction

In line with the above, development finance is generally conditional on appropriate consents to enable the development being held and is typically only able to be accessed on a cost-to-complete basis post the uplift of Building Consent and finalisation of other funding conditions such as construction contracts.
Due to the large size of these developments, it is likely to be unfeasible for many developers to be in the position of having cash on hand to pay the development contributions upon the uplift of Building Consent noting developers will already be equity funding other sunk costs in relation to finalising plans and marketing of the development to ensure the feasibility of the transaction.
We hope that Auckland Council can work with developers to find another trigger point at which development contributions may be paid to balance Auckland Council's funding requirement for infrastructure costs with the impacts on the feasibility of development transactions. We would welcome the opportunity to meet with you to discuss this and the challenges and opportunities faced by the sector further if that would be of assistance.

[redacted]

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REESBY & COMPANY

MERCHANT BANKERS

14 October 2021

Finance Performance Committee
Auckland Council
135 Albert Street
Auckland City
1010

RE: Development Contributions Policy 2021 Consultation

To Whom it may concern,

We are the largest commercial finance broker in New Zealand and have raised in excess of $15 billion to fund commercial and residential developments throughout the country. We currently fund over $2 billion of residential development projects annually and have our own finance companies that have over $400 million of loan facilities for the smaller residential projects from 5 to 50 terrace houses. We therefore have an intimate understanding of how residential developments are financed.

We are writing in regard to the Draft Contributions Policy 2021 to support our client Conrad Properties' submission and also the developers that undertake residential developments.

The most significant change is the timing of payment, which will be a major obstacle for residential developers. The developer typically needs the resource consent and building consent at which stage they can then obtain the development funding. The financiers will not lend until both consents have been obtained. It is both unreasonable and unfeasible to assume that the developers are able to pay their development contributions without funding in place.

This will cause the processes both financiers, and developers, have in place to completely de-rail. As a result, a large number of residential developments would not be able to proceed as the developer does not have the capability to pay for the building consent at this stage of the project.

With New Zealand's largest city facing a housing shortage, we hope that Auckland Council can see the benefit of assisting developers with this issue and find another trigger point at which development contributions may be paid. This earliest trigger point would need to be once construction of the houses had started.

We would be happy to discuss this matter in more detail if required.

[redacted]

Reesby & Company Limited
Level 1, Lobby 2, Shed 24, Princes Wharf, 143 Quay Street, Auckland, Auckland Central 1010
PO Box 4145, Shortland Street, Auckland 1140, New Zealand
DDI: (09) 302 7400 Facsimile: (09) 377 3609 Email: martyn@reesby.co.nz Website: www.reesby.co.nz

SUBMISSION ON AUCKLAND COUNCIL'S DRAFT CONTRIBUTIONS POLICY 2021

To: Auckland Council ("**Council**")

Name: Drury South Limited ("**DSL**")

Introduction

1. DSL was established by Stevenson Group Limited to deliver the Drury South Crossing project. DSL has substantial landholdings in Drury South, which it is developing progressively as part of a 361 hectare master-planned mixed use development next to State Highway 1. Once the Precincts have been fully developed, they will provide around 45 ha of residential, 170 ha of industrial and 10 ha of commercial land.

2. Over the last 14 years, DSL has undertaken the plan change, designed and engineered various infrastructure requirements and is now at the stage where those plans are being implemented, with the construction of roads and infrastructure connections being put in place. Construction of the first new warehouses and commercial facilities will begin in late 2021, with the development expected to be completed by 2027.

3. Drury is well placed to distribute services through Auckland and the wider area, including the Tauranga – Hamilton corridor, and avoids the traffic congestion associated with locating in central Auckland. As the land in this area is less built up, there are opportunities to build on a scale far greater than in other more established parts of Auckland. We have seen demand from a range of industries for land within this development, including logistics, warehousing, transport businesses, automotive, contractors, trade retail, food manufacture and distribution.

4. Once operational, the development will make direct provision for 6,900 jobs and facilitate an additional 12,200 jobs in the region. It is forecasted to make an annual contribution of $780 million to regional GDL and facilitates flow-on annual GDP benefits of $2.3 billion. The construction of the site itself, as a one-off impact, will result in $620 - $820 million in regional GDP and provide for the equivalent of 8700 – 11,500 jobs during its development.

5. To enable the development of Drury South, DSL has had detailed discussions with Auckland Council, Auckland Transport and Waka Kotahi to agree the funding and delivery of the infrastructure upgrades necessary to facilitate the development of the Drury South precincts. The upgrades are clear, have largely been constructed, and importantly are distinct from

any of the upgrades needed to facilitate new residential growth in Drury, to the north of the Drury South Precincts.

6. DSL has reviewed the draft Contributions Policy ("**Draft Policy**") and welcomes the ongoing opportunity to provide feedback to the Council.

Nature and scope of submission

7. This submission focusses on two key aspects:

   (a) the approach to development contributions in Drury South; and

   (b) payment timing.

Development Contributions at Drury South

8. The Drury South precincts are covered by two distinct policy areas within the Draft 2021 Policy.

Residential Precinct

9. In 2017, the Council created a new funding area in its Development Contributions Policy for Drury South. The purpose of this change was to include a new major transport project and the associated development contribution charges to be more closely aligned with the pattern of investment needed to support growth in the Drury South Residential Precinct.

10. This was on the basis that the transport upgrades required to provide for the demand generated by that growth were clear. That resulted in the Drury South development contributions policy area, which remains in place under the Draft 2021 Policy. DSL supports the Development Contributions Policy as it applies to that area.

Industrial Precinct

11. The transport and stormwater infrastructure required for the development of the Drury South Industrial Precinct has also been agreed and is largely constructed. DSL has self-funded he majority of this infrastructure.

12. Given the capital expenditure to meet demand generated by the Precinct has been primarily addressed through this separate process, it is entirely appropriate for this to be recognised by the Rural South East Zone and DSL supports the Council's approach with Drury South.

13. It should remain distinct from the broader Drury-Opaheke policy area, which is in a far earlier stage of the planning process

DSL's position

14. DSL's firm position is that the treatment of the Drury South Residential and Industrial precincts under the Draft 2021 Policy is appropriate.

15. During the feedback session on 12 October 2021, there were questions as to whether some of the local projects for Drury-Opaheke should be reclassified as Sub-regional projects. DSL disagrees as there is nothing to suggest the projects result from demand at the sub-regional level – in particular, the need for those projects is not driven by demand resulting from growth at Drury South.

Payment timing

16. Under the 2019 Auckland Council Development Contribution Policy ("**2019 Policy**"), Council extended the time developers had in which to pay development contributions triggered by a building consent, a change which was welcomed and appreciated by many, including DSL. Development contributions for a building consent for non-residential use are due at the time a request is made for a code compliance certificate or a certificate of public use, or 24 months after granting, whichever is the earlier.[1] The reason for these payment timings was to reduce outstanding development contributions debt and closer align payment timing with the time at which developers realise cash from their developments.[2]

17. The Draft 2021 Policy proposes that development contributions are paid much earlier, becoming due at the time the building consent is granted. DSL strongly opposes that change. This change will have a significant impact on developers.

18. As the Council has acknowledged, many developers operate on slim margins where small changes in the costs and the progress of development can impact on the viability of their development.[3] Cashflow is critical for developers, and is not realised from a development until after completion of construction, when a sale is made or tenants can occupy the building. Where developers could finance contributions through sales or tenants, under the Draft Policy they will be required to obtain finance from elsewhere and bear the additional costs of this.

19. These costs are then exacerbated by construction delays and result in more interest being payable in addition to other costs such as overheads, and insurance. These impacts are compounded by the effects of COVID-19, which in itself has contributed to construction delays and rising construction costs.[4] While on its face earlier payment might result in

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1 Auckland Council Contributions Policy 2019, Attachment A – payment and timing and enforcement.

2 Attachment F: Payment Timing Changes, Auckland Council, 2021 Draft Contributions Policy Document consultation, at paragraph 10.

3 Attachment F: Payment Timing Changes, Auckland Council, 2021 Draft Contributions Policy Document consultation, at paragraph 35.

4 *Construction Fact Sheet – January 2021,* Ministry of Business, Innovation and Employment.

marginally lower contributions, earlier payments in fact become much more expensive by placing a greater burden on developers from construction delays that are often outside of their reasonable control. Keeping the payment timings as they are under the 2019 Policy provides flexibility for developers and assists with ensuring the development is successfully completed.

20. The Council has said that development contributions price can be lower because receiving revenue earlier lowers the Council's interest costs. The Council acknowledges that the net impact of earlier payment is neutral because while the Council would benefit from lower interest costs, its revenue would decrease.[5]

21. As the net impact on Council is neutral, but the change will place a negative strain on developers, it is unreasonable to require earlier payments. Retaining a consistent approach with the 2019 Policy strikes the appropriate balance of providing predictability, and ensuring that development contributions are fair, equitable and proportionate, in line with the principles of the Local Government Act 2002.[6]

22. As explained in the consultation documents, by increasing the payment timing for development contributions under the 2019 Policy, this reduced the outstanding development contributions debt markedly, halving from $45 million in January 2019 to $22 million in December of the same year.[7] COVID-19 has led to outstanding development contributions debt increasing again to $37.5 million in April 2021. Due to the pressures of COVID-19 on developers, and the substantially shortened timeframe to pay development contributions under the proposed 2021 plan, outstanding development contributions debt will get worse under the Draft Policy. Retaining the payment timings will assist with keeping the outstanding development contributions debt balances low.

23. For these reasons, DSL does not believe that the decrease in development contributions outweigh the benefits of paying development contributions at a later date following the grant of a building consent. DSL supports the alternative option provided by Council to retain the status quo under the 2019 policy, with development contributions being payable for non-residential building consents 24 months after granting, or at the issue of the code of compliance certificate, whichever is earlier.

Relief sought

24. DSL seeks that the Council retains:

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5 Auckland Council, Sharing the Cost of Auckland's Growth – Contributions Policy 2021 Consultation Document, at page 17.

6 Local Government Act 2002, sections 197AA and 197AB(f).

7 Attachment F: Payment Timing Changes, Auckland Council, 2021 Draft Contributions Policy Document consultation, at paragraph 12.

(a) the proposed approach to development contributions for Drury South and the Rural South East Zone; and

(b) the status quo under the 2019 policy in relation to payment timing.

Signature: **DRURY SOUTH LIMITED** by its solicitors and authorised agents Russell McVeagh:

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Date: 15 October 2021

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IN THE MATTER of the development contributions provisions of the Local Government Act 2002

AND

IN THE MATTER of the Proposed Auckland Council Development Contributions Policy to take effect from 10 January 2022

SUBMISSION BY FLETCHER RESIDENTIAL LIMITED ON THE PROPOSED AUCKLAND COUNCIL DEVELOPMENT CONTRIBUTIONS POLICY 2022

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1. INTRODUCTION

1.1 Fletcher Residential Ltd (**FRL**) is the residential development and delivery arm of Fletcher Building. It is one of the largest developers of new residential communities in New Zealand, having built and sold thousands of homes over the last 5 years.

1.2 Along with sourcing land from private vendors and developers, FRL partners with Iwi and Government for development and home building projects, including affordable housing.

1.3 FRL has 17 developments in Auckland currently, across all areas of Auckland. FRL's pipeline is in excess of 5,000 dwellings. FRL delivers a full mix of typologies, including apartments, townhouses, and houses.

1.4 FRL is Oyster Capital's development partner for the land within Plan Change 50 (**PC50**) at Drury. PC50 is a private plan change that seeks to rezone 49 hectares of land for medium density housing.

1.5 FRL agrees that the private sector should pay its fair share of infrastructure required for growth, on a fair, equitable, and proportionate basis. However, there are significant issues with Auckland Council's Proposed Development Contributions Policy (**Policy**) which are not fair, equitable, or proportionate and that do not otherwise comply with key provisions of the Local Government Act 2002 (**LGA02**), including the consultation and development contributions provisions.

1.6 This response is in relation to Auckland Council's review of the Policy which includes a proposal to have the new policy take effect from 10 January 2022. Noting the limited timeframe and quantity of information that was provided to the public, we have only been able to complete an initial assessment of the policy/documentation in this review. However this initial assessment has found significant implications arising from the Policy, and FRL has serious concerns regarding the approach being adopted by Council in the Policy.

1.7 This submission focuses on the Policy in general and the specific example of Drury. However, the Policy will apply throughout Auckland and the issues addressed in this submission will be felt throughout Auckland if the Policy is not significantly changed.

Scope of submission

1.8 This submission addresses the following matters:

(a) Key provisions of the LGA02 (Section 2).

(b) Specific impacts on landowners / developers (Section 3).

(c) Consultation process and lack of transparency (Section 4).

(d) 30-year project timeline (Section 5).

(e) Conclusion and position of FRL (Section 6).

2. KEY PROVISIONS OF THE LOCAL GOVERNMENT ACT 2002

2.1 Section 101 sets out matters relevant to Council's financial management. It states the following:

> *"**101 Financial management***
>
> *(1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.*
>
> *(2) A local authority must make adequate and effective provision in its long-term plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term plan and annual plan.*
>
> *(3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—*
>
> *(a) in relation to each activity to be funded,—*
>
> *(i) the community outcomes to which the activity primarily contributes; and*
>
> *(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
>
> *(iii) the period in or over which those benefits are expected to occur; and*
>
> *(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
>
> *(v) the costs and benefits, including consequences for transparency and*

accountability, of funding the activity distinctly from other activities; and

(b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

2.2 The Council must show in the Policy how it has complied with section 101(3).[1]

2.3 Section 106 of the LGA sets out key matters that must be addressed in the Policy. The relevant parts of section 106 for the purposes of this submission state the following:

> *"**106 Policy on development contributions or financial contributions***
>
> *…*
>
> *(2) A policy adopted under section 102(1) must, in relation to the purposes for which development contributions or financial contributions may be required,—*
>
> *(a) summarise and explain the total cost of capital expenditure identified in the long-term plan, or identified under clause 1(2) of Schedule 13 that the local authority expects to incur to meet the increased demand for community facilities resulting from growth; and*
>
> *(b) state the proportion of that total cost of capital expenditure that will be funded by—*
>
> *(i) development contributions:*
>
> *(ii) financial contributions:*
>
> *(iii) other sources of funding; and*
>
> *(c) explain, in terms of the matters required to be considered under section 101(3), why the local authority has determined to use these funding sources to meet the expected total cost of capital expenditure referred to in paragraph (a); and*
>
> *(d) identify separately each activity or group of activities for which a development contribution or a financial contribution will be required and, in relation to each activity or group of activities, specify the total amount of funding to be sought by development contributions or financial contributions; and*

[1] Section 103(3) of the LGA02.

