Before the Independent Hearings Panel Waipā District Council

under: the Resource Management Act 1991

in the matter of: Submissions and further submissions in relation to

Proposed Plan Change 26 to the Operative Waipā

District Plan

and: Retirement Villages Association of New Zealand

Incorporated (Submitter 73)

and: Ryman Healthcare Limited

(Submitter 70)

Legal submissions on behalf of the **Retirement Villages Association of New Zealand Incorporated** and **Ryman Healthcare Limited**

Dated: 21 April 2023

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LEGAL SUBMISSIONS ON BEHALF OF THE RETIREMENT VILLAGES ASSOCIATION OF NEW ZEALAND INCORPORATED AND RYMAN HEALTHCARE LIMITED

INTRODUCTION

- These legal submissions are provided on behalf of the Retirement Villages Association of New Zealand (*RVA*) and Ryman Healthcare Limited (*Ryman*) in relation to Plan Change 26 (*PC26*) to the Waipā District Plan (*Plan*, *District Plan*).
- Waipā is already an attractive location for retirees in the Waikato region. Between now and 2048, the population aged 75 and over in Waipā is forecasted to more than double. The wider region is experiencing similar ageing population growth patterns. However, the shortfall of appropriate retirement housing and care capacity to cater for that population is already at a crisis point. Delays and uncertainty caused by RMA processes are a major contributor.
- The Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 (*Enabling Housing Act*) represents a significant opportunity to address consenting challenges faced by the retirement sector. Addressing these challenges will ultimately accelerate housing intensification for the ageing population. Accelerating housing is directly in line with the expectations of both the Enabling Housing Act and the National Policy Statement on Urban Development 2020 (*NPSUD*).
- The importance of the present intensification streamlined planning process (*ISPP*) led to the RVA's members working together to adopt a combined approach. They have drawn on their collective experience. They have pulled together a team of leading industry and technical experts including gerontology expert, Professor Ngaire Kerse (MNZM). They seek greater national consistency across all Tier 1 planning frameworks to address the housing needs of older members of our communities.¹
- The relief sought adopts the key features of the Medium Density Residential Standards (*MDRS*) for multi-unit residential activities. It has some necessary nuances, noting:
 - 5.1 The objectives and policies of the MDRS seeking to enable a variety of houses and provide for the day to day needs of people have been further particularised. This approach will give greater clarity to the particular housing needs of the ageing population.
 - 5.2 At the rules level, the industry seeks generally consistent treatment as for other multi-unit residential developments in

¹ See also Statement of Evidence Ms N Williams, at [12].

terms of activity status for the construction and development of retirement villages (restricted discretionary). The assessment criteria proposed are focussed on the positive and potential adverse effects of retirement villages that the MDRS and NPSUD signal are of importance. They contain an appropriate degree of restriction while "encouraging" high quality design and ensuring attractive and safe streets.

- 5.3 The industry seeks that the "use" of retirement villages be permitted. This approach will signal the importance of enabling retirement villages in residential zones and appropriate commercial zones. As highlighted by Ms Nicola Williams, there is no effects-based reason for the land-use component of retirement villages to not be permitted.² The effects of the built form of retirement villages will however be managed by the restricted discretionary activity.
- 5.4 Notification presumptions are proposed to be the same as for other multi-units residential developments.
- 5.5 The density standards governing external effects are also the same.
- 5.6 Some relatively minor adjustments are sought to the internal amenity density standards to support the unique unit types and internal amenities of retirement villages, with a supporting new definition of "retirement unit".
- 5.7 Other objectives, policies and rules in the Plan (transport, noise, earthworks etc) will continue to apply as relevant. As such, the new provisions do not seek to exempt retirement villages from the remaining objectives, policy and rule framework. Instead, they are designed to provide specific emphasis on the needs of the ageing population.
- At present, PC26 does not adequately provide for retirement villages and other forms of housing for older people in Waipā. Aspects of the Plan go beyond the legislative and policy directives and accordingly 'over-regulate' development. The relevant definitions are inconsistent with the National Planning Standards definitions. The stipulated activity status classifications for retirement villages are more onerous than other forms of residential development.
- The RVA and Ryman also acknowledge the highly challenging time pressures involved to notify PC26 may have contributed to the carrying over of the retirement village provisions from the Operative Plan. Unfortunately, the result is an awkward combination of now outdated management approaches to density effects sitting

² Statement of Evidence Ms N Williams, at [101].

