

**BEFORE HEARING COMMISSIONERS  
IN TAURANGA**

**UNDER THE** Resource Management Act 1991 (“**Act**”)

**IN THE MATTER OF** A submission on Plan Change 92 - Ōmokoroa and Te Puke Enabling Housing Supply and Other Supporting Matters

**BETWEEN** **THE NORTH TWELVE LIMITED PARTNERSHIP**  
Submitter

**AND** **WESTERN BAY OF PLENTY DISTRICT COUNCIL**  
Planning authority

**STATEMENT OF EVIDENCE OF JOHN DILLON**

*Before a Hearing Panel: Chairperson Greg Carlyon, and Commissioners Alan Withy, Lisa Mein and Pia Bennett*

**INTRODUCTION**

**Background**

1. My name is John Dillon.
2. I have a long history of property development (as well as other business endeavours). At present, my property development interests are largely centred in Te Puke, and have been for some time, through The North Twelve Limited Partnership (“**NTLP**”).
3. I am authorised to give this evidence on NTLP’s behalf.

**Purpose and scope of evidence**

4. The purpose of this evidence, in addition to addressing the background matters above, is to provide the Panel with a clear outline of the concerns I have with WBOPDC’s proposed changes to its FINCOs as they relate to

Te Puke and our interests there; and confirm the relief sought in that regard.

5. While I have qualifications and experience as an accountant, and bring that expertise to bear on my consideration of FINCO matters, I am not independent and am not giving this evidence as an independent expert. I have, however, sought not to omit any information or matter that is of relevance to the FINCO issues raised in NTLP's submission.

## **EVIDENCE**

### **The key issue**

6. The effect of the proposed changes to the financial contribution provisions is to increase the per ha charges in Te Puke by 67% (625m<sup>2</sup> current c/f 375m<sup>2</sup> proposed).
7. This has not been explained in any logical, empirical, or other evidential way, including in the s32 assessment or s42A report.
8. In absence of any justification for the change, NTLP seeks for the changes to be refused and the Operative District Plan provisions to remain.
9. Alternatively, NTLP seeks that Te Puke be removed and treated in the same way as Katikati and Waihi Beach as Mr Crossan has outlined in his evidence.

### **Key deficiencies**

10. WBOPDC does not appear to have, in the s32 assessment or its 42A report undertaken a review of, or otherwise carefully identified:
  - (a) the infrastructure requirements for Te Puke;
  - (b) the effect of the introduction of the MDRS on the need for additional infrastructure;
  - (c) the available residential zoned land and its potential to create the need for additional infrastructure as a result of the MDRS;

- (d) the implications in respect of the operation of the financial contributions formula in the district plan, in particular: whether the denominator in the formula and other elements of the formula require adjustment to reflect the greater yield implied by the proposed change in the standard per ha yield from 12 HHEs to 20 HHEs.
11. I am aware of the infrastructure assessment reports prepared at the time of notifying plan change 92. These reports indicate that if Te Puke's population was to approach 16,500, some additional wastewater network infrastructure would be required. Similarly, some additional water storage capacity is required as the population approaches 16,500. However, we note that the plan change proceeds on the basis that Te Puke's population will only grow to 13,500. No decision has been taken to grow Te Puke's population to 16,500, no consultation with the community has occurred in relation to such growth, and no land has been rezoned to enable such growth.
12. The report observes that increased density may require additional infrastructure. However, no assessment is made of whether additional infrastructure is, in fact, required in Te Puke. We are also aware from the consents that we have obtained in relation to the subdivision of greenfield land in Te Puke that no additional infrastructure is required to enable additional density of greater than 12 lots per ha in relation to currently zoned greenfield residential land.
13. NTLP has been involved in annual plan submissions, plan change submissions, resource consent applications, discussions and negotiations with WBOPDC in relation to financial contributions since 2018. Numerous meetings have been held with members of Council's senior leadership. During this time there has been no work carried out by Council of which NTLP is aware that demonstrates that there is a need to collect additional financial contributions per hectare to fund growth infrastructure in Te Puke.
14. NTLP has sought from WBOPDC information relating to the matters outlined at paragraph 13. Council has declined to provide the information.
15. NTLP recently obtained consent for a development of 136 additional lots on 5.6ha of land at 81 Dunlop Rd. NTLP objected to the financial

contributions WBOPDC sought to assess on the development. The assessment was resolved by WBOPDC reducing the assessment per lot from 0.8HHE to 0.5HHE and removing one project (the North Harbour boat ramp) from the financial contribution's calculation. NTLP agreed not to proceed to a hearing on the basis that WBOPDC amended the financial contributions to 0.5 HHE per additional lot. 0.5HHE is the minimum per additional lot provided for under the District Plan.

16. The resolution of the objection was carried out under the current District Plan. If WBOPDC had evidence that financial contributions originally assessed were appropriate, then settlement of the objection would not have occurred on the basis that it did.
17. There does not appear to be any justification for the increase in nominal per hectare charges in Te Puke by 67% (625m<sup>2</sup> current c/f 375m<sup>2</sup> proposed), other than on the basis that lot sizes have decreased since the current Plan provisions were implemented in circa 2017.
18. WBOPDC has accepted in part NTLP's submission for the purpose of adding a rule, to the plan as notified in August 2022, requiring special assessment where the average lot size is less than 300m<sup>2</sup>. NTLP sought in its comprehensive submission to:
  - a. retain the existing financial contributions rules for Te Puke rather than adopt rules under the plan as notified in August 2022;
  - b. if the rules prior to the plan change were not to be retained, the addition of special assessment criteria for the purpose of reducing financial contributions from those proposed under the notified plan where density exceeded 15 lots per hectare (being the threshold under the current plan).

It is my view that Council have misconstrued NTLP's submission and have adopted part of a submission made in the context of a notified plan and have used it in the context of different provisions proposed under the s42A report, for a purpose that was clearly not the intention of the submitter.

19. The proposed rules do not consider the implications for topographically challenging land. Substantial areas of land that are currently zoned residential or future urban are challenging to develop. Achieving site areas of 375m<sup>2</sup> as standard is unlikely to be achievable without extensive earthworks and retaining. An approach to financial contributions that does not recognise these challenges is not appropriate. WBOPDC's approach seeks to collect more than 1 financial contribution per lot in such circumstances even though there will be no additional demand placed on Council infrastructure as a result of creating larger lot sizes to better address such topographical constraints.

### **Conclusion**

20. Aside from allowing WBOPDC to recover more FINCOs (without lawful justification), there do not appear to be any benefits to what WBOPDC is proposing. In contrast, the adverse effects include reducing housing affordability (as additional FINCOs will be passed through to subsequent owners), as well as, potentially, delaying development.

**25 August 2023**  
**John Dillon**