(e) if development contributions will be required, comply with the requirements set out in sections 201 to 202A; and

…

(3) If development contributions are required, the local authority must keep available for public inspection the full methodology that demonstrates how the calculations for those contributions were made.

…"

2.4 The purpose of the development contributions provisions in the LGA02 and the development contributions principles are set out, respectively, in sections 197AA and 197AB:

*"**197AA Purpose of development contributions***

The purpose of the development contributions provisions in this Act is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

197AB Development contributions principles

All persons exercising duties and functions under this subpart must take into account the following principles when preparing a development contributions policy under section 106 or requiring development contributions under section 198:

(a) development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for the territorial authority to provide or to have provided new or additional assets or assets of increased capacity:

(b) development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding:

(c) cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets:

(d) development contributions must be used—

(i) for or towards the purpose of the activity or the group of activities for which the contributions were required; and

(ii) for the benefit of the district or the part of the district that is identified in the development contributions policy in which

the development contributions were required:

(e) territorial authorities should make sufficient information available to demonstrate what development contributions are being used for and why they are being used:

(f) development contributions should be predictable and be consistent with the methodology and schedules of the territorial authority's development contributions policy under sections 106, 201, and 202:

(g) when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that—

(i) the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and

(ii) grouping by geographic area avoids grouping across an entire district wherever practical."

2.5 The only basis on which DCs can be required is set out in section 199(1) of the LGA02:

> *"**199 Basis on which development contributions may be required***
>
> *(1) Development contributions may be required in relation to developments if the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence, the territorial authority incurs capital expenditure to provide appropriately for—*
>
> *(a) reserves:*
>
> *(b) network infrastructure:*
>
> *(c) community infrastructure."*

Key requirements

2.6 FRL is strongly of the view that, in summary, there are some key requirements that arise from the above provisions:

(a) Certainty: development contributions charges (**DCs**) should be predictable with respect to the quantum and timing and in accordance with the demand directly created by growth.

(b) Transparency and accountability: DCs should be transparent, understandable, and defensible. DCs should be supported by publicly

accessible information regarding the determination of the costs and the allocation of the funds generated to projects actually delivered.

(c) Equity, fairness, and proportionality: DCs should be fair, equitable, and proportionate with regard to affordability for the community, industry, and the property owner.

(d) Simplicity and consistency: DCs should be clearly defined in line with published methodologies and schedules.

(e) Promotion of current and future interests of the community: DCs must promote the current and future interests of the community.

(f) Period of benefits: The period in or over which benefits are expected to occur must be considered.

2.7 The Policy is at odds with all of the above matters for the reasons set out in the following sections of this submission.

2.8 Comment is also provided below on other development contributions provisions in the LGA02 where relevant.

2.9 In addition, FRL notes the following from relevant case law:[2]

> *"[45] Funding will be required by a local authority for operating expenses and capital expenditure, which may relate to renewal works or new works. Development contributions are one of the sources of funding upon which a local authority is authorised to draw to fund its capital works. Other sources of funding are listed in s 103 (refer [42]).*
>
> *[46] Like general rates, development contributions provide a funding tool for local authorities. But unlike rates, development contributions are not a revenue tax which may be imposed to balance a council's budget. They are more in the nature of a charge, tied to the expenditure required of a council for capital works to support infrastructure incurred by a development or developments, although they fall short of specific cost recovery as in the case of user charges.*
>
> *[47] However, whether viewed as a tax or a charge or a hybrid, a development contribution involves:*
>
> > *A compulsory exaction of money by a public authority for public purposes, enforceable by law … not a payment for services rendered*
>
> *- as Latham CJ described a tax in Matthews v Chicory Marketing Board (Vic) (1938) 60 CLR 263 at 276. Accordingly, as counsel for both parties accepted, a development contribution can only be imposed pursuant to clear and express words contained in a statute, and in accordance with the statutory powers and requirements: Carter Holt Harvey Ltd v North Shore City Council & Ors;*

[2] *Neil Construction Limited v North Shore City Council* [2008] NZRMA 275 (HC).

> *Waste Management NZ Limited v Rodney District Council & Ors [2006] 2 NZLR 787 and cases referred to in that judgment.*
>
> *[48] The Act provides expressly for local authorities to require and impose development contributions. But a development contributions policy and the processes in relation to it, must comply strictly with the relevant provisions of the Act which are the sole source of a council's power to exact development contributions."*
>
> *…*
>
> *"[120] I conclude the Act requires that before a development contribution may be required by the Council, there must be a "development" and a direct causal nexus between that "development" and the demand for infrastructure it, either alone or jointly with another development, generates. This necessarily requires the Council to determine as a preliminary point, on a case by case basis, whether a particular project is a "development" as defined in s 197. The Council has erred in law in failing to ensure its development contributions policy complies with these statutory requirements."*

2.10 For the reasons also set out in the following sections of this submission, the Policy is not in accordance with the statutory powers and requirements that authorise a development contributions policy and does not strictly comply with those statutory powers and requirements.

3. SPECIFIC IMPACTS ON LANDOWNERS / DEVELOPERS

3.1 There are a number of specific impacts arising from the Policy that will affect landowners / developers, including FRL with respect to Drury. They are addressed below.

Increased cost and slow planning

3.2 The proposed increase in DCs from between $11,000 - $18,300 to $84,900 (a 463% - 771% increase) per HUE for residential development is substantial. This will have material financial implications and will erode almost all margin on residential developments.

3.3 In addition to DCs, costs from Council and their CCOs are significantly increasing:

(a) Infrastructure Growth Charges:

(i) 12% increase in 2021.

(ii) 78% increase from 2020 ($14,168) to 2027 ($25,179).

(b) Council consent costs - typical resource consent cost has increased 67% in 6 years from $11,000 (2015) to $25,000 (2021).

(c) Total average Council compliance costs per house have increased 80% from 2015 to 2021.

(d) Collectively, the Policy and the escalating costs from Council will significantly increase the cost and risk of development. There is an onus on Council to more effectively and efficiently deliver its services, and demonstrate value for money – this does not seem to be a driver of the Policy.

3.4 The slow pace at which land for housing is planned, zoned, and released contributes to the high costs and, as a result, house prices in Auckland. Significant transaction costs, including delays, and high compliance costs are reflected in prices and increased risk, which may deter development.

3.5 Imposing a cost increase of this magnitude onto the industry will give pause to developers throughout Auckland looking to develop and/or acquire land for development. While the changes are only in Drury to begin with, developers throughout Auckland will be faced with uncertainty and risk of a similar increase which will cause projects to pause or not proceed. This will lead to a reduction in house construction and even more pressure on rising house prices.

Housing affordability

3.6 The result from the proposed 463% - 771% increase in DCs at Drury is that house prices will either increase, or desperately needed housing will stop until prices appreciate to the extent that the increased DCs are borne out in house prices. The Council themselves have raised concerns that the proposed draft DC policy could force house prices up even further, but then concludes that while that risk exists, it does not consider the increases in DCs will materially impact housing affordability because prices are driven by the market. While FRL acknowledges price is driven in-part by the market, when an entire group of developers is subject to such significant costs imposed by Council, landowners / developers will not be able to absorb those costs. Developers will therefore either pass on these costs to buyers, delay development or go out of business. All of these outcomes will lead to a reduction in housing supply which will put more upward pressure on house prices.

3.7 At a time when we desperately need to be increasing our housing supply and streamlining development, the Policy will have the opposite effect. Declining affordability is a particularly serious concern for low-income earners, who may

have difficulty meeting basic housing needs, and will be most impacted by the new policy.

3.8 COVID-19 has significantly impacted the development and construction sectors. Alert level changes and supply chain issues have contributed to construction delays and rising construction costs. The higher DCs will put further pressure on the feasibility of new projects. Developers will have no choice but to slow or stop new projects which will reduce housing supply, pushing prices up for existing stock and passing on the DC increases in the price of new housing stock.

Drury / Opaheke specific policy

3.9 Council have stated that this policy will apply to Drury initially, then across Auckland as they better understand the infrastructure requirements in other locations. The values proposed in the draft DC policy show increases in Drury ranging from between $11,000 - $18,300 to $84,900 while the average DC in Auckland decreases.

3.10 By targeting specific growth areas (eg Drury, to be followed by other) this will lead to perverse outcomes with development moving away the areas that are burdened with the higher DCs into others that have yet to receive the increase. Development will go to non-growth, lower efficiency areas because on a like-for-like basis, there will be between $60,000 to $65,000 higher margins in an area that has not yet been impacted by the increased DCs.

3.11 Landowners / Developers in Drury are facing large cost increases while other landowners / developers in similar locations are not. This is not equitable. Council's justification of a lack of understanding of infrastructure in other locations is inadequate and is indicative of the inappropriate timeframe of 30 years that is proposed.

3.12 The Drury / Opaheke Funding Areas are defined very tightly and exclude areas (most notably Drury South and Paerata) that will also benefit significantly from the infrastructure in respect of which the Contributions Policy requires contributions only from the Drury / Opaheke Funding Areas. The physical extent of the Drury / Opaheke Funding Areas should be expanded to include the broader area that will benefit from the relevant infrastructure. Alternatively, the benefit accruing to those other areas would need to be funded in its entirety by Council and not by the Drury / Opaheke Funding Areas.

3.13 Whereas the new Policy requires contributions from the Drury / Opaheke Funding Areas towards infrastructure that is located elsewhere in the region, it imposes contributions in respect of the infrastructure that is to be constructed

within the Drury / Opaheke Funding Areas solely on development within that Funding Area. This approach is not fair, equitable, and proportionate to development in Drury.

Underinvestment and lack of clarity

3.14 Historic underinvestment in infrastructure should not be viewed as a growth cost. Capital expenditure required as a result of historic underinvestment is not demand resulting from growth and cannot be recovered through DCs but must be addressed through alternative funding tools. There are clear examples of this in the way in which infrastructure is proposed to be funded with respect to the following examples where the area is already surrounded by developed land and upgrades are well overdue:

(a) According to the Auckland Council Development contributions Cost Allocation Model, to date Transport spending in Drury/Opaheke is $0. However, they plan to spend $119m in the next 10 years.

(b) According to the Auckland Council Development contributions Cost Allocation Model, to date spend on public transport Auckland wide is $347m. They plan to spend $338m over the next 3 years. This demonstrates long term underinvestment in public transport, with developers to cover this cost.

(c) The policy is proposing a $500m increase in the City Rail Link ('CRL') budget. This is likely to be the result of underinvestment or cost overruns, neither of which should be the responsibility of developers. Council is proposing to revise the share of the cost of the CRL attributable to growth from 16 per cent to 23 per cent, but no justification as to why is provided. Council has not demonstrated why additional costs not previously budgeted for CRL should be covered by DCs.

3.15 A number of the projects Council is seeking to fund via DCs lack clarity, a defined scope to cost, clear time frames and causal nexus to growth needs. As a consequence, the model is likely to be extremely unreliable when estimating contributions that are required. For example:

(a) Plans for and estimates of the land and construction costs (including contingencies and escalations) which contribute to the Council's estimate of $4.5b infrastructure works at Drury. Given the scale of the public investment and the 3-4 years thus far that Council has spent investigating the required infrastructure at Drury, we would expect a

good level of certainty regarding the land and construction costs to be available now. None of this has been made available as part of the Council process. FRL understands that Council has not done the detailed investigations of the scope, location, extent, construction costs and land costs of the collector roads in the Drury / Opaheke Funding Areas for which DCs have been assessed and therefore there is lack of certainty and rigour in many of the costs.

(b) The policy states that for Community Infrastructure, Council will "build community facilities (library, community centre, recreation centre(s)) to cater for the expected growth in the Drury priority development area" to the value of $166m, of which $150m will be funded by development contributions from the Drury / Opaheke Funding Area. The community facilities that are to be developed at Drury will serve not only the incoming communities at Drury but also the far wider area, including Drury South, Paerata and the balance of the Future Urban Zoned land north of Pukekohe.

(c) The Policy notes that Drury local road improvements, the integration of collector roads beyond 2031 and the upgrade or development of arterial roads, public transport and active modal routes are required totalling approximately $1.794b, of which approximately $722m will be funded by DCs from the Drury / Opaheke Funding Area. As is the usual approach with development, the majority of the new local roads, the local road improvements and the integration of collector roads with local development within Drury will be provided by developers and will vest free of charge in Council. The Policy fails to consider this.

(d) N-S Opaheke Arterial from the Oyster development to Ponga Rd. This a proposed new two-lane urban road with active modes on both sides to be constructed by 2043. This comes at a significant cost of $240m, but limited information is provided as to how this estimate was formed and, therefore, it cannot be reviewed. This same road is scheduled to be upgraded 5 years later to four lanes for an additional $51m.

(e) Interim walking, cycling and bus connections to Drury Centre (includes Bremner/Norrie/Firth Intersection upgrades, active mode on Norrie) - overlap with Projects 36 and 46. It is not clear from analysis if the 'overlap' has been counted twice or discounted from the other project's costs.

(f) Bremner-Norrie Road east of SH1 up to Great South Road - a new four lane urban road layout with active modes on both sides ($120m). This

cost appears unusually high, but no details are provided on how the cost was formed.

(g) Opaheke-Drury Park acquisitions and development costs are projected to be $513m by 2054. All the detail given is 36 neighbourhood parks, 6 suburban parks, 2 civic spaces, community space, library space, aquatic space, and a leisure space. Based on these 47 parks and spaces, that would be $11m per park/space. These facilities will not only serve growth at Drury but also the far wider area, including Drury South, Paerata and the balance of the Future Urban Zoned land north of Pukekohe.