- alongside the new, more-enabling aspects of the Enabling Housing Act and the NPSUD. This combination will lead to significant policy and rule uncertainty for retirement villages.
- 8 Ryman and the RVA submit that provision for retirement villages within commercial zones is within the scope of PC26. And, retirement villages must be appropriately enabled within these zones in order to comply with the MDRS and Policy 3.
- Overall, it is submitted that PC26, as it relates to the RVA's and Ryman's submissions, does not appropriately give effect to the NPSUD by failing to provide for the specific housing needs of the ageing population. And, for the same reason, PC26 is inconsistent with the direction set out by the Enabling Housing Act. Specifically, PC26 fails to acknowledge:
 - 9.1 retirement villages are an appropriate activity in both the MDRZ and other zones that anticipate residential activity;
 - 9.2 the unique internal amenity needs of retirement villages, their functional and operational requirements and the significant social and economic benefits they generate for Waipā's society and economy; and
 - 9.3 the need for greater choice of retirement living options in appropriate locations to meet the needs of Waipā's rapidly ageing population.
- 10 Accordingly, the Plan needs some significant adjustments to make it clear and certain for users and to move it into line with the new statutory and policy requirements.
- The changes sought by Ryman and the RVA do just that. The provisions are more appropriate in terms of meeting the objectives of the RMA, as clarified in the NPSUD and the Enabling Housing Act. They are also more efficient and effective.
- 12 The RVA's and Ryman's evidence addresses these matters in further detail:
 - 12.1 **Ms Maggie Owens** provides corporate evidence for the RVA and addresses retirement village industry characteristics, demographic information, health and wellbeing needs of older people and the important role that retirement villages play in providing appropriate housing and care options;
 - 12.2 **Mr Matthew Brown** provides corporate evidence for Ryman, highlighting his experience with planning and building retirement villages and the desperate need for more of them;

- 12.3 **Professor Ngaire Kerse** provides gerontology evidence addressing the demography and needs of the ageing population; and
- 12.4 **Ms Nicola Williams** addresses planning matters and comments on the section 42A Officer's report (*Officer's Report*).
- 13 The particular provisions that the RVA's and Ryman's submissions on PC26 relate to are:
 - 13.1 Section 2.1 Definitions;
 - 13.2 Section 2.2 Strategic Policy Framework;
 - 13.3 Section 2 Residential Zone;
 - 13.4 Proposed Section 2A Medium Density Residential Zone;
 - 13.5 Section 6 Commercial Zone; and
 - 13.6 Section 21 Assessment.

SCOPE OF SUBMISSIONS

- 14 These submissions:
 - 14.1 provide a summary of the legal framework relevant to the intensification planning instrument (*IPI*), including the Enabling Housing Act and the NPSUD;
 - 14.2 comment on the key themes of PC26 at issue; and
 - 14.3 set out Ryman's and the RVA's overall position and requested relief.

LEGAL FRAMEWORK

Enabling Housing Act

At the outset, is important to acknowledge that the primary purpose of the ISPP is to address New Zealand's housing crisis. As stated by the Government:³

New Zealand is facing a housing crisis and increasing the housing supply is one of the key actions the Government can take to improve housing affordability.

Cabinet Legislation Committee LEG-21-MIN-0154 (Cabinet Minute), at paragraph

- As noted above, and expanded on in the evidence of Ms Williams, Mr Brown and Ms Owens, retirement housing is having its own unique crisis. Demand for retirement village accommodation is outstripping supply as more of our ageing population wish to live in retirement villages that provide purpose-built accommodation and care.
- 17 The ISPP has a relatively narrow focus. It seeks to expedite the implementation of the NPSUD. As Cabinet notes, the NPSUD "is a powerful tool for improving housing supply in our highest growth areas". And, "the intensification enabled by the NPS-UD needs to be brought forward and strengthened given the seriousness of the housing crisis."⁴
- A key outcome of the ISPP is to enable housing acceleration by, "removing restrictive planning rules". These restrictions are to be removed via mandatory requirements to:
 - 18.1 incorporate the MDRS in every relevant residential zone; 6 and
 - 18.2 in this case, "give effect to" Policy 3 of the NPSUD.
- 19 The force of these mandatory requirements is framed at the highest level, as a "duty" placed on specified territorial authorities.⁷
- In addition to these 'mandatory' elements, there are a wide range of other 'discretionary' elements that can be included in IPIs to enable housing acceleration, including:
 - 20.1 establishing new, or amending existing, residential zones;8
 - 20.2 providing additional objectives and policies, to provide for matters of discretion to support the MDRS;⁹
 - 20.3 providing related provisions that support or are consequential on the MDRS and Policy 3;¹⁰ and
 - 20.4 providing more lenient density provisions. 11

⁴ Cabinet Minute, at paragraphs 2-3.

⁵ Cabinet Minute, paragraph 4.

Section 77G(1), RMA.

⁷ Section 77G.

⁸ Section 77G(4).

⁹ Section 77G(5)(b).

¹⁰ Section 80E(iii).

¹¹ Section 77H.

- 21 Councils can also impose restrictions that are less enabling of development "qualifying matters" but only where they meet strict tests.¹²
- Housing acceleration is also intended to be enabled by the `non-standard' and streamlined process that the IPI is required to follow. This process materially alters the usual Schedule 1, RMA process, particularly in terms of:
 - 22.1 substantially reduced timeframes;¹³
 - 22.2 no appeal rights on the merits;14 and
 - 22.3 wider legal scope for decision-making.¹⁵
- Importantly, this process is not about providing the 'bare minimum' to respond to the statutory requirements. The task ahead is a very important one. The IPIs and the ISPP are a means to solve an important and national housing issue.
- 24 We respectfully submit that the above overarching legislative and policy purposes should therefore resonate heavily in all of your considerations through the ISPP. Key aspects of that purpose include:
 - 24.1 addressing New Zealand's housing crisis;
 - 24.2 accelerating housing supply to enable a variety of homes for all people; and
 - 24.3 removing overly restrictive planning provisions.
- For the reasons outlined, the RVA and Ryman's proposed changes to PC26 are consistent with and help achieve those aspects of the statutory purpose.
- 26 Careful consideration will of course also need to be given to the wording used in the various RMA sections and in the MDRS provisions themselves. The Panel will need to operate within those

¹² Sections 77I-77L.

Under section 80F, tier 1 councils were required to notify IPIs by 20 August 2022. Under the ISPP the usual timeframes for plan changes are compressed and the decision making process is altered.

There are no appeals against IPIs that go through the ISPP, aside from judicial review (section 107 and 108). The new process will allow for submissions, further submissions, a hearing and then recommendations by an Independent Panel of experts to Council (section 99). If the Council disagrees with any of the recommendations of the Independent Panel, the Minister for the Environment will make a determination (section 105).

¹⁵ Clause 99 of Schedule 1, Enabling Housing Act.

terms (section 80E being a key 'scope' provision, as discussed later). But, applying the usual "purposive approach", the overriding purpose of IPIs and the ISPP cannot be separated from the text in the various RMA sections and MDRS provisions when assessing and interpreting them.¹⁶

Preparing and changing district plans under the RMA

- 27 To the extent not modified by the ISPP, many of the usual Schedule 1 requirements for preparing and changing district plans under the RMA apply, and a section 32 report must be prepared.¹⁷
- In that context, as part of the usual legal framework, caselaw has established a presumption that where the purpose of the RMA and objectives and policies "can be met by a less restrictive regime that regime should be adopted". The Environment Court also confirmed that the RMA is "not drafted on the basis that activities are only allowed where they are justified: rather, the Act proceeds on the basis that land use activities are only restricted where that is necessary". 19
- 29 Caselaw on the RMA plan change process has also established there is no legal presumption that proposals advanced by the Council are to be preferred to the alternatives being promoted by other participants in the process.²⁰ If other means are raised by reasonably cogent evidence then the decision-maker should look at the further possibilities.²¹
- 30 Given the above-noted purpose of the ISPP process, these concepts remain valid here. The statutory and policy intent is to enable intensification and reduce planning restrictions. The Panel has broad discretions and wider scope available in making recommendations. It should not be assumed that the Council's notified IPI provides the most appropriate response to the legislative context.

Wakatipu Environmental Society Inc v Queenstown Lakes District Council C153/2004 at [56]. In 2017 the Environment Court confirmed that this remains the correct approach following amendments to section 32 of the Act in Royal Forest and Bird Protection Society of New Zealand Inc v Whakatane District Council [2017] NZEnvC 51 at [59].

See, for example, Auckland Council v Teddy and Friends Limited [2022] NZEnvC 128, at [27].

¹⁷ Eg, section 80B, clause 95 of the First Schedule, RMA.

¹⁹ Royal Forest and Bird Protection Society of New Zealand Inc v Whakatane District Council [2017] NZEnvC 51 at [78].

Federated Farmers of New Zealand Inc v Bay of Plenty Regional Council [2019]
NZEnvC 136 at [41].

²¹ Colonial Vineyard Limited v Marlborough District Council [2014] NZEnvC 55 at [64].

²² Clause 96, First Schedule, RMA.

NPSUD

- 31 PC26 must "give effect" to Policy 3 of the NPSUD. The Supreme Court has established that the requirement to "give effect to" means to "implement"; "it is a strong directive, creating a firm obligation on the part of those subject to it".²³
- As noted, the intention of the Enabling Housing Act is to bring forward the intensification enabled by the NPSUD. The MDRS themselves reflect the wider NPSUD policy direction. It is submitted therefore that PC26 must take guidance and be read in light of the NPSUD as a whole, beyond just Policy 3. It is also perhaps trite to observe that any provisions that do not give effect to the relevant ports of the NPSUD would most likely also be inconsistent with the Enabling Housing Act requirements. It is submitted that the wider NPSUD context thus provides a useful 'check and balance' to the specific mandatory requirements under that Act and the implementation of any discretionary aspects.
- Particularly relevant objectives and policies of the NPSUD are outlined in Ms Williams's evidence. In addition, Ryman and the RVA submit that PC26 should be guided by the following key themes:
 - 33.1 the NPSUD is enabling of development;
 - 33.2 the NPSUD enables well-functioning environments for *all* communities; and
 - 33.3 urban environments are expected to change over time. Planning regimes should be responsive to that change.
- 34 These themes are addressed in more detail below.

The NPSUD is intended to be enabling of development

The enabling nature of the NPSUD is set out by the Ministry for the Environment (*MfE*) and the Ministry of Housing and Urban Development (*HUD*) in their final decisions report on the NPSUD.²⁴ In their report, MfE and HUD state that:²⁵

The NPS-UD will enable growth by requiring councils to provide development capacity to meet the diverse demands of communities, address overly restrictive rules and encourage well-functioning urban environments.

Environmental Defence Society Inc v The New Zealand King Salmon Company Ltd [2014] NZSC 38 at [77].

²⁴ The report includes the Ministers' final decisions on the NPSUD, and was published in accordance with s 52(3)(b) of the RMA.

MfE and HUD, "Recommendations and decisions report on the National Policy Statement on Urban Development" (Wellington, 2020), page 17.