Double charging

3.16 FRL funds and delivers significant infrastructure, including roading, parks and open space as part of its developments. FRL has significant concerns about how suitable reimbursement (or avoidance of double charging) will occur by reference to infrastructure which developers will construct and vest in Council. As regards double charging, section 200(1)(a) and (b) of the LGA02 are highly relevant:

> *"**200 Limitations applying to requirement for development contribution***
>
> *(1) A territorial authority must not require a development contribution for a reserve, network infrastructure, or community infrastructure if, and to the extent that—*
>
> *(a) it has, under section 108(2)(a) of the Resource Management Act 1991, imposed a condition on a resource consent in relation to the same development for the same purpose; or*
>
> *(b) the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or*
>
> *…*
>
> *(c) a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure, or community infrastructure."*

3.17 Resource consents for residential development always have conditions requiring provision of infrastructure that will ultimately vest in Council and which developers almost always pay for.

3.18 A number of the private development projects proposed for Drury include infrastructure that has been included in the Schedule of Assets to the Policy. For example:

(a) Waihoehoe Rd East upgrades - from Fitzgerald Rd to before Cossey Rd (depending on development boundary). This section of road and associated intersections/infrastructure will likely be upgraded as part of adjacent developments, paid for by developers, and vested in the Council for free.

(b) New intersection on Waihoehoe Rd/Fitzgerald Rd (including approach cross-sections). This will be constructed as part of 116 Waihoehoe development, paid for by Oyster, and vested in council for free.

(c) N-S Opaheke Arterial across development (up to Waihoehoe Stream). This will be constructed as part of 116 Waihoehoe development, paid for by Oyster, and vested in council for free.

(d) All upgrades along Fitzgerald road will be funded by developments along that road (e,g. Kiwi Property and Fulton Hogan) and vested in the Council for free.

(e) New intersection on Jesmond/Bremner Rd. This will be funded by the Auranga development and vested in the Council for free.

3.19 The above assets, and no doubt many others, should not be included in the Schedule of Assets as doing so will result in Council charging DCs for assets that developers are going to fund contrary to section 200(1) of the LGA02.

3.20 FRL has had limited time and only been provided a limited part of the information that drives this modelling, but FRL has already found these clear examples of infrastructure being counted twice – to be provided and paid for by the developers, but also funded by DCs (which are also paid by developers). This indicates a wider lack of credibility in the modelling.

Changes in timing of payments

3.21 Under the current 2019 Policy, payment of DCs is as follows:

(a) for developments of less than 5 dwellings, 6 months after the granting of building consent; and

(b) for developments of 5 or more dwellings, at the issue of the code compliance certificate.

3.22 Council is proposing to reverse this change from the 2019 Policy and recommends DCs become payable for both residential and non-residential development at the granting of building consent.

3.23 An alternative option is also proposed to retain the payment time extensions, but amend them as follows:

(a) for less than 5 dwellings, 6 months after building consent is granted; and

(b) for 5 or more dwellings, 24 months after building consent is granted or at issue of the code compliance certificate – whichever is sooner.

3.24 The proposed change to the timing of DCs payment is material and will adversely affect project feasibility and costs.

3.25 Bringing forward payment further exacerbates the proposed DC increases.

3.26 The draft DC policy does not make it clear what part of building consent the payment will be required. In practice, most consents for projects are multi staged consents (e.g. site work, structure, fit out) which means the proposal does not make any practical sense.

3.27 Given a number of the projects Council is seeking to fund from DCs will not be delivered for several years, the changes to payment cause further questions on how transparent and defensible the new policy is.

3.28 There are a significant number of buildings consents approved for buildings that never actually get completed due to changes in the market, funding issues, changes in design, and any number of other reasons. In these instances, the proposed change in payment timing would see DCs being charged that the developer would never get the benefit of.

3.29 The current requirement to pay for DCs at the issue of code of compliance certificate is appropriate because this is the time that the dwellings/buildings are complete, and the owners or tenants will be using the infrastructure that the DCs contribute to.

4. CONSULTATION PROCESS AND LACK OF TRANSPARENCY

4.1 Council's timeframe (less than 4 months, with Christmas and New Year in between) proposed between the start of consultation and the implementation of the Policy (10 January 2022) is insufficient to complete appropriate consultation and necessary amendments to the Policy. The actual consultation time frame is

from 20 September to 17 October 2021; a mere 4 weeks in relation to a brand new policy with very significant implications. The Council's consultation is perfunctory in relation to an opaque and uncertain policy requiring the payment of DCs orders of magnitude higher than ever contemplated that will have adverse effects on feasibility and affordability and which is purported to take a 30-year view to infrastructure requirements.

4.2 Further, Council will not release the model by which the Drury DCs have been calculated. In that regard, Council's process for establishing the costs of infrastructure at a detailed level, including the cost of land, has been deemed to be confidential.

4.3 FRL disagrees with Council's approach to withhold this information, which is essential to understanding how the modelling actually works. Without this, FRL cannot properly engage an independent expert to review and consider if the costs, assumptions, valuations, etc, are fair, equitable or proportionate, as they need to be to comply with the relevant provision of the LGA we addressed in Section 2 above.

4.4 For impacted parties to form an educated option on the accuracy of the model and its inputs/assumptions, the modelling needs to be released to the public in a form that can be reviewed (eg Microsoft Excel or similar).

4.5 In addition, it is not clear from the capital cost estimates in the Policy:

(a) Whether and how the Council has assessed the capital cost estimates in terms of the split between renewal, growth, and level of service; and

(b) whether any funding from third parties such as grants, developer funded works, and any funding from financial contributions and targeted rates is excluded; and

(c) if assets that developers construct and vest in the council (e.g. arterial roading, major intersection upgrades, parks) are fully accounted for in the calculations.

4.6 As regards, (a) and (b) above, see section 200(1)(a), (b), and (c) of the LGA02 that is set out at paragraph 3.10 above.

4.7 Transparency increases the prospect that the DCs will be applied when appropriate and with regard to incremental costs. The implications of the above points is that there may likely be costs charged that do not comply with the development contributions provisions of the LGA02.

4.8 Lack of transparency, as evidenced above, is likely to open the Council to significant legal challenge and cost. FRL is strongly of the view, in light of the matters addressed above, that the Council's consultation does not comply with the following principles in section 82 of the LGA02:

> *"**82 Principles of consultation***
>
> *(1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:*
>
> *(a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:*
>
> *…*
>
> *(d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:*
>
> *(e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:*
>
> *(f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made."*

4.9 FRL is of the view that the above principles have not been complied with. It is clear that the Council cannot have given due consideration to the views of FRL or other developers where critical information has not yet been disclosed to / provided to FRL and other developers in order for them to present their views. In addition, insufficient time (a mere 4 weeks) has been provided for "consultation" on such a significant policy change that has major implications for development.

4.10 FRL is strongly of the view that Council must delay the introduction of the Policy until such time as a full and transparent process of engagement with the development community and other stakeholders is undertaken by Council. The

10 January 2022 date for the introduction of the Policy does not provide sufficient time for a full and considered review of the Policy, including the proposed projects and costs Council has assumed to be funded by DCs.

4.11 As noted above, Council has not been transparent as it has not provided information requested to enable a proper review of the proposed DCs. FRL has only received part of the information requested from Council and Council has only provided that to FRL as recently as 13 October 2021. Council's 4 month programme for the release, notification, public submissions, and review of the Policy does not provide sufficient time for the proper consideration of the Policy.

5. 30-YEAR PROJECT TIMELINE

5.1 Rather than the traditional approach taken of pricing in the 10-year forecast provided in the Long Term Plan, Council is proposing to extend this to include projects up to 30 years in the future. This introduces uncertainty and inaccuracy on the cost/scope estimate on which DCs are set.

5.2 While the 30 year timeline is proposed for Drury immediately, FRL understands that the Council proposes to introduce a similar approach for growth areas elsewhere in the city in the future.

5.3 Regardless of the intent, Council cannot accurately predict future infrastructure (size, type, cost, timing) for the next 30 years because of the inherent changes during such a long time horizon. The private sector should not be asked to accept this lack of clarity via higher costs.

5.4 The new policy does not give full and proper consideration to the impact that a 30 year period may have. Council has not demonstrated consideration of the costs and benefits of the proposed change to 30 years, nor the alternative funding methods that exist. There are a number of items that Council should carefully consider in proposing an extension to 30 years, including the following:

(a) evidence as to why a 30-year approach is better than a 10-year one, and thoroughly testing that;

(b) the impact of inflation on the delivery of projects over time, including a full assessment of the time value of money, and how the real value of DCs collected today may be eroded through inflation, and the increasing costs of the future infrastructure;

(c) the impacts on development in the short term and the evaluation of risks from the proposed changes, including possible unintended consequences.

5.5 From a fairness and equity perspective, Council is proposing to apportion some costs to developers today for Council projects that are not going to be built now, but over the next three decades. DCs are funding infrastructure arising from growth, so that infrastructure should be delivered in a timely manner, rather than decades after the need has been established.

5.6 In Drury specifically, we anticipate that FRL will have developed and sold all of the homes proposed by 2027. However, significant infrastructure is not proposed until 2046 or after, and, therefore, 20 years after the construction and sale of these homes. Some examples are:

(a) N-S Opaheke Arterial across development (upto Waihoihoi Stream), 4-lane urban- upgrade 2-lane arterial with SGA design + intersection improvements. Oyster have already had to concede significant land/yield to allow for this future upgrade.

(b) 4-lane bridge over Bremner/Waihoehoe Rd.

(c) N-S Opaheke Arterial from Oyster development to Ponga Rd.

(d) New Bremner Rd arterial from SH1 to Auranga development.

(e) Jesmond Rd from SH22 to Waipupuke development boundary.

(f) Jesmond Rd upgrades to New Bremner Rd.

(g) New Bremner Rd arterial from Auranga development to Jesmond Rd.

5.7 The mere fact that the homes FRL will have sold long before any of the above projects ever get constructed should make it glaringly clear to the Council that those homes do not create the need for that infrastructure and, as a result, there is no causal nexus between those homes and the above infrastructure. Requiring FRL to pay DCs for those homes with respect to that infrastructure is therefore clearly contrary to the fundamental power to require DCs:

> *"**199 Basis on which development contributions may be required***
>
> *(1) Development contributions may be required in relation to developments if the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence, the territorial authority incurs capital expenditure to provide appropriately for—*
>
> *(a) reserves:*
>
> *(b) network infrastructure:*

(c) community infrastructure."

5.8 To emphasise this, what level of confidence and certainty does Council have on its understanding of infrastructure to be delivered beyond 2040 or 2050?

5.9 Infrastructure needs beyond 10 years may not be required in the form assumed today, due to any number of potential changes or new technologies (innovation, demographic, funding, legislation etc).

5.10 Capital allocation inefficiencies will result. The new policy also encourages Council to design projects that are "gold plated" and have higher initial capital expenditure. Council may also be induced to favour a more capital-intensive investment option with lower operating costs, which are generally funded from rates.

5.11 The 10-year forecast used for the 2019 Policy is appropriate because it provides for a timescale that include projects that are well understood and can be costed accurately. These projects have a very high likelihood of being built and are completed in a timely manner from the DCs collected, not 25 to 30 years after DCs are paid. Based on this reasoning, FRL considers the 10-year forecast currently used is appropriate and should be retained.

6. CONCLUSION AND POSITION OF FRL

6.1 The Policy lacks:

(a) Certainty: DCs should be predictable with respect to the quantum and timing and in accordance with the demand directly created by growth.

(b) Transparency and accountability: DCs should be transparent, understandable, and defensible. DCs should be supported by publicly accessible information regarding the determination of the costs and the allocation of the funds generated to projects actually delivered.

(c) Equity, fairness, and proportionality: DCs should be fair, equitable, and proportionate with regard to affordability for the community, industry, and the property owner.

(d) Simplicity and consistency: DCs should be clearly defined in line with published methodologies and schedules.

6.2 The Policy fails to promote the current interests of the community with respect to enabling the provision of housing.

6.3 The Policy:

(a) does not comply with the statutory purpose and principles that it must comply with;

(b) will result in double charging contrary to section 200(1) of the LGA02;

(c) seeks to compensate for historic underinvestment in infrastructure;

(d) results in DCs being payable for development that has no causal connection to the infrastructure the DCs are payable for;

(e) has an inappropriate 30-year timeline, rather than the 10-year timeline in the current policy;

(f) inappropriately seeks to bring forward the timing of payment of DCs; and

(g) Focuses on a specific area rather than equitably across the entire region.

6.4 The Council's "consultation" has been perfunctory in relation to an opaque and uncertain policy requiring the payment of DCs orders of magnitude higher than ever contemplated that will have adverse effects on feasibility and affordability and which is purported to take a 30-year view to infrastructure requirements.

6.5 Council has not been transparent and has withheld information requested to enable a proper review of the proposed DCs. FRL has only received part of the information requested from Council and Council has only provided that to FRL as recently as 13 October 2021. Council's 4 month programme for the release, notification, public submissions, and review of the Policy does not provide sufficient time for the proper consideration of the Policy.

6.6 As the Council has signalled that Drury will be first of many areas across Auckland where this approach will be taken, it must ensure the DC policy is fair, proportionate and robust. It currently is none of those things. Given the above, we recommend the Council fully reviews the serious concerns raised by FRL and other submitters, pauses the current process and re-thinks the new policy, including running an open and transparent process with the development community and other stakeholders.

6.7 FRL is strongly of the view that Council must:

(a) not proceed with the introduction of the Policy on 10 January 2022;

(b) provide all information that is necessary for submitters to understand the DC modelling; and

(c) delay the effective date for a period of time sufficient to allow for meaningful and transparent engagement with the development community and other stakeholders based on all relevant information.

DATED at **AUCKLAND** on 18 October 2021

S J Simons
Berry Simons as duly authorised agents of
Fletcher Residential Limited

Auckland Council Proposed Contributions Policy 2021

Feedback provided by:
Friends of Regional Parks
Bronwen Turner, Chair
[redacted]

October 16, 2021

Point 1. Updating capital projects in the 10-year Budget

Agree
We agree with including costs for the CRL and additional costs for community infrastructure projects as well as accounting for increases in housing construction. It is important that through this period of rapid development we fund and build adequate infrastructure and avoid creating infrastructure deficits that will require greater funding in the future or result in poor urban quality.

Point 2. Including capital projects beyond 10 years

Agree with the proposal and starting with Drury.
Development creates the need for infrastructure that serves the immediate area and region for a longer time frame than 30 years. It is important to plan for, fund and build this infrastructure as development occurs, putting in place infrastructure that is sized and located for long term growth. For example, regional parks are large acquisitions that serve all of Auckland for many generations and must be acquired when appropriate properties become available and this is in advance of development. Regional park acquisition and development requires commitment to a long term planning horizon.

Point 3. Payment timing change

Agree

It reduces overall costs and can advance construction of the infrastructure. Council however must carefully manage infrastructure construction costs and provide Aucklanders with good value for the money collected and spent.

Points 4 and 5 are not applicable to FOR Parks.

Auckland Council Proposed Contributions Policy 2021

Feedback provided by:
Friends of Regional Parks
Bronwen Turner, Chair
[redacted]

Point 6. Do you have any other feedback on the draft Contributions Policy 2021?

A. We are pleased to see regional park acquisition included as an Activity funded by development contributions. Increased population is creating increasing demand for regional park recreation use just as it does for local parks and sports fields. Additionally, regional parks play an important role in conserving environmentally and culturally significant areas and habitats which should not be developed and which should be in public ownership.

   Regional parks must be considered critical infrastructure as important as transport and storm drainage. They are large expenses and must be purchased in advance of development.

   We request that:

   1. A portion of the development contribution for reserves be earmarked and ring fenced for regional parks to provide for the significant cost of the additional parks that will be required to meet the needs of the growing population and to conserve our unique history and environment. These funds would then accrue over time, be available when appropriate properties become available and can supplement funding available through debt financing.

   2. Council prepare a Regional Parks Acquisition Strategy that identifies high quality properties suitable as regional parks that can be purchased when they become available. The history of Auckland's regional parks shows the priceless value of purchasing unique properties in advance of development and we must continue that legacy. It is especially important that purchasing additional regional parks in South Auckland be prioritised as it is not only underserved by regional parks now but it will also experience enormous urban growth. At the same time, existing privately owned open spaces within the urbanized area must be purchased if they become available, to ensure they remain as open space providing recreation and natural spaces for intensifying neighborhoods.

B. We ask that a portion of funds for Reserves Development likewise be ring fenced for regional park development. In addition to population growth increasing the number of people using existing parks, recent closure of much of the parkland due to kauri protection work is limiting peoples' options for where they can go and concentrating visitors in a few areas and parks that don't necessarily have the facilities and capacity to accommodate them. Plus, Covid is having the effect

of getting more people out into the parks, with lockdowns preventing Aucklanders' ability to travel further afield for outdoor recreation. We must quickly improve existing facilities and develop facilities in recently acquired parks such as Te Muri, Mahurangi East and Te Arai to provide recreation opportunities for increasing numbers of visitors and to replace, particularly walking opportunities, that are no longer available in parks such as the Waitakere Ranges.

Even without lockdowns, Auckland's regional parks that provide an increasing range of recreation options have the potential for encouraging Aucklanders to remain local, with a consequent reduction in carbon emissions as a result of not travelling further afield.

C. We request that a portion of the initial increased development contributions from the Drury area be allocated specifically to current Hunua Regional Park initiatives for:

    1. Reopening existing tracks in the Hunua Regional Park, fast tracking the current kauri protection work on those tracks; and
    2. Development of the north western corner of the park via the replanting of former pine forest areas with native forest and establishing longer walking and cycling options that use this newly opened area in association with the rest of the park.

    This is a major regional park that is close to the Drury developments and if delivered appropriately and promptly, has the ability to attract future residents to the Drury area, thereby improving the viability of the developments and providing local evidence of productive use of development contributions.

    These Hunua Regional Park improvements should be complemented by additional regional park acquisitions in South Auckland as discussed above.

Feedback provided by:
Friends of Regional Parks
Bronwen Turner, Chair
[redacted]

IN THE MATTER	of the development contributions provisions of the Local Government Act 2002
AND	
IN THE MATTER	of the Proposed Auckland Council Development Contributions Policy to take effect from 10 January 2022

SUBMISSION BY FULTON HOGAN LAND DEVELOPMENT LIMITED ON THE PROPOSED AUCKLAND COUNCIL DEVELOPMENT CONTRIBUTIONS POLICY 2022

Solicitors:

Berry Simons

Contact: S J Simons - Partner

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1. INTRODUCTION

1.1 Fulton Hogan Land Development Ltd (**FHLD**) is one of the biggest property development companies in New Zealand, in particular Auckland. FHLD has been responsible for the large-scale subdivision and development of land at Danne Mora, Milldale, and Millwater, by way of example, and is the proponent of Plan Change 49 at Drury.

1.2 The Auckland Council Draft Development Contributions Policy (**DCs Policy**), as it is intended to apply in Drury, is therefore of critical importance to the feasibility and viability of FHLD's development of its property at Drury.

1.3 As currently drafted the Policy raises some serious concerns, particularly in terms of affordability to both the development community and in terms of potential housing stock at Drury.

1.4 FHL agrees that the private sector should pay its fair share of infrastructure required for growth on a fair, equitable, and proportionate basis. However, there are significant issues with the DCs Policy which are not fair, equitable, or proportionate and that do not otherwise comply with key provisions of the Local Government Act 2002 (**LGA02**), including the consultation and development contributions provisions. There are significant implications arising from the Policy, and FHL has significant concerns regarding the approach being adopted by Council in the Policy.

Scope of submission

1.5 This submission addresses the following matters:

(a) Key provisions of the LGA02 (Section 2).

(b) FHL position (Section 3).

(c) Conclusion (Section 4).

2. KEY PROVISIONS OF THE LOCAL GOVERNMENT ACT 2002

2.1 Section 101 sets out matters relevant to Council's financial management. It states the following:

> *"**101 Financial management***
>
> *(1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.*

> *(2) A local authority must make adequate and effective provision in its long-term plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term plan and annual plan.*
>
> *(3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—*
>
> *(a) in relation to each activity to be funded,—*
>
> *(i) the community outcomes to which the activity primarily contributes; and*
>
> *(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
>
> *(iii) the period in or over which those benefits are expected to occur; and*
>
> *(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
>
> *(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*
>
> *(b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.*

2.2 The Council must show in the Policy how it has complied with section 101(3).[1]

2.3 Section 106 of the LGA sets out key matters that must be addressed in the Policy. The relevant parts of section 106 for the purposes of this submission state the following:

> *"**106 Policy on development contributions or financial contributions***
>
> *…*
>
> *(2) A policy adopted under section 102(1) must, in relation to the purposes for which development contributions or financial contributions may be required,—*
>
> *(a) summarise and explain the total cost of capital expenditure identified in the long-term plan, or identified under clause 1(2) of Schedule 13 that the local authority expects*

[1] Section 103(3) of the LGA02.

to incur to meet the increased demand for community facilities resulting from growth; and

(b) state the proportion of that total cost of capital expenditure that will be funded by—

(i) development contributions:

(ii) financial contributions:

(iii) other sources of funding; and

(c) explain, in terms of the matters required to be considered under section 101(3), why the local authority has determined to use these funding sources to meet the expected total cost of capital expenditure referred to in paragraph (a); and

(d) identify separately each activity or group of activities for which a development contribution or a financial contribution will be required and, in relation to each activity or group of activities, specify the total amount of funding to be sought by development contributions or financial contributions; and

(e) if development contributions will be required, comply with the requirements set out in sections 201 to 202A; and

…

(3) If development contributions are required, the local authority must keep available for public inspection the full methodology that demonstrates how the calculations for those contributions were made.

…"

2.4 The purpose of the development contributions provisions in the LGA02 and the development contributions principles are set out, respectively, in sections 197AA and 197AB:

*"**197AA Purpose of development contributions***

The purpose of the development contributions provisions in this Act is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

197AB Development contributions principles

All persons exercising duties and functions under this subpart must take into account the following principles when preparing a development contributions policy under section 106 or requiring development contributions under section 198:

(a) development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for the territorial authority to provide or to have provided new or additional assets or assets of increased capacity:

(b) development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding:

(c) cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets:

(d) development contributions must be used—

(i) for or towards the purpose of the activity or the group of activities for which the contributions were required; and

(ii) for the benefit of the district or the part of the district that is identified in the development contributions policy in which the development contributions were required:

(e) territorial authorities should make sufficient information available to demonstrate what development contributions are being used for and why they are being used:

(f) development contributions should be predictable and be consistent with the methodology and schedules of the territorial authority's development contributions policy under sections 106, 201, and 202:

(g) when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that—

(i) the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and

(ii) grouping by geographic area avoids grouping across an entire district wherever practical."

2.5 In addition, section 200(1) of the LGA02 states the following:

"200 Limitations applying to requirement for development contribution

(1) A territorial authority must not require a development contribution for a reserve, network

infrastructure, or community infrastructure if, and to the extent that—

(a) it has, under section 108(2)(a) of the Resource Management Act 1991, imposed a condition on a resource consent in relation to the same development for the same purpose; or

(b) the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or

…

(c) a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure, or community infrastructure."

2.6 The purpose of section 200(1) is to avoid double dipping (e.g. charging DCs for infrastructure that the Council will not construct or even pay for).

3. FHL POSITION

3.1 In summary, by reference to the above provisions, FHL's position is as follows:

(a) The Council has provided insufficient information, including with respect to the methodology and calculations for the DCs in the proposed policy, to provide an understanding of how the quantum of DCs have been established.

(b) It is not clear from the capital cost estimates in the DCs Policy:

(i) whether any funding from third parties such as grants, developer funded works, and any funding from financial contributions and targeted rates is excluded; and

(ii) if assets that developers construct and vest in the council (e.g. arterial roading, major intersection upgrades, parks) are fully accounted for in the calculations.

(c) As a result of (b) above, there is an extremely high likelihood of double dipping where DCs are charged for infrastructure that will be provided and funded by developers and then vested in the Council for free. Such infrastructure should not be included in the Schedule of Assets to the DCs Policy.

(d) The massive quantum of DCs proposed for development in Drury is a direct disincentive to growth and fails to recognise that there are other

funding options such as the Infrastructure Funding and Financing Act 2020 and developer agreements.

(e) It is highly questionable whether a 30-year view of infrastructure requirements will enable compliance with the fairness, equity, proportionality, and causal nexus requirements of the Act.

(f) The intention to commence charging the proposed DCs in January 2022 is premature, given the 30-year horizon to which it is to apply. The Council must spend more time consulting with landowners in Drury to fully understand the implications of such a radical uplift in charges.

3.2 Transparency increases the prospect that the DCs will be applied when appropriate and with regard to incremental costs. The implications of the above points is that there will likely be costs charged that do not comply with the development contributions provisions of the LGA02.

3.3 The DCs Policy is at odds with the legislation for all of the above reasons.

4. INADEQUATE CONSULTATION PROCESS AND LACK OF TRANSPARENCY

4.1 Council's time frame between the start of consultation and the implementation of the DCs Policy (10 January 2022) is insufficient to complete appropriate consultation and necessary amendments to the DCs Policy. That time frame is less than 4 months, with Christmas and New Year in between.

4.2 Further, Council will not release the model by which the DCs have been calculated because Council's process for establishing the costs of infrastructure at a detailed level, including the cost of land, has been deemed to be confidential. It is therefore impossible to determine whether the DCs that have been included in the DCs Policy are fair, equitable, and proportionate.

4.3 FHL disagrees with Council's approach to withhold this information on the basis that it is essential to understanding how the modelling actually works. Without this information, FHL cannot properly engage an independent expert to review and consider if the costs, assumptions, valuations, etc, are fair, equitable or proportionate, as they need to be to comply with the relevant provision of the LGA we addressed above.

4.4 Lack of transparency, as evidenced above, is likely to open the Council to significant legal challenge and cost. FHL is strongly of the view, in light of the matters addressed above, that the Council's consultation does not comply with key principles in section 82 of the LGA02:

> *"**82 Principles of consultation***
>
> *(1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:*
>
> *(a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:*
>
> *…*
>
> *(d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:*
>
> *(e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:*
>
> *(f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made."*

4.5 With respect to the above provisions, FHL is strongly of the view that it has:

(a) not been provided with reasonable access to relevant information;

(b) not been given a reasonable opportunity to present its views, particularly in light of the time frames and lack of disclosure of relevant information referred to above; and

(c) has not been provided with access to relevant explanatory material.

4.6 FHL is strongly of the view that the due consideration required by section 82(1)(e) of the LGA02 can only result in one outcome:

(a) the Council delaying the date when the DCs Policy will take effect,

(b) disclosure of all relevant information to the development community which the development community has been requesting;

(c) a reasonable opportunity being given to the development community to analyse all relevant information and then make its views known to the Council; and

(d) due consideration then being given by the Council to the views of the development community.

5. CONCLUSIONS

5.1 The Council has failed to provide relevant information, including the necessary methodology and the calculations for the DCs proposed, to enable the proposed policy to be accurately tested by landowners at Drury and, as a result, has failed to comply with key provisions of the LGA02 regarding consultation and the DCs provisions of the LGA02.

5.2 It is inappropriate to take a long-view to the provision of infrastructure without taking a proportionate view to the roll out of the charging of DCs.

5.3 The dependency on DCs to fund infrastructure at Drury has failed to adequately take into account other funding sources available to the Council over the next 3 decades.

DATED at **AUCKLAND** on 17 October 2021

S J Simons
Berry Simons as duly authorised agents of
Fulton Hogan Limited

Submission on the Development Contributions Review (Draft Contributions Policy 2021)

To: Auckland Council (Contributions Policy Team)

Name of Submitter: Hugh Green Limited

Address for Service: C/- CivilPlan Consultants Limited
PO Box 97796
Manukau City
Auckland 2241

Attn: Aaron Grey

Telephone: [redacted]

Email: [redacted]

This is a submission on the Development Contributions Review, also refer to as the Draft Contributions Policy 2021 and henceforth referred to as 'the proposal'.