- The final decisions report also states that the NPSUD "is intended to help improve housing affordability by removing unnecessary restrictions to development and improving responsiveness to growth in the planning system" (emphasis added).²⁶
- 37 The Environment Court, in relation to the NPSUD's predecessor, the National Policy Statement on Urban Development Capacity 2016 (NPSUDC), held that the intention of that NPS is to be primarily enabling. That NPS was designed, "to provide opportunities, choices, variety and flexibility in relation to the supply of land for housing and business".²⁷ The objectives of the NPSUDC that the Court was referring to in making that statement (Objectives QA1 to QA3) contain similar terminology and concepts to the NPSUD (eg, Objectives 1, 3 and 4 and Policies 1 and 3). Therefore the Court's guidance continues to have relevance.
- 38 However, the NPSUD goes further. It is intended to be more enabling of development than its predecessor. It "builds on many of the existing requirements for greater development capacity ...has a wider focus and adds significant new and directive content".²⁸
- The enabling intent of the NPSUD has been addressed in the likes of the *Middle Hill Ltd v Auckland Council*²⁹ case, where the Environment Court stated that:

[33] ... The NPS-UD has the broad objective of ensuring that New Zealand's towns and cities are well-functioning urban environments that meet the changing needs of New Zealand's diverse communities. Its emphasis is to direct local authorities to enable greater land supply and ensure that planning is responsive to changes in demand, while seeking to ensure that new development capacity enabled by councils is of a form and in locations that meet the diverse needs of communities and encourage well-functioning, liveable urban environments. It also requires councils to remove overly restrictive rules that affect urban development outcomes in New Zealand cities...

Well-functioning urban environments

- The NPSUD seeks to provide for well-functioning urban environments that:
 - 40.1 Enable <u>all</u> people and communities to provide for their wellbeing, health and safety.³⁰ To the RVA and Ryman,

27 Dunnings Limites

²⁶ Ibid, page 85.

²⁷ Bunnings Limited v Queenstown Lakes District Council [2019] NZEnvC 59 at [39].

²⁸ MfE and HUD, "Recommendations and decisions report on the National Policy Statement on Urban Development" (Wellington, 2020), page 16.

²⁹ Middle Hill Ltd v Auckland Council [2022] NZEnvC 162.

National Policy Statement on Urban Development 2020, Objective 1.

- achieving this wellbeing objective in relation to older persons within the community means providing for the specific housing and care needs of those people.
- 40.2 Enable a "variety of homes" to meet the "needs ... of different households", 31 which, it is submitted, cannot be achieved without expressing what the variety and needs of different households are.
- 40.3 Enable "more people" to live in areas that are in or near a centre zone, well-serviced by public transport, and where there is high demand for housing.³²

Urban environments are expected to change over time. Plans need to be responsive

- 41 Urban environments, including their amenity values are recognised as, "developing and changing over time in response to the diverse and changing needs of people, communities, and future generations".³³
- 42 Further, the NPSUD recognises that amenity values can differ among people and communities. The NPSUD also recognises that changes can be made via increased and varied housing densities and types. Changes are not, of themselves, to be considered an adverse effect.³⁴ Plans may provide for change that alters the present amenity of some and improves the amenity of other people and communities.
- To address the above, the NPSUD, introduces "responsive" planning provisions (among other provisions). Objective 6(c) requires local authority decisions on urban development to be "responsive, particularly in relation to proposals that would supply significant development capacity". Retirement villages are a good example of proposals that generate significant development capacity.
- In addition, Policy 8 of the NPSUD requires local authority decisions affecting urban environments to be "responsive" to changes to plans that add significantly to development capacity. That direction applies even if developments are out of sequence or are unanticipated by the relevant planning documents.
- These provisions send a clear signal that councils need to be sufficiently agile and responsive, and to take account of unanticipated opportunities. Adopting an overly restrictive and

Objective 3.

Policy 1.

Objective 4.

Policy 6.

unresponsive approach as has been take in PC26 does not align with the NPSUD's direction.

PC26

Preliminary comments

- On 22 December 2022, the Waipā District Council, Hamilton City Council and Waikato District Council submitted a joint memorandum to the Independent Hearings Panel for the Strategic matters (Joint Opening Hearing) in relation to Plan Change 12 to the Hamilton City Plan, Plan Change 26 to the Waipā District Plan and Variation 3 to the Waikato District Plan. This memorandum identified a series of submissions as being potentially out of scope (including submissions lodged by Ryman and the RVA).³⁶
- 47 Subsequently, the Panel directed affected submitters, including Ryman and the RVA to provide written submissions in support of their relief being within scope.³⁷ A memorandum of counsel was lodged on behalf of Ryman and the RVA in response to those directions, that Ryman and the RVA's proposed relief is within scope.³⁸ Submissions were also lodged on behalf of Ryman and the RVA on 3 March 2023 in response to Waipā District Council's legal submissions on scope.³⁹
- The Panel declined to strike out Ryman and the RVA's submission points, agreeing that the proposed relief was within scope, and directed that further section 32 analysis be provided. In response to these directions, Ryman and the RVA took the view that it would be too challenging to produce a comprehensive section 32 analysis in the absence of being provided with all the relevant information from the Council in regard to infrastructure and other council services in deferred residential areas. Accordingly while Ryman and the RVA maintain that the Council should have considered the upzoning of the deferred zones as part of PC26, the parties have decided to not produce further evidence on the matter due to the lack of information to produce accurate evidence.