1. The Submitter (Background)

Hugh Green Limited ('HGL') is a long-established management company of the Hugh Green Group who is a provider and developer of residential and business zoned land within the Auckland Region. Combined, the companies which fall under the Hugh Green Group umbrella own a range of business, residential and rural zoned properties, including sizeable landholdings strategically located to meet the needs of Auckland's population growth.

These landholdings include:

- Approximately 90 hectares of residential and business (Neighbourhood Centre) zoned land at Park Estate Road, Hingaia;
- Approximately 12 hectares of residential and business (Neighbourhood Centre) zoned land at Murphys Road, Flat Bush; and
- Approximately 260 hectares of residential and business (Local Centre) zoned land at Redhills;
- Approximately 100 hectares of land zoned Future Urban zone and 257 hectares of land zoned Countryside Living at Weiti, Redvale;
- Approximately 15.5 hectares of business and industrial zoned land across Auckland; and
- Approximately 426 hectares of rural land in Helensville and Ardmore.

HGL has taken an active interest in the development of the Auckland Plan and Auckland Unitary Plan, making significant submissions in respect of their landholdings. HGL is also actively working on enabling growth, through residential subdivision within three landholdings previously identified as "Special Housing Areas" (being Hingaia, Redhills and Flat Bush, the latter of which is in its final stages).

2. Applicability of the Policy

1. Issue

Section 2 of the policy document specifies that the policy will apply to applications lodged on or after 10 January 2022. This means that any applications lodged prior to this date will be subject to the current 2019 policy, regardless of when decisions on those applications are made or when the consents are given effect to (both of which are likely to be on or after 10 January 2022 for applications being made after release of the draft policy).

The development community is sensitive to the applicability dates of development contributions policies and will delay or bring forward the lodgement of applications in order to ensure that the lowest possible development contribution values apply. Usually, a new draft policy indicates that development contributions will increase and so developers will aim to ensure that their applications are lodged before the new policy comes into effect (for example, on or before 9 January 2022). However, when a new draft policy indicates that development contributions will *decrease*, the opposite occurs – developers would choose to hold off lodgement of a complete application until the new policy is in place, especially if the decrease is significant.

In the case of the draft 2021 policy, reductions in development contributions have been observed across the majority of the Auckland area (with Drury/Opaheke being an obvious exception). Some of the reductions are significant – for example, in Flat Bush, development contributions are indicated to reduce by 24% from $28,665 to $21,784. Therefore, it is highly likely that developers will hold off lodgement of their applications until 10 January 2022 in order to take advantage of the decreases.

This could have significant impacts on Council resources from 10 January 2022, frustrating abilities for Council to meet statutory timeframes.

2. Relief

In order to avoid such a situation, HGL proposes that section 2 of the policy be amended in order to specify that, when an application is lodged before 10 January 2022 but determined by Council on or after 10 January 2022, the applicant can choose which policy (either the 2019 version or the 2021 version) will apply. There is precedent for a choice of which applicable policy is to apply from when the 2012 policy was introduced, as detailed in Attachment D of the draft 2021 policy.

3. Payment Timing

1. Issue

HGL acknowledges that Council is consulting on changes to the payment timing for building consents for residential uses (to be at the time of approval rather than six months after) and that this decision impacts the value of development contributions.

2. Relief

HGL is neutral towards when payment should be made, but it supports the lower development contributions values that would apply if payment was to be required at time of building consent approval.

4. Schedule 8 – Assets for which Development Contributions will be used

HGL has reviewed the list of assets for which development contributions will be used ('Schedule 8') and, while it supports the inclusion of various listed projects, it is considered that:

- Some of the projects for which development contributions will be used do not sufficiently relate to all of the funding areas attributed to those projects
- There are other significant infrastructure requirements that need to be completed to give effect to the Redhills, Flat Bush and Hingaia/Park Estate areas.

These issues are addressed more specifically below:

4.1 Funding Area Boundaries and Associated Projects

4.1.1 Southern Growth Area (Transport)

1. Issue

The 2021 Contributions Policy proposes contributions for projects related to the growth of Drury that are anticipated to occur after 2031. It does so within the funding areas of "Drury/Opaheke" and "Southern Growth Area", the latter of which only applies to transport contributions. The Southern Growth Area covers urban areas adjacent to Drury/Opaheke and Drury South (which is subject to its own funding area), including Hingaia and extending as far as The Gardens to the north.

The only project listed for the Southern Growth area is "*Upgrade or development of arterial roads, public transport and active modal routes beyond 2031*", which has the description of "Upgrading or developing arterial roads and active modal routes to support growth in the Drury priority development area that provides a benefit to Southern Drury area", with planned capital expenditure of $71,281,537, of which $31,812,574 is to be funded through development contributions.

Support material provided as part of the consultation documentation provides some further detail on the projects covered by these contributions, being as follows:

Upgrade or development of arterial roads, public transport and active modal routes:

- Upgrading existing roads to urban arterials as needed to support growth. For example, upgrades to roads such as Bremner Road are key and will provide a four-lane urban arterial with walking and cycling on both sides. These upgrades will support growth in the southern Drury and neighbouring areas and contribute towards an efficient, safe and sustainable transport network.

Integration of collector roads:

- Integrating collector roads provided by developers to support growth in the Southern Growth Area.
- Intersection upgrades, such as the Quarry Road / Great South Road roundabout upgrade with active modes, is key to support growth in the area. Council will ensure these upgrades are well integrated into the wider network integration and ensure the local network remains functioning safely and efficiently working with developers as they deliver the required upgrades to support their development.

The provided information is insufficient to determine what projects are covered by these contributions (other than two examples, both of which are projects within the Drury/Opaheke funding area) and why the Southern Growth Area extent has been mapped to include Hingaia and other parts of Papakura and Takanini.

Based on the information provided, the proposed contributions within the Southern Growth Area therefore are considered to be inconsistent with the following development contributions principles specified in section 197AB(1) of the Local Government Act 2002:

> *(a) development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for the territorial authority to provide or to have provided new or additional assets or assets of increased capacity:*
>
> *(c) development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for the territorial authority to provide or to have provided new or additional assets or assets of increased capacity:*
>
> *(d)(ii) development contributions must be used for the benefit of the district or the part of the district that is identified in the development contributions policy in which the development contributions were required:*
>
> *(e) territorial authorities should make sufficient information available to demonstrate what development contributions are being used for and why they are being used:*
>
> *(g)(i) when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity;*

2. Relief

HGL does not support the imposition of a transport development contribution for "the Southern Growth Area" until Council has provided sufficient information outlining which future projects would be covered by this contribution and how these projects are the result of, and will benefit, development in Hingaia, or unless Hingaia is excluded from the Southern Growth Area.

4.1.2 Manukau Central (Stormwater)

1. Issue

HGL does not support the inclusion of Hingaia within the "Manukau Central" funding area.

All stormwater originating within the Hingaia area is discharged to the Manukau Harbour without connecting to any stormwater network outside of the Hingaia area. In most cases where new development is proposed, developers will be required to construct a complete stormwater network from source to outfall, including any required stormwater management devices. To date, stormwater contributions have been waived on the basis that all stormwater infrastructure to serve development has been constructed by the developer and not reliant on existing infrastructure vested in Council.

The "Manukau Central" stormwater area funds capital works to increase the capacity of the stormwater network in Papatoetoe and Mangere, alongside historic projects in Takanini, catering for growth in these areas. These areas are separate catchments distant from the Hingaia area. These works would not affect the capacity of the stormwater network serving sites in Hingaia (including the subject site).

There are no stormwater projects listed in Schedule 8 that directly affect the Hingaia stormwater catchment or directly relate to the demands of development.

Also, the Hingaia area is considered to have similar stormwater catchments to Drury West and Opaheke-Drury (all being part of the Drury Creek / Manukau Harbour catchment). Neither of those funding areas are subject to local development contributions for stormwater.

2. Relief

HGL requests that Hingaia be removed from the Manukau Central stormwater funding area for the reasons above.

4.2 Projects That are Included in Schedule 8 but are Unclear

Overall, HGL supports the projects identified in Schedule 8 that will facilitate infrastructure to support development of their landholdings at Hingaia and Redhills in particular. However, a couple of clarifications are sought as below.

4.2.1 Reserve Development - Hingaia

HGL supports the inclusion of a line item for the development of the suburb park at 158A Park Estate Road, Hingaia. However, HGL requests that Council shares with HGL how the figure of $10.55 million was calculated and the scope of works included.

4.2.2 Transport – Redhills

HGL supports the inclusion of transport projects to facilitate the development of the Redhills Precinct, including the following line item in Schedule 8:

> *Greenfield Transport infrastructure – North West (Projects to support high priority greenfield growth areas, including new Redhills connections with appropriate public transport and active mode provision)*

However, it is unclear which transport projects within the Redhills Precinct (and to support the Redhills Precinct as identified in the Redhills Precinct provisions) are covered by the above contributions. HGL submitted on this in relation to the RLTP, setting out the projects that require funding and is yet to receive confirmation of which projects are funded by the proposed DC policy, and which ones are not and will require some other funding mechanism (and in that case what the mechanism will be and the timing on that to ensure coordination with development delivery).

HGL seeks clarification of which projects are covered by the Schedule 8 line item (with specific reference to the project required by the Redhills Precinct Transport Triggers). For reference the following transport projects are required to facilitate development within the Redhills Precinct:

- Dunlop Road intersection upgrade and signalisation
- Fred Taylor Drive / E-W road intersection signalisation
- Widening of Don Buck Road at the Westgate Dr intersection to provide two northbound and two southbound through lanes
- Upgrade to Fred Taylor Dr / Don Buck Rd intersection to signalised layout
- Further widening of Don Buck Road at the approach to Fred Taylor Drive intersection
- Fred Taylor Drive widening acquisition – between Don Buck Road and Northside Drive as development progresses
- Arterial road network - Dunlop Road upgrade and extension
- Arterial road network - Baker Lane upgrade and extension
- Arterial road network - Royal Road connection
- Arterial road network - Nixon Road connection
- Upgrade to Don Buck Road / Triangle Road intersection
- North western busway and bus station
- Widening of full length of Fred Taylor Drive from Brigham Creek Road to Don Buck Road
- Widening of Don Buck Road from Royal Road to Redhills Road
- Northside Drive East overbridge
- Henwood Road connection (bridge) over Ngongatepara Stream

4.2.3 Parks – Redhills

It is noted that there are line items in Schedule 8 for the acquisition and development of parks within the Northwest, and it is requested that it is confirmed that this includes all indicative parks within the Redhills Precinct. The specific line items are:

- Neighbourhood Park / Civic Space Land Acquisition – North-West
- Organised Sport Park Acquisition – North West
- Suburb Park Land Acquisition – North West

The majority of the required parks in the Redhills Precinct (as per the precinct plan) and particularly the larger sports part and suburb parks are indicatively located and anticipated to be acquired within HGL's landholdings.

HGL supports the identification of funding for acquisition and delivery and would welcome confirmation that the budgets for these line items are sufficient to cover the acquisition of all parks required to be acquired within HGL's landholding, along with sufficient budget for any improvements to ensure quality, functional open spaces are delivered for this new community (and the wider surrounding area).

4.3 Projects That Should be Included in Schedule 8

4.4 Transport – Hingaia

HGL's land at Park Estate Road, Hingaia was rezoned for urban development under the Housing Accords and Special Housing Areas Act 2013, following which HGL has progressed urban development of this land. To date resource consents have been obtained for residential subdivision over an area of over 35 ha, enabling approximately 600 dwellings.

1. Issue

Traffic assessment prepared for development of HGL's land at Park Estate Road has identified that the intersection of Park Estate Road and Great South Road will require signalisation when 418 additional vehicle trips per hour result from development in the Hingaia 1 Precinct. On the assumption that no new roads connecting Park Estate Road to Hingaia Road are constructed (refer below), this is estimated to occur when 1,020 dwellings are consented.

Approximately 600 dwellings are already enabled by approved subdivision consents on HGL's land at Park Estate Road. Subdivision consent was also approved in 2021 for 193 lots at 279 Park Estate Road and it is understood that the resource consent for approximately 175 lots at 72 Hinau Road may be amended so that road access is from Park Estate Road (via 145 Park Estate Road) rather than Hinau Road. These existing consents alone could result in over 1,020 dwellings, highlighting the immediate need for the signalisation of Park Estate Road and Great South Road to occur. In addition, HGL is aware of a series of resource consents currently being considered by Council that cumulatively propose an approximately 350 further dwellings, resulting in approximately 1,300 dwellings being provided in the immediate future.

HGL is extremely concerned to see that the signalisation of Park Estate Road and Great South Road is no longer included in Schedule 8 in the proposal, even though it is listed as a project in the current 2019 policy, both in "*Planned projects - anticipated to be delivered 2018-2028*" and "*Historic projects - already delivered or partially delivered*" and the project has not yet been undertaken. This policy identified a planned capital expenditure of $479,000, of which $383,200 was to be funded by development contributions. This project was listed as a "South" regional project and so all development within urban southern Auckland will have been contributing to the costs of this project.

"Transport projects related to the Hingaia Special Housing Area" similarly disappeared from the 2021 Long Term Plan and Regional Land Transport Plan (having previously been referenced in the 2018 versions) without explanation, even following submissions from Hugh Green Limited highlighting that the signalisation of Park Estate Road and Great South Road had not yet occurred as planned and required. HGL does not accept the exclusion of the signalisation from these documents as an excuse to also exclude it from the Development Contributions Policy.

2. Relief

HGL requests that this project be reinstated into Schedule 8 of the 2021 Development Contributions Policy, unless Council can provide sufficient details to the satisfaction of HGL and all other developers and landowners with interest in the Hingaia 1 Precinct area as to how this project will be funded and constructed in a timely manner in order to ensure that immediate future development in this area is not stymied by the inefficient delivery of this required infrastructure.

4.5 Transport – Flat Bush

HGL's development in Flat Bush ('Donegal Glen') is nearing its final stages, with only 2 ha of land not yet subject to an approved resource consent for development. This land is adjacent to Murphys Road and Murphys Bush Scenic Reserve and includes approximately 0.5 ha of land zoned Business – Neighbourhood Centre (the remainder being Residential – Mixed Housing Urban).