The RVA's and Ryman's proposed changes

49 In their submissions on PC26, Ryman and the RVA seek a more enabling and responsive planning framework for retirement villages in the relevant zones included in PC26. This regime was developed

Namely, 70.125 and 73.125 on deferred residential zones.

³⁶ Joint Memorandum, at [9]-[12] and Appendix 2.

Directions 5, 8 and 9 from the Panel for the Strategic matters (Joint Opening Hearing).

³⁸ On 17 February 2023.

³⁹ Dated 24 February 2023.

⁴⁰ Direction 12 from the Panel for the Strategic matters (Joint Opening Hearing).

by industry experts to reflect the overall experience with consenting, building and operating retirement villages across New Zealand. The specific functional and operational needs of retirement villages are set out in the RVA and Ryman's evidence.

- As explained by Ms Williams, the regime proposed by the RVA and Ryman is largely aligned with the planning approach for other multi-unit residential developments involving four or more dwellings. It has some necessary nuances for internal amenity controls which better reflect onsite needs. All MDRS density controls that apply to manage external effects would also apply to retirement villages. The regime also does not seek to exclude any other Plan controls that manage the likes of earthworks, flood management, traffic, noise and hours of operation.
- 51 The policy and rule framework proposed by Ryman and the RVA ensures appropriate and proportionate assessment and management of effects of the buildings and structures associated with retirement villages. Overall, the framework is tailored to:
 - 51.1 recognise the positive benefits of retirement villages and the need for many more of them;
 - 51.2 focus effects assessments on exceedances of relevant standards, effects on the safety of adjacent streets or public open spaces, and effects arising from the quality of the interface between the village and adjacent streets or public open spaces to reflect the policy framework within the Enabling Housing Act. A degree of control over longer buildings is also acknowledged as appropriate; and
 - 51.3 enable the efficient use of larger sites and the functional and operational needs of retirement villages to be taken into account when assessing effects.

The Officer's Report

- The section 42A report accepts a few minor general amendments sought by Ryman and the RVA that improve the clarity of the Plan, but overall, rejects the majority of the specific submission points. Many aspects of the Officer's position are overly restrictive or unsuitable for retirement villages.⁴¹ This is largely due to the Officer's support for the carrying-over of the Operative Plan retirement village provisions to PC26.
- Ryman and the RVA consider amendments are necessary to the Operative Plan and PC26's policy and rule provision for retirement villages to better align with both the MDRS and the functional and operational needs of retirement villages. Ryman and the RVA also

Section 42A Hearing Report on Proposed Plan Change 26, at [9.22.6].

- disagree with the Officer's assertion that outside of the Medium Density Residential Zone (*MDRZ*), the RVA and Ryman's submissions are out of scope.⁴²
- These submissions do not comment on each individual submission point made by Ryman and the RVA. This analysis is covered in more detail in Ms Williams' evidence. We primarily address key misunderstandings that, with respect, mean the Reporting Officer's approach with regard to retirement villages is misguided and should be given little weight.⁴³ It is encouraging that the Officer has acknowledged retirement villages are generally residential in nature.⁴⁴ However, the Officer fails to appreciate that:
 - 54.1 As Ms Williams sets out in her evidence, the National Planning Standards definitions are necessary and appropriate to incorporate in PC26;⁴⁵
 - 54.2 Retirement villages (including aged care rooms) as a whole are a residential activity with some notable differences to other residential activities. They should be provided for as a permitted/restricted discretionary activity in residential zones;
 - 54.3 Retirement villages have unique functional, operational and other needs, that must be provided for to ensure clear and efficient consenting requirements; and
 - 54.4 Due to these unique functional and operational needs, it is both appropriate and necessary to provide for retirement villages in all zones that anticipate residential activity.
- More generally, these submissions will also address the Reporting Officer's assertion that the changes sought by Ryman and the RVA in zones other than the MDRZ are beyond the scope of PC26.

National Planning Standards

The Reporting Officer rejected the insertion of the 'retirement unit' and 'retirement village' definitions proposed by Ryman and the RVA. They state that the Plan is yet to be aligned with the National Planning Standards and inserting those definitions may have implications for the rest of the Plan.⁴⁶

⁴² At [9.22.7].

⁴³ As also outlined in Mr Brown's and Ms Owens' Statements of Evidence.

⁴⁴ Section 42A Report, at [9.22.6].

⁴⁵ Nicola Williams Statement of Evidence, at [45] and [60].

⁴⁶ Section 42A Hearing Report, Appendix B, submission points 73.15 and 73.16.

- The fact Waipā is not required to align its Plan definitions to the National Planning Standards for some years does not and should not act as a barrier in the present PC26 process. Indeed, amending definitions, where appropriate, to be consistent with the National Planning Standards aligns better with the overarching purpose of the Enabling Housing Act.
- As set out above, a key outcome of the ISPP is to enable housing acceleration by, "removing restrictive planning rules". 47 This will arguably not be achieved if the relevant parts of the Plan amended by PC26 require further amendment in several years to align the provisions with the National Planning Standards. This is inefficient, which in itself is contrary to the purpose of the National Planning Standards. 48
- This approach is also inconsistent with the approach taken by other Tier 1 Councils across the country. As set out in the RVA primary submission, Ryman and the RVA are seeking national consistency in the planning regimes for retirement villages through the IPIs.⁴⁹
 National consistency will greatly assist with streamlining and making more efficient the delivery of retirement villages across New Zealand, including in Waipā.

Retirement villages are residential activities and should have commensurate activity status

- The Reporting Officer considers that it would create confusion to have different activity statuses for retirement villages as a land use and for construction.⁵⁰
- As the Reporting Officer agrees retirement villages are residential in nature, Ryman and the RVA submit that this should flow through to the land use activity status. This is not inconsistent with PC26, which provides for other land use activities as permitted activities for example, Residential Activities and Residential Based Visitor Accommodation.⁵¹
- As Ms Williams sets out in her evidence, retirement villages are an anticipated "living" arrangement within the MDRZ, which is distinct from the effects of the physical structures and their construction. Therefore, as set out above, there is no reason a restricted discretionary activity status should apply to a type of residential activity that is necessary and appropriate in residential areas. As Ms Williams sets out, this approach is not intended to result in

⁴⁷ Cabinet Minute, paragraph 4.

⁴⁸ RMA, section 58B(1)(b)(iii).

⁴⁹ RVA primary submission, at [8].

⁵⁰ Section 42A Hearing Report, Appendix B, submission point 73.89.

⁵¹ Plan Change 26, Rule 2A.4.1.1(a) and (p)

adverse effects that are not properly managed. Ryman and the RVA are supportive of restricted discretionary activity status for construction-related activities, which focus on the effects of the built form.⁵²

- The Officer considers that that "the commercial zone is not appropriate for comprehensive developments including retirement villages due to its existing scale and activities". 53
- In relation to the inappropriateness of retirement villages in commercial zones, the provisions in PC26 already enable residential activities (and other multi-unit developments) in commercial zones. Ryman and the RVA seek the same treatment in commercial zones as other multi-unit developments, with some nuances that acknowledge the unique functional and operational needs of retirement villages (as discussed below).
- The regime sought for retirement villages in commercial zones also does not seek to exempt retirement villages from specific controls relevant to commercial zones, such as ground floor controls. Instead, it seeks to integrate retirement villages, with appropriate recognition of the needs of the location and context and a potential site.
- As set out by Ms Owens and Mr Brown, it is important that retirement villages are enabled in all zones that anticipate residential activity, given the shortage of such sites.⁵⁴ Provision of retirement villages in commercial zones is also required in order to allow people to 'age in place'⁵⁵ and assist in providing good amenity and access to other services.⁵⁶

Functional and operational needs and effects management

- The Reporting Officer considers the matters of discretion and assessment criteria for retirement villages in PC26 are appropriate, considering their potential scale and intensity. The Reporting Officer considers that retirement villages are both:
 - 67.1 Generally always beyond the scale anticipated by the MDRS; and

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⁵² Statement of Evidence N Williams, at [99-100].

⁵³ Section 42A Hearing Report, Appendix B, submission point 70.111.

⁵⁴ Statement of Evidence M Owens, at [21]. Statement of Evidence M Brown, at [21].

⁵⁵ Statement of Evidence M Owens, at [75].

⁵⁶ Statement of Evidence M Owens, at [86].

⁵⁷ At [9.22.5].

- 67.2 Not considered to be consistent with the MDRS.58
- 68 Hence, they do not agree with the RVA and Ryman's proposed changes. Nor do they provide any reasons why the framework sought by Ryman and the RVA will not address these issues.
- In any case, with respect it is submitted that these concerns are unfounded. The unique functional and operational needs of retirement villages are set out in the RVA and Ryman evidence. However the planning regime does not reduce the ability to manage effects of concern to the Officer.
- The scale of buildings is managed by the relevant density standards. Ms Williams proposes these also apply to retirement villages. She recommends additional assessment matters that manage external effects via a restricted discretionary rule for retirement villages. As noted, the regime is largely aligned with the planning approach for other residential developments involving four or more dwellings.
- 71 Following on from this, a default discretionary activity status⁵⁹ where certain rules are not complied with is also inappropriate. It is inconsistent with the MDRS and particularly inappropriate for retirement villages as the effects of retirement villages can be appropriately managed through bespoke matters of discretion.
- As noted by Ms Owens and Mr Brown, and further expanded on in Ms Williams' evidence, it is not the case that retirement villages will always be beyond the scale anticipated by the MDRS. Nor is it beyond the realm of possibility for a retirement village to be consistent with the MDRS. The Cambridge examples highlighted by Ms Williams would even be viewed as 'under-developed' in the MDRS context, as they are made up of primarily one and two storey buildings. The scale and size of retirement villages varies significantly around New Zealand, and operators are well-practiced at ensuring villages respond to, and work with, the surrounding environment.
- Overall, the policy and rule framework proposed by Ryman and the RVA ensures appropriate and proportionate assessment and management of effects of the buildings and structures associated with retirement villages. It is submitted that this approach is more appropriate than the Reporting Officer's approach for the reasons outlined above and in the evidence of the RVA and Ryman.