1. Issue

There is one required supporting infrastructure project to facilitate the final stages of development in this area, being the upgrade of Murphys Road from Flat Bush School Road to Redoubt Road. This includes the signalisation of the intersection of Murphys Road with Murphys Park Drive and a proposed fourth arm (into the Donegal Glen development).

The upgrade of Murphys Road forms part of a designation held by Auckland Transport for Mill Road Corridor Stage 1. The upgrade of Redoubt Road and Mill Road is now an NZTA project, but the upgrade of Murphys Road is to remain with AT. The current 2019 Development Contributions Policy includes transport contributions for the Mill Road Corridor Stage 1 project (including this intersection). However, the draft 2021 policy does not list the Mill Road Corridor Stage 1 project other than to recoup monies incurred to date and does not list a separate project for the upgrade of Murphys Road.

The upgrade of Murphys Road is similarly not included in the 2021 Long Term Plan and Regional Land Transport Plan despite submissions from Hugh Green Limited highlighting that the upgrade of Murphys Road was not reallocated to NZTA with the rest of the Mill Road corridor project and so still needed to be accounted for. HGL does not accept the exclusion of the Murphys Road upgrade and intersection signalisation from these documents as an excuse to also exclude it from the Development Contributions Policy.

2. Relief

HGL requests that this project be reinstated into Schedule 8 of the 2021 Development Contributions Policy, unless Council can provide sufficient details to the satisfaction of HGL and all other developers and landowners with interest in the Flat Bush Sub-precinct C area as to how this project will be funded and constructed in a timely manner in order to ensure that development in this area is not stymied by the inefficient delivery of this required infrastructure.

2. Conclusion

Upon review of the Draft Contributions Policy 2021, HGL has a number of concerns that it seeks be addressed by the following relief (or similar):

- Amend section 2 of the Contributions Policy 2021 to specify that, when an application is lodged before 10 January 2022 but determined by Council on or after 10 January 2022, the applicant can choose which policy (either the 2019 version or the 2021 version) will apply;
- Require contributions to be paid at issue of building consents for non-residential uses in order for the proposed development contributions values to not be increased;
- Remove Hingaia from the Southern Growth Area transport funding area;
- Remove Hingaia from the Manukau Central stormwater funding area;
- Clarify what roading infrastructure is covered for the Redhills Precinct with reference to the Precinct Plan and Precinct Transport Triggers, and where not covered by Development Contributions confirm what alternative funding mechanism will be used.
- Reinsert the signalisation of Park Estate Road and Great South Road as a project funded by development contributions, given that this project was identified in previous contributions policies, construction has not yet commenced and the project is needed to be undertaken immediately in order to ensure the efficient development of urban zoned land along Park Estate Road;
- Reinsert the upgrade of Murphys Road as a project funded by development contributions (previously part of the 'Mill Road Corridor Phase 1' project) in order to ensure the efficient development of urban zoned land in southern Flat Bush, including the delivery of a neighbourhood centre adjacent to Murphys Road;

Signature: .....

Aaron Grey – Senior Planner, CivilPlan Consultants Ltd
on behalf of Hugh Green Limited

Date: 12 October 2021

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Contributions Policy 2021

Feedback must be received by **17 October 2021**

Development contributions are charged to people responsible for new developments to ensure that an appropriate share of our investment in infrastructure is recovered from those who either create the need for the infrastructure or benefit from our investment.

We charge development contributions where the new development requires us to provide new or upgraded infrastructure for:

- transport, footpaths, roads and intersections
- drainage systems and stormwater mitigation
- parks, park facilities, sports grounds and community facilities.

The infrastructure required to support Auckland's growth includes infrastructure to allow houses to be built now, through to the regional investments necessary to support communities in a growing city.

Our Contributions Policy sets out the costs to be recovered and how these are charged in different parts of the region. This is regularly updated for new information, including projected growth, planned investment, or policy decisions made.

The current Contributions Policy took effect in January 2019. We want your feedback on a new Contributions Policy, to take effect from January 2022.

We encourage you to give feedback online at akhaveyoursay.nz, or you can complete this form and:

Scan and Email your completed form to contributions.policyteam@aucklandcouncil.govt.nz

If COVID-19 alert levels permit, you can drop off your completed form off at your local library, service centre or local board office.

Post your completed form to this freepost address:
Auckland Council
Contributions Policy Team
Freepost Number 190197
Private Bag 92300
Victoria Street West
Auckland 1142

Your details

Your name and feedback will be included in public documents. All other personal details will be kept private.

First name: KIT Last name: HOWDEN

Email address or postal address: [redacted]

Your local board: Eden / Albert

Is your feedback on behalf of an organisation or business? (If yes, this confirms you have authority to submit on the organisation's behalf)

☐ Yes ☑ No Name of organisation/business:

Important privacy information

The personal information that you provide in this form will be held and protected by Auckland Council in accordance with our privacy policy (available at **aucklandcouncil.govt.nz/privacy** and at our libraries and service centres) and with the Privacy Act 1993. The privacy policy explains how we can use and share your personal information in relation to any interaction you have with the council, and how you can access and correct that information. You should familiarise yourself with this policy before submitting this form.

Your feedback (all questions are optional)

1. Updating capital projects in the 10-year Budget

In June 2021 Auckland Council adopted its Recovery Budget (10-Year Budget 2021-2031), which included a 10-year capital programme and 30-year Infrastructure Strategy.

We are proposing to update the Contributions Policy to reflect the latest cost projections and timing of the 10-year capital programme in the 10-year Budget. We are also updating our projections of population and development, both by area and over time, to align with those projections in our 10-year Budget.

The proposed updates will have different impacts on the amount of contributions required in different areas, depending on what investment is planned and the projected growth over time in each area.

More information on this proposal can be found on page 11 of the consultation document.

What do you think about this proposal?

- [x] Agree
- [ ] Disagree
- [ ] Other
- [ ] I don't know

Tell us why

Land needs to be aquired as reserves in order to protect access to informal green spaces.

2. Including capital projects beyond 10 years

Auckland is growing rapidly, and major infrastructure investment is required. The 10-year Budget commits significant investment to support growth in identified investment priority areas. However, this is not enough to address the cumulative impact of growth over the 30-year term of our Infrastructure Strategy.

Additional infrastructure will be required to cope with the expected growth. All development over the next 30 years will benefit from this.

We propose to include the additional investment from 2032 onwards, that we intend to deliver in order to cope with the expected growth, in our Contributions Policy. We plan to amend the Contributions Policy in stages for each investment priority area as information becomes available, starting with Drury.

The proposed change in Drury will raise the development contribution price from between $11,000 and $18.300, to $84,900 for development in the area.

This reflects the infrastructure investments required to develop a new community the size of Napier, that is accessible and sustainable. The options for funding this infrastructure are from taxpayers, ratepayers or developers. We think it is fair that developers in the area pay an appropriate share of the costs of this investment. This won't affect house prices as they are determined by supply and demand.

More information on this proposal can be found on page 11 of the consultation document and Attachment D.

What do you think about our proposal to add projects beyond 10-years to the policy in stages starting with Drury?

- [x] Agree with the proposal and starting with Drury
- [ ] Agree with the proposal but not starting with Drury
- [ ] Disagree
- [ ] Other
- [ ] I don't know

Tell us why

There will be a lack of a large parks area the size of Cornwall Park / Domain unless a start is made to aquire such a large area of Reserve land

3. Payment timing change

Under the 2019 policy, the timing of contribution payments due at building consent on residential development was extended to between 6 and 24 months after consent is granted.

Since then, our finances have been affected by COVID-19 and our ability to fund infrastructure for growth is now more constrained.

In light of this, we propose that contributions are paid at the time building consent is granted for all development (residential and non-residential), except non-commercial development on Māori land. Therefore, developers will have to pay development contributions due at building consent 6 to 24 months earlier than at present.

Earlier receipt of payment will allow us to bring forward some of our planned investment.

More information on this proposal can be found on page 15 of the consultation document and Attachment F.

What do you think about requiring developers to pay their contributions when building consents are granted?

- [x] Agree
- [ ] Disagree
- [ ] Other
- [ ] I don't know

Tell us why

Pocket reserve contributions could be part of the contribution however cash is needed for a large reserve purchase as in 2 above.

4. Supporting development of Maori land

A change in legislation requires our Contributions Policy 2021, along with some of our other financial policies, to support the principles of Te Ture Whenua Maori Act 1993, including to facilitate development and utilisation of Māori land.

We are proposing to continue supporting the development of marae, papakāinga and Māori housing on Māori land with grants available through the Cultural Initiatives Fund.

Currently, there is not enough money in this fund to meet all requests. As such, we plan to review the level of funding as part of the Annual Budget 2022/2023, along with which types of Māori land should be eligible for a grant.

Additionally, we propose to exempt not-for-profit development on Māori land from reserve contributions.

The earlier payment timing proposed above would not apply to non-commercial development on Māori land.

More information on this proposal can be found on page 15 of the consultation document and Attachment G.

What do you think about our proposal to support Māori development with grants?

- ☐ Agree
- ☑ Disagree
- ☐ Other
- ☐ I don't know

Tell us why

Only agree Maori land is exempt from reserve contributions

5. Other proposed changes

See 3 pages Additional comments

We are proposing some other minor changes to funding areas:

- Transport – three additional funding areas

  This allocates the cost of transport infrastructure to the investment priority areas in Drury and the Auckland Housing Programme areas.
- Stormwater – one new and four amended funding areas

  This provides close alignment with planned investment in stormwater within the Central and Takanini areas.

We also propose that the new policy include a clause confirming our ability to recover debt collection costs for outstanding development contribution payments. The current policy does not specify this.

Proposed funding area maps have been published with this consultation document.

What do you think of the proposed changes (please be clear which proposal you are talking about)?

Transport should come from Central Govt funding. Needs for greater transparency on stormwater eg: where there is a reserve value. See additional comments

ADDITIONAL COMMENTS Development Contribution

a/ **Considering the massive housing developments and population in Drury / Pukekohe / Pokeno another large area of reserve land is needed**. This needs to be at the scale of the likes of the Auckland Domain / Cornwall Park for future generations. Hunua Regional Park has limited ability to absorb large such future park and recreation use due to topography, access and present Watercare and KDB roles. Therefore, more comprehensive park and recreation planning is needed to link financing with providing intergenerational use. Guidelines such as the 30-30-30-30 principle. [See below] have yet to be discussed with the community. **When this planning is done better decisions can be made over how and where and when finance can come from**.

b/ Financing of reserves needs a broad plan and direction and this is lacking to guide expenditure both on acquisition and development. Overall there needs to be more planning for regional as well as other parks including central Govt DOC responsibilities. Council needs to do far more advocacy on this in association with the community. See below the 30-30-30-30 guidelines.

c/ There needs to be separation of Reserve Acquisition Contributions and Reserve Development Contributions.
These need to be clearly divided so that the public can see the allocations. Reasons are:

1 In green field developments priority needs to first be put land reserve land acquisition in the first decades of a new subdivision. In developing new suburbs, it takes time for communities to develop and its best to wait until this happens before elaborate development and infrastructure using Reserve Development Contributions. Local communities should decide such infrastructure development. Elaborate expenditure prior to moving into a new housing area may not be what the new community wants. All that needs to happen at first is to prepare basic playing areas, biosecurity work and structure trees. **Priority needs to be put on reserve land acquisition.**

2 Development of reserve land needs to be based on public involvement through management planning processes at a later stage.

3 Park play a wide role from conservation protection [limited access] through to high use built formal recreation facilities therefore priority is on acquisition across all defined areas of reserves.

4 Too greater emphasis is put on built formal sports and recreation facilities taking a greater share of the total reserve financial allocations. There is also a decline in formal sports and formal recreation activity whereas there is growth in informal casual recreation which has equal health and recreation benefits for greater numbers of people [see

Sport and Recreation data and the use through the Covid19 pandemic lockdowns]. Too greater allocation is based around development of sport fields and not enough on informal recreation areas.

5 Many informal reserves are combined with drainage and non-developed waterways. These areas should not be considered as part of the Reserve Acquisition Contributions if the priority is mainly on the drainage or other infrastructure functions. In other words, they are a cost on the other non-reserve contributions. If the use is partly for both purposes, then there needs a transparent planning process with costs shared between different allocations.

6 Climate change, coastal erosion area other factors need to be aligned to Development contributions especially in allowing greater reserve acquisitions. For example, with coastal erosion and floods more areas will be required to be set aside as reserve acquisitions for protecting vulnerable land.

7 Reserve Development Contributions need to be aligned with park and reserve management plans. There is a gap in this where the ambitious policies are not realistic with additional acquisitions on existing reserves; climate change challenges; depreciation of assets; operations and development of new facilities. Therefore, these development contributions can be delayed putting greater priority on reserve acquisition.

8 Reserve development contributions can come from other financial sources such as gifts, donations, user group, charges, special rates on the affected community etc. Priority needs to go on land acquisition.

The 3-30-300 + 3000 rule for Auckland's parks

There are 4 simple rules or guidelines for the health, well being and environment for a growing city. These are based around urban forestry and a new formula in providing parks. Ratios may vary but it's important principles are adopted and followed.

3- Every citizen should be able to see at least 3 trees (of a decent size) from their home.

30- Every citizen lives in a neighbourhood where there's tree canopy of 30%

300- Every citizen has easily 300 metres access to a green park.

3000- Every citizen has public transport access to a large area of countryside or natural type open space or park within 3000 seconds of their home.

NOTES and Further reading

From Professor Cecil Konijnendijk van den Bosch is the Director of the Nature Based Solutions Institute and Program Director (Master of Urban Forestry Leadership) at the University of British Columbia.

https://iucnurbanalliance.org/promoting-health-and-wellbeing-through-urban-forests-introducing-the-3-30-300-rule/

https://www.newsroom.co.nz/ideasroom/new-housing-policy-runs-risk-of-urban-slums

https://www.newsroom.co.nz/first-learn-to-walk

https://www.yardstickglobal.org/projects/parks

https://www.walkingaccess.govt.nz/assets/Publication/Files/2019-Walking-Access-Review-Walking-Access-Act-2008-Web2.pdf

6. Do you have any other feedback on the draft Contribution Policy 2021?

Tell us some more about you

I am [redacted] and have had a long career in park planning and management. I am now active in a number of parks and conservation groups.