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⁵⁸ Ibid.

⁵⁹ Plan Change 26, Rule 2.4.1.4 Discretionary activities.

Commercial Zones – legal scope Section 42A Report

- 74 The Reporting Officer considers that some, but not all, of the RVA and Ryman's submissions seeking to amend and add new retirement village provisions in the Commercial Zone are beyond the scope of PC26.⁶⁰
- 75 Examples⁶¹ of the submissions rejected on the basis of scope include provisions relating to:
 - 75.1 the default discretionary activity status for retirement villages within commercial zones;⁶² and
 - 75.2 preclusion of public notification for the construction of retirement villages in commercial zones.⁶³
- 76 Examples of the submissions that the Officer has not rejected on the basis of scope include:
 - 76.1 the opposition of non-complying activity status of retirement villages in the commercial zone;⁶⁴
 - 76.2 provision for retirement villages as a permitted activity, with construction of retirement villages as a restricted discretionary activity;⁶⁵
 - 76.3 providing for and enabling retirement villages in commercial/mixed use zones;⁶⁶ and
 - 76.4 amendments to the commercial zone in order to comply with section 77N RMA.⁶⁷

Section 42A Hearing Report, Appendix B, submission points 70.14, 70.114, 70.115, 73.14 (noting in this submission point that the Officer alleges the submission point is out of scope, but still considers its merits), 73.114 and 73.115.

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⁶² Submission points 70.114 and 73.114.

⁶³ Submission points 70.115 and 73.115.

⁶⁴ Submission points 70.112 and 73.112.

⁶⁵ Submission points 70.112 and 73.112.

⁶⁶ Submission points 70.1 and 73.1.

⁶⁷ Submission points 70.111 and 73.111.

- 77 It is unclear as to why some of the RVA and Ryman's proposed provisions are, in the view of the Officer, within the scope of PC26, with others being beyond scope.
- 78 To add to this uncertainty, the Officer has also contradicted themselves by alleging that Ryman submission point 70.1 relating to intensification in commercial zones is not out of scope, but RVA submission point 73.1 (which is the exact same as 70.1) is stated to be out of scope.
- 79 The Officer's rejection of the submission points based on scope appears to be based on the general assertion that the Commercial Zone is primarily intended to provide for commercial activities. However, at the same time he acknowledges that residential activities may be located in this zone.⁶⁸
- 80 Further, the Reporting Officer also acknowledges:

"there may be an opportunity for some refinement of "centre" commercial zones to facilitate some additional intensification...in an effort to provide for increased choice and typology and to better differentiate the Cambridge and Te Awamutu town centres from other general commercial zones across the district."69

81 And:

"...this would be appropriate on the basis that they represent centres that are appropriate for some form of intensification which is commensurate to the level of commercial activity and community services that currently exist in those centres." 70

- The Officer's position is therefore unclear. In this context, it is difficult to provide a response and address the Officer's queries and / or concerns.
- Within this context, and for the reasons set out, Ryman and the RVA:
 - 83.1 disagree with the Officer's reasons based on merit to reject the RVA and Ryman submission points;
 - 83.2 agree with the Officer that additional intensification should be enabled in the Commercial Zone, but submit this is not optional for Council. Rather, it is a mandatory requirement of the Enabling Housing Act; and

⁶⁸ Section 42A Report, at [9.5.4] and [9.22.7].

⁶⁹ Section 42A Report, at [9.5.6].

⁷⁰ Ibid.

83.3 disagree with the Officer that the RVA and Ryman submissions are beyond scope.

RVA and Ryman's submissions are within scope

Section 80E

- Section 80E of the RMA limits the scope of amendments that may be made to PC26 by the IPI through specifically defining the extent and scope of the IPIs. Councils have an express statutory duty to give effect to Policy 3. This is in contrast to other plan changes, which are promoted at Council's discretion. IPIs may also contain discretionary components related provisions that support or are consequential on Policy 3 as applicable.
- The extent of 80E needs to be read both in view of its mandatory language and in light of the wider purpose of the IPI process and the wider statutory and policy context noted earlier.
- 86 It is submitted, that read as a whole, section 80E anticipates enabling housing activities in a variety of commercial and residential zones as appropriate. To do this, IPIs will a need a package of authorisations to properly enable housing activities (eg. district-wide matters, new zones, earthworks and infrastructure). In particular, "related provisions", including objectives, policies, rules, standards and zones that support or are consequential on Policy 3 should be given a reasonably wide interpretation. That is, provided such provisions are necessary to either enable or, as appropriate, restrict housing intensification activities, then they are within scope.
- In that sense, the Enabling Housing Act doesn't purport to provide all provisions necessary to enable (or restrict as appropriate) housing activities. For example, it does not attempt to provide for the nuances of different types of residential housing, such as retirement villages.⁷¹
- We note that the allowance for 'related provisions' was added at the select committee stage of the legislation-making process. The committee characterised the provisions as enabling changes to provisions that are, "consequential and complementary to the MDRS and NPS-UD intensification policies".⁷² It stated:

We consider that the scope of what could be included in an IPI is too narrow, and recommend broadening it. We propose an amendment to enable councils to amend or develop provisions that support or are consequential on the MDRS and NPS-UD. This could include objectives, policies, rules, standards, and zones. It could also include provisions that are used across a plan relating to subdivision, fences, earthworks, district-wide matters, infrastructure, qualifying matters, ⁷ stormwater

⁷¹ Schedule 3A, clause 4, RMA.