Thanks for the opportunity to make a submission

17/10/21

Kit Howden [redacted]

Attachment 1 – DIFF Project Schedule

Project No	Location	Project	Project Stage	Project Description	Hierarchy	~~Developers~~ Land which will benefit from the works	Indicative Timing	Confirmed External Funding	Drury East Comments Note: Drury East Developers will carry out works shaded green provided and to the extent that all required land is within the road reserve/owned by the developers
1a	DE	GSR improvements - Waihoehoe Rd to Drury Interchange	Interim	2-lane urban- existing road layout with active modes on both sides + local intersection improvements (TDM)	Arterial	Cumulative Drury	2022	ATAP	Not required for initial phases of PCs 48/ 49/50. Anticipated to be funded by others.
1b	DE	GSR improvements - Waihoehoe Rd to Drury Interchange	Ultimate	4-lane urban- upgrade 2-lane urban to 4-lane with active modes on both sides, (TDM)	Arterial	Cumulative Drury	2036		Not required for initial phases of PCs 48/ 49/50. Anticipated to be funded by others.
2a	DE	GSR improvements - From Drury School to Waihoehoe Rd	Interim	~~2-lane urban- existing road layout with active modes on both sides + intersection improvements (TDM)~~ Safe cycling and pedestrian connection from Waihoehoe/GSR intersection to bus stop	Arterial	Cumulative Drury East & local developments	2026		Drury East Developers to provide connection from the intersection to the 376 bus service (eastern side)
2b	DE	GSR improvements - From Drury School to Waihoehoe Rd	Ultimate	4-lane urban- upgrade 2-lane urban to 4-lane with active modes on both sides, (TDM)	Arterial	Cumulative All South (depending on Mill Road & N/S Arterial)	2036		Not required for PCs 48/ 49/50.
3	DW	Intersection upgrade on GSR/Karaka Rd intersection	Ultimate	Ultimate intersection form	Arterial	Drury All South + Auranga + Cumulative Southwest	2022	ATAP	Not required for PCs 48/ 49/50
4~~a~~	DE	Waihoehoe Rd East upgrades- from Fitzgerald Rd to before Cossey Rd (depending on development boundary)	~~Ultimate~~ Interim	2-lane urban - upgrade existing road layout with active modes on both sides, ~~24~~20m cross-section	Arterial	Fulton Hogan	2022		Interim arrangement to be provided and funded by Drury East Developers
4b	DE	Waihoehoe Rd East upgrades- from Fitzgerald Rd to before Cossey Rd (depending on development boundary)	Ultimate	2-lane urban - upgrade existing road layout with active modes on both sides, 24m cross-section	Arterial	Cumulative Drury	2046		Not required for PCs 48/ 49/50. To be expanded to ultimate 24m cross section
5	DE	Drury Central Station	NZUP	NZUP Delivered Rail Station	Rail	Cumulative Drury East + Auranga	2022	NZUP	Required for initial phases of PCs 48/49/50 but to be funded by others
6	DE	Drury Station Connection	NZUP	NZUP Delivered Rail Station Access Road	Collector	Cumulative Drury East + Auranga	2022	NZUP	Required for initial phases of PCs 48/49/50 but to be funded by others
7	DE	Fitzgerald Rd upgrades (from Waihoehoe Rd to First Stage development boundary, north of Brookfield)	Ultimate	2-lane urban - upgrade with active modes on both sides	Collector	Fulton Hogan + Kiwi Property	2022		To be provided and funded by Drury East Developers
8	DE	Fielding Rd upgrades (from Waihoehoe Rd to development boundary)	Ultimate	2-lane urban - upgrade with active modes on both sides	Collector	Fulton Hogan	2022		To be provided and funded by Drury East Developers
9a	DE	Upgrade in GSR/Waihoehoe intersection	Interim	Minor Improvements to the GSR/Waihoehoe Road roundabout	Arterial	Oyster+ Fulton Hogan + Kiwi Property	2022		To be provided and funded by Drury East Developers
9~~b~~a	DE	Upgrade in GSR/Waihoehoe intersection/Norrie Rd	Interim	Upgrade Intersection with active mode crossings and additional approach capacity, tying into Waihoehoe Road upgrade and bridge replacement	Arterial	Cumulative Drury East + Auranga + Station Park & Ride	2022		Not required for initial phases of PCs 48/ 49/50. Anticipated to be paid for by others
9~~c~~b	DE	Additional Upgrade for Norrie Approach to tie-in to Norrie FTN Upgrade	Ultimate	Multi-lane signalised intersection with active mode crossings, SGA design	Arterial	Cumulative Drury East	2036	ATAP	Not required for PC 48/49/50
10a	DE	New intersection on Waihoehoe Rd/Fitzgerald Rd (including approach cross-sections)	Interim	Earthwork and landform for 2-lane roundabout but potential initial use as single-lane intersection – with active mode crossings from outset	Arterial	Oyster+ Fulton Hogan + Kiwi Property	2022		To be provided and funded by Drury East Developers
10b	DE	New intersection on Waihoehoe Rd/Fitzgerald Rd (including approach cross-sections)	Ultimate	Upgrade to ultimate form	Arterial	Cumulative Drury East	2031		Not required for initial phases of PCs 48/ 49/50. Anticipated to be paid for by others
11	DE	Intersection upgrade Waihoehoe Rd/Fielding Rd/Appleby Rd	Ultimate	Roundabout as per SGA NOR design	Arterial	~~Fulton Hogan~~ Cumulative Drury East	2022		Not required for initial phases of PCs 48/ 49/50. Anticipated to be paid for by others
12	DE	Interim walking, cycling and bus connections within Drury Centre (includes Bremner/Norrie/Firth Intersection upgrades, active mode on Norrie) -overlap with project 36 and 46	Interim	Intersection improvements on Bremner-Firth Rd, Norrie-Firth Rd, GSR-Firth Rd, Active mode facilities on both sides of Firth & Norrie Rd	Collector	~~Fulton Hogan + Kiwi Property + Oyster +~~ Auranga	2022		Not required for PC 48/49/50.

Project No	Location	Project	Project Stage	Project Description	Hierarchy	~~Developers~~ Land which will benefit from the works	Indicative Timing	Confirmed External Funding	Drury East Comments Note: Drury East Developers will carry out works shaded green provided and to the extent that all required land is within the road reserve/owned by the developers
13a	DE	N-S Opaheke Arterial across development (up to Waihoihoi Stream)	Interim	2-lane urban- new 2-lane arterial with active modes on both sides + intersection improvements (TDM)	Arterial	Oyster	2022		To be provided and funded by Drury East Developers
13b	DE	N-S Opaheke Arterial across development (up to Waihoihoi Stream)	Ultimate	4-lane urban- upgrade 2-lane arterial with SGA design + intersection improvements (TDM)	Arterial	Cumulative Drury East + Opaheke	2046		Not required for PCs 48/ 49/50
14a	DE	Upgrade Brookfield Road ~~from Fitzgerald to Quarry Rd+ New connection + Intersections on Quarry & Fitzgerald~~	~~Ultimate~~ Interim	~~2 lane urban (upgrade existing road layout with active modes on both sides + intersection improvements + new connection to Quarry Rd)~~ Upgrade to Brookfield Rd to provide protected cycleways both sides and a footpath on the side of the development.	Collector	Cumulative Drury East	2026		Drury East Developers will provide and fund an upgrade to Brookfield Rd only. *Note: possible pedestrian/cycle connection from Brookfield to Quarry if land can be acquired OR connection to open space along Hingaia from Drury South - desirable but not essential*
14b	DE	Upgrade Brookfield Road from Fitzgerald to Quarry Rd + New Connection + Intersections on Quarry & Fitzgerald	Ultimate	2 lane urban (upgrade existing road layout with active modes on both sides + intersection improvements + new connection to Quarry Road)	Collector	Cumulative Drury East	2026		Not required for PCs 48/ 49/50
15	DE	New Collector road E-W from Fitzgerald Rd (collector 1) + Intersections	Ultimate	2-lane collector- new collector with active mode on both sides + intersection improvements (TDM)	Collector	Kiwi Property (progress with development staging)	2026		To be provided and funded by Drury East Developers
16a	DE/DW	2-lane bridge over Bremner/Waihoehoe Rd (included in NZUP project 19-1)	NZUP	2-lane urban with active modes on both sides (replacing existing bridge as part of SH1 P2D NZUP)	Arterial	Cumulative Drury (funded through NZUP)	2022	NZUP	Not required for PC 48/49/50
16b	DE/DW	4-lane bridge over Bremner/Waihoehoe Rd	NZUP	4-lane urban- upgrade 2-lane urban with active modes on both sides (SGA design)	Arterial	Cumulative Drury	2046	NZUP	Not required for PC 48/49/50
17	DW	Jesmond Road to Oira Road collector	Ultimate	2-lane urban- new road layout with active modes on both sides.	Collector	Drury West FUZ	2036		Not required for PC 48/49/50
18a	DE	Mill Road: From Waihoehoe Rd to Fitzgerald Road (depends on Mill Road alignment)	Interim	2-lane urban- new road layout with active modes on both sides, TDM, (depends on Mill Road)	Strategic	Cumulative Drury East + Cumulative all South	2036		Not required for PC 48/49/50
18b	DE	Mill Road: From Waihoehoe Rd to Fitzgerald Road (depends on Mill Road alignment)	Ultimate	4-lane urban- with active modes on both sides, TDM, (depends on Mill Road)	Strategic	Cumulative Drury East + Cumulative all South	2046		Not required for PC 48/49/50
19-1	DE/DW	SH1 3-laning and cycleway upgrades from Papakura to Drury Interchange	NZUP	NZUP Delivered upgrade to SH1	Strategic	NZUP	Under construction	NZUP	Required for initial phases of PCs 48/49/50 but to be funded by others
19-2	DE/DW	SH1 Drury Interchange including ramps	NZUP	NZUP Delivered upgrade to Drury Interchange	Strategic	Depends on NZUP P2D re-baselining scope	2022	NZUP	Required for initial phases of PCs 48/49/50 but to be funded by others
19-3	DE/DW	SH1 3-laning and cycleway upgrades from Drury Interchange to Drury South	NZUP	Papakura-Drury South Stage 2 (prev NZUP)	Strategic	Depends on NZUP P2D & Mill Rd re-baselining scope	2036	NZUP	Required for later phases of PCs 48/49/50 but to be funded by others
20a	DE	Upgrade Fitzgerald Rd from Brookfield to ~~Ramarama~~ Drury Hills Road	Ultimate	2-lane urban- upgrade existing road layout with active modes on ~~both~~ the northern side~~s~~ + intersection upgrades (TDM)	Collector	Fulton Hogan (progress with development staging) + Cumulative Drury East	2026		To be provided and funded by Drury East Developers
20b	DE	Upgrade Fitzgerald Rd from Brookfield to Drury Hills Road		2-lane urban- upgrade existing road layout with active modes on the southern side + intersection upgrades (TDM)	Collector	Cumulative Drury East	2026		Not required for PC 48/49/50
20c	DE	Upgrade Fitzgerald Rd from Drury Hills to Ramarama Road		2-lane urban- upgrade existing road layout with active modes on both sides + intersection upgrades (TDM)	Collector	Cumulative Drury East	2026		Not required for PC 48/49/50

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21	DE	Fielding Rd upgrades for active modes (from Fitzgerald Rd to development boundary)	Ultimate	Active mode upgrades- existing road layout with active modes on both sides + intersection upgrades for active mode crossing	Collector	Fulton Hogan (progress with development staging)	2026		To be provided and funded by Drury East Developers
22	DE/DW	Upgrade Intersection at Quarry/ GSR	Ultimate	Upgrade intersection (roundabout) with active modes facilities (TDM)	Collector	Cumulative East + Drury South	2022		Not required for PC 48/49/50
23a	DE	Waihoehoe Rd West upgrades- between GSR & Fitzgerald Rd ~~including bridge replacement over rail corridor~~	~~Ultimate~~ Interim	2~~4~~-lane urban FTN- upgrade with active modes on both sides, SGA design	Arterial	Cumulative Drury East and Opaheke (depends on Mill Rd & N-S Arterial & Brookfield Rd and four-tracking)	2022		To be provided and funded by Drury East Developers
23b	DE	Waihoehoe Rd West upgrades- between GSR & Fitzgerald Rd, including bridge replacement over rail corridor	Ultimate	4-lane urban FTN- upgrade with active modes on both sides, SGA design	Arterial	Cumulative Drury East and Opaheke (depends on Mill Rd & N-S Arterial & Brookfield Rd and four-tracking)	2028	ATAP	Required for later phases of PCs 48/49/50. Anticipated to be funded by others
24a	DE	Upgrades on Waihoehoe Rd east- from project 4 to Drury Hills + Drury Hills Intersection	Ultimate	2-lane urban – upgrade with active modes on ~~both~~ the southern side~~s~~	Arterial	Fulton Hogan (progress with development staging)	2031		To be provided and funded by Drury East Developers
24b	DE	Upgrades on Waihoehoe Rd east- from project 4 to Drury Hills + Drury Hills Intersection	Ultimate	2-lane urban – upgrade with active modes on the northern side	Arterial	Cumulative Drury East	2031		Required for later phases of PCs 48/49/50. Anticipated to be funded by others
25a	DE	Upgrades on Drury Hills from Waihoehoe Rd to Macwhinney Dr	Ultimate	2-lane urban- upgrade 2-lane collector with active modes on ~~both~~ the western side~~s~~	Collector	Fulton Hogan (progress with development staging)	2036		To be provided and funded by Drury East Developers
25b	DE	Upgrades on Drury Hills from Waihoehoe Rd to Macwhinney Dr	Ultimate	2-lane urban- upgrade 2-lane collector with active modes on the eastern side		Cumulative Drury East	2036		Required for later phases of PCs 48/49/50. Anticipated to be funded by others
27a	DE	Active mode facilities from Drury hills and Fitzgerald to Maketu Road	Interim	Active mode upgrades- active modes on both sides + intersection upgrades	Collector	Cumulative Drury East (progress with development staging)	2026		Not required for PC 48/49/50
27b	DE	Urban road with active modes facilities from Drury hills and Fitzgerald to Maketu Road	Ultimate	2-lane urban- upgrade to urban collector with active modes on both sides + intersection upgrades	Collector	Drury East FUZ (Southeast)	2036		Not required for PC 48/49/50
28	DE	New collector in N-S direction parallel to Fitzgerald Rd (Boulevard)	Ultimate	2-lane urban- new collector with active mode on both sides + intersection improvements (TDM)	Collector	Kiwi (progress with Town Centre development staging)	2026		To be provided and funded by Drury East Developers
29	DE	New collector in E-W direction between Flanagan & Fitzgerald Rd (collector 2)	Ultimate	2-lane urban- new collector with active mode on both sides + intersection improvements (TDM)	Collector	Kiwi Property (progress with development staging)	2026		To be provided and funded by Drury East Developers
30-1	DE	2-lane internal collector between Fitzgerald & Fielding Rd, E-W direction	Ultimate	2-lane urban- new collector with active mode on both sides + intersection improvements (TDM)	Collector	Fulton Hogan (progress with development staging)	2022		To be provided and funded by Drury East Developers
30-2	DE	2-lane internal collector between Fielding Rd & Drury Hills E-W direction	Ultimate	2-lane urban- new collector with active mode on both sides + intersection improvements (TDM)	Collector	Fulton Hogan (progress with development staging)	2031		To be provided and funded by Drury East Developers
31	DE	Upgrades on Cossey Rd between Fitzgerald & Waihoehoe Rd (Depends on Mill Rd Alignment)	Ultimate	2-lane urban - upgrade with active modes on both sides (depends on Mill Road alignment)	Collector	Depends on Mill Rd alignment & timing	2031		To be provided and funded by Drury East Developers
32	DE	New Intersection on Cossey Rd/Waihoehoe Rd	Ultimate	SGA design (depends on Mill Road design)	Arterial	Fulton Hogan (progress with development staging) + depends on Mill Rd	2031		To be provided and funded by Drury East Developers
33	DE	Upgrade Fitzgerald Rd from project 7 to Brookfield Rd	Ultimate	2-lane urban- upgrade to 2-lane urban with active modes on both sides (TDM)	Collector	Fulton Hogan + Kiwi Property	2022		To be provided and funded by Drury East Developers
34	DE	New Drury Interchange connection to Kiwi development	Ultimate	New direct access from SH1 into Kiwi development, potentially coordinated with reconstruction of Drury Interchange	Collector	Kiwi Property (depends on pace of centre development and coordination with P2D)	~~2026~~ 2025		To be provided and funded by Drury East Developers

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35a	DE	Mill Road: Drury South connection from Fitzgerald/Cossey intersection to SH1 + Interchange (north facing ramps only)	Interim	2-lane- new road layout with active modes on both sides (depends on Mill Road design and sequencing)	Strategic	Cumulative East + Strategic	2031		Not required for initial phases of PCs 48/ 49/50. Anticipated to be paid for by others
35b	DE	Mill Road: Drury South connection from Fitzgerald/Cossey intersection to SH1 + Interchange (north and south ramps)	Ultimate	4-lane- new road layout with active modes on both sides (depends on Mill Road design and sequencing)	Strategic	Strategic	2041		Not required for initial phases of PCs 48/ 49/50. Anticipated to be paid for by others
36	DE/DW	Bremner-Norrie Road east of SH1 up to GSR (overlap with project 12)	Ultimate	4-lane urban new road layout with active modes on both sides	Arterial	Cumulative Drury	2036		Not required for PC 48/49/50
37a	DE	N-S Opaheke Arterial from Oyster development to Ponga Rd (alternative project 38)	Interim	2-lane urban- new road layout with active modes on both sides (TDM, depends on timing of #37)	Arterial	Cumulative Drury East & Opaheke (timing dependent on Mill Road)	2041		Not required for initial phases of PCs 48/ 49/50. Anticipated to be paid for by others
37b	DE	N-S Opaheke Arterial from Oyster development to Ponga Rd (alternative project 38)	Ultimate	4-lane urban- upgrade 2-lane urban with active modes on both sides (SGA design)	Arterial	Cumulative Drury East & Opaheke (timing dependent on Mill Road)	2046		Not required for initial phases of PCs 48/ 49/50. Anticipated to be paid for by others
38a	DE	Mill Road: From Waihoehoe Rd to Papakura (alternative project 37)	Interim	2-lane urban- new road layout with active modes on both sides (TDM, depends on Mill Rd and timing of #37)	Strategic	Cumulative Drury East + Cumulative all South	2036		Not required for initial phases of PCs 48/ 49/50. Anticipated to be paid for by others
38b	DE	Mill Road: From Waihoehoe Rd to Papakura (alternative project 37)	Ultimate	4-lane urban- with active modes on both sides, (TDM, depends on Mill Rd)	Strategic	Cumulative Drury East + Cumulative all South	2046		Not required for initial phases of PCs 48/ 49/50. Anticipated to be paid for by others
39a	DW	New Bremner Rd arterial from SH1 to Auranga development	Interim	2-lane urban- new road layout with active modes on both sides (Under construction)	Arterial	Drury Precinct	Under construction		Not required for PC 48/49/50
39b	DW	New Bremner Rd arterial from SH1 to Auranga development	Ultimate	4-lane urban FTN- upgrade 2-lane urban with active modes on both sides (TDM)	Arterial	Cumulative Drury	2046		Not required for PC 48/49/50
40a	DW	New intersection on Jesmond/Bremner Rd	Interim	Single-lane controlled intersection (new intersection with active mode crossings)	Arterial	Cumulative Drury West (depends on surrounding growth and timing of project 65)	2026		Not required for PC 48/49/50
40b	DW	Upgrade intersection on Jesmond/Bremner Rd	Ultimate	Ultimate intersection form	Arterial	Cumulative Drury West + Future Growth (depends on surrounding growth and timing of project 65)	2036		Not required for PC 48/49/50
41a	DW	Jesmond Rd upgrades from SH22 to (and including) Waipupuke development boundary	Interim	2-lane urban - upgrade with active modes on both sides (TDM)	Arterial	Waipupuke	2022		Not required for PC 48/49/50
41b	DW	Jesmond Rd from SH22 to Waipupuke development boundary	Ultimate	4-lane urban FTN- upgrade 2-lane urban to 4-lane with active modes on both sides (TDM)	Arterial	Cumulative Drury West	2046		Not required for PC 48/49/50
42a	DW	Jesmond Rd upgrades from project 41 to New Bremner Rd	Interim	Interim active modes e.g. shared path on one side	Arterial	Waipupuke	2022		Not required for PC 48/49/50
42b	DW	Jesmond Rd upgrades from project 41 to New Bremner Rd	Ultimate	2-lane urban- upgrade existing road with active mode facility on both sides (TDM)	Arterial	Drury West FUZ	2031		Not required for PC 48/49/50
42c	DW	Jesmond Rd upgrades from project 41 to New Bremner Rd	Ultimate	4-lane urban FTN- upgrade 2-lane urban to 4-lane with active modes on both sides (TDM)	Arterial	Cumulative Drury	2046		Not required for PC 48/49/50
43a	DW	Intersection upgrade on SH22 Rd/Jesmond Rd	Interim	2-lane Roundabout (active mode crossings) via NZUP Station access	Strategic	Cumulative Drury West + station	2022		Not required for PC 48/49/50

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43b	DW	Intersection upgrade on SH22 Rd/Jesmond Rd	Ultimate	Ultimate intersection form (for fully urbanised corridor)	Strategic	Cumulative Drury West + subject to SH22 improvements and station timings	2031		Not required for PC 48/49/50
44	DW	Intersection at SH22/Burberry Rd (likely to close entirely)	Ultimate	Auranga development proposes intersection is closed	Strategic	Auranga B1	2022		Not required for PC 48/49/50
45	DW	Upgrade intersection at SH22/Victoria Rd	Interim	Signals to be installed as part of Papakura-Drury Project	Strategic	Auranga B1	Under construction		Not required for PC 48/49/50
46	DW	Upgrades in GSR/Firth Rd intersection (overlap with project 12)	Interim	Possible signals for active modes, depending on Station Access signals	Arterial	~~Fulton Hogan + Kiwi + Oyster +~~ Auranga	2022		Not required for PC 48/49/50
47	DW	Old Bremner Road Upgrade from Jesmond Road to Auranga Precinct	Ultimate	2-lane urban- new road layout with active modes on both sides (Under construction)	Collector	Auranga	Under construction		Not required for PC 48/49/50
48	DW	Collector road south of New Bremner/ Old Bremner intersection	Ultimate	2-lane urban- new road layout with active modes on both sides (Under construction)	Collector	Auranga	Under construction		Not required for PC 48/49/50
49	DW	SH22 improvements from GSR Intersection to Jesmond Rd	Ultimate	4-lane urban- upgrade 2-lane urban to 4-lane with active modes on both sides	Strategic	Waipupuke + Auranga + Drury West FUZ + Cumulative South/West	2022		Not required for PC 48/49/50
50a	DW	SH22 improvements from Jesmond Rd to Oira Rd- active mode upgrades	Interim	2-lane urban - upgrade with active modes and urban frontage on north side only	Strategic	Waipupuke	2022		Not required for PC 48/49/50
50b	DW	SH22 improvements from Jesmond Rd to Oira Rd	Ultimate	4-lane urban- upgrade 2-lane urban to 4-lane with active modes and urban frontage on both sides	Strategic	Drury West FUZ + Cumulative South/West	2031		Not required for PC 48/49/50
51	DW	SH22 improvements from Oira Rd to Oira Creek - subject to design, could be incorporated with project 60	Interim	Upgrade road layout to future urban boundary + active modes and urban frontage on both sides	Strategic	Drury West FUZ + Cumulative South/West	2036		Not required for PC 48/49/50
52	DW	Intersection upgrade- on SH22/ McPherson Rd/Karaka Rd (Auranga B1)	Ultimate	Ultimate intersection form (note that McPherson bridge under rail likely to close to vehicles with rail 4-track)	Strategic	Auranga	2022		Not required for PC 48/49/50
53	DW	New intersection east of Jesmond Rd (Auranga B1 main street)	Ultimate	Ultimate intersection form (left-in left-out)	Strategic	Auranga	2022		Not required for PC 48/49/50
54	DW	New N-S collectors internal to Auranga B1 (2 links) + Intersections	Ultimate	2-lane urban- new collector with active mode on both sides + intersection improvements (TDM)	Collector	Auranga	2022		Not required for PC 48/49/50
55	DW	New E-W collector to Jesmond Rd	Ultimate	2-lane urban- new collector with active mode on both sides + intersection improvements (TDM)	Collector	Drury West FUZ	2031		Not required for PC 48/49/50
56	DW	Burberry Rd north connection to Auranga Precinct	Ultimate	2-lane urban- new collector with active mode on both sides + intersection improvements (TDM)	Collector	Auranga	Under construction		Not required for PC 48/49/50
57	DW	Drury West Station + New access road	NZUP	2-lane urban- new road layout with active modes on both sides for access to station	Arterial	Cumulative Drury West	2026	NZUP	Not required for PC 48/49/50
58	DW	Oira Rd upgrades from SH22 to Waipupuke development boundary	Ultimate	2-lane urban- upgrade with active modes on both sides + intersection improvements (TDM)	Collector	Waipupuke	2022		Not required for PC 48/49/50
59	DW	New Intersection on Jesmond Rd/collector (PC61)	Ultimate	2/4-lane intersection (new intersection + active mode crossings)	Arterial	Waipupuke	2022		Not required for PC 48/49/50

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60a	DW	SH22 Intersection upgrade - Oira Rd (3 leg)	Interim	Interim Roundabout	Strategic	Waipupuke	2022		Not required for PC 48/49/50
60b	DW	SH22 Intersection upgrade - Oira Rd (4 leg)	Ultimate	Ultimate intersection form	Strategic	Drury West FUZ	2036		Not required for PC 48/49/50
63	DW	New collectors internal to Waipupuke PC61 (3 links) + Intersections	Ultimate	2-lane urban - new collector with active mode on both sides + intersection improvements (TDM)	Collector	Waipupuke	2022		Not required for PC 48/49/50
65a	DW	New Bremner Rd arterial from Auranga development to Jesmond Rd	Interim	2-lane urban- new road layout with active modes on both sides (TDM)	Arterial	Cumulative Drury West	2036		Not required for PC 48/49/50
65b	DW	New Bremner Rd arterial from Auranga development to Jesmond Rd	Ultimate	4-lane urban FTN - upgrade 2-lane urban to 4-lane with active modes on both sides, (TDM)	Arterial	Cumulative Drury	2046		Not required for PC 48/49/50
66	DW	SH22 improvements - west of SH1 interchange to GSR	Ultimate	4-lane urban- upgrade 2-lane urban to 4-lane with active modes on both sides, (TDM)	Strategic	Waipupuke + Auranga + Drury West FUZ + Cumulative South/West	2022		Not required for PC 48/49/50
67	DW/DE	Active mode corridor from Drury East Town Centre to GSR	Ultimate	Segregated active-modes corridor beside rail corridor	Strategic	Cumulative Drury + Cumulative South/West	2026		Not required for PC 48/49/50
68	DW	Active mode corridor from GSR to Drury West Town Centre/ Station	Ultimate	Segregated active-modes corridor beside rail corridor	Strategic	Cumulative Drury + Cumulative South/West	2031		Not required for PC 48/49/50
69	DW/DE	Quarry Road walking cycling bridge	Interim	Active modes facility over SH1	Collector	Cumulative Drury	2026		Not required for PC 48/49/50
70	DW/DE	GSR Road walking cycling bridge	Interim	Active modes facility over rail corridor	Arterial	Cumulative Drury	2026		Not required for PC 48/49/50

Attachment 2 – DIFF Schedule Map