Resource Management (Enabling Housing Supply And Other Matters) Amendment Bill Environment Select Committee Report, pages 4 and 7.

management (including permeability and hydraulic neutrality), provision of open space, and provision for additional community facilities and commercial services.

- The need for a wider discretion to include related provisions is submitted to be in the context of the speed through which the Enabling Housing Act was processed through select committee. And, the select committee heard concerns raised by many submitters (including the RVA and Ryman) about integration challenges, gaps in the MDRS regime and potential unintended consequences of adding the MDRS into existing plans. The "related provisions" discretion can therefore be seen as a practical way to ensure these implementation issues are appropriately addressed through the plan-making process and is framed reasonably broadly as a result. And the second second
- In relation to Waipa's IPI, section 80E clearly enables the potential creation of (multiple) zones and plan-wide provisions by an IPI.

Section 77G and 77N

- As set out in Council's Section 32 Report,⁷⁵ sections 77G and 77N of the RMA require that a specified territorial authority must give effect to Policy 3 of the NPSUD regarding the intensification of urban environments. Accordingly, the PC26 needs to enable intensification (through building heights and densities) that respond to the location of centres and rapid transit stops. As relevant here, intensification must be enabled not only within but adjacent to centre zones (Policy 3(d)).
- 92 It is submitted that this is not an optional provision. The Council must ensure that the provisions in its district for every residential zone give effect to the changes required by Policy 3, as the case requires. ⁷⁶ As set out above, "give effect to" means to "implement". It is a firm obligation.

Policy 3(d)

The section 32 analysis acknowledges the relevance of Policy 3(d).⁷⁷

⁷⁷ Section 32 Report, at [4.4.4].

⁷³ See for example, the Committee's comments on page 3, "Some of us remain concerned that the shortened time frame has prevented the usual full scrutiny of the bill, and consideration of whether there are any implementation issues".

 $^{^{74}}$ See for example the select committee discussion on infrastructure at page 21 of their report.

Proposed Plan Change 26: Residential Zone Intensification Incorporating Section 32 Evaluation Report, August 2022, at [4.4].

⁷⁶ Section 77N, RMA.

- 94 The Council submits that PC26 achieves the intent of Policy 3(d),⁷⁸ noting that the retention of the existing Commercial Zone height and density requirements is appropriate, given that there is capacity available and this will provide for long-term demand.⁷⁹
- 95 With respect, Ryman and the RVA disagree with the Reporting Officer. Policy 3(d) is not only about building heights and densities. It requires building heights and densities of "urban form" that are "commensurate" with the level of commercial activity and community services. In this regard, the RVA and Ryman submit that:
 - 95.1 While "urban form" is not defined in the NPSUD, the definition of "urban environment" includes any area that is, or intended to be, part of a "housing" and "labour" market. In this context, the term "urban" clearly envisages both commercial and residential activities. And, in light of the broader intent of the NPSUD, housing means providing a "variety of homes" to meet the "needs...of different households" (Policy 1), not just in the form of 'mixed-use development'.80
 - 95.2 What is "commensurate" to the level of commercial activities and services is context specific. In this case, in centre zones there will be a population of older people within and adjacent to the area that wish to "age in place", having continued access to those commercial activities and services provided by these zones. As the RVA and Ryman evidence highlights, those older people will wish to "age in place", having continued access to those commercial activities and services provided by the relevant areas.
 - 95.3 The future growth of these areas, and in particular the increasing ageing population, is a significant factor in determining whether PC26 provides 'appropriate' building heights and densities of urban form commensurate with the level of growth in these areas.
 - 95.4 Further, as noted by Kainga Ora's planning evidence, 81 the future growth of Cambridge and Te Awamutu is a significant factor in determining whether PC26 provides the 'appropriate' building heights and densities of urban form commensurate with the level of growth in these areas.

⁷⁸ Section 32 Report, at [3.5.41].

⁷⁹ Section 42A Report, at [9.5.6].

⁸⁰ Section 42A Report, at [9.5.4].

⁸¹ Kainga Ora, planning evidence, at [4.1].

- In this context, Ryman and the RVA submit that any intensification enabled under Policy 3(d) requires specifically responding to the need to provide suitable and diverse housing choices and options for our ageing population at a level that is commensurate to the existing and anticipated demand in the commercial areas.

 Commercial zones provide opportunities for retirement villages, as these areas serve the surrounding local communities and provide close access for amenities to residents who are often unable to walk long distances. Residents' wellbeing is improved when social engagement and intergenerational activities are easily accessible. Many general business areas are also located between centres and residential areas and are therefore potentially suitable for retirement villages. Further, finding suitable sites for retirement villages can be highly challenging.
- 97 In this context, Ryman and the RVA submit that any intensification enabled under Policy 3(c) or (d) requires specifically responding to the need to provide suitable and diverse housing choices and options for our ageing population at a level that is commensurate to the existing and anticipated demand in these areas. At present, PC26 fails to do so.
- 98 For these reasons, it is submitted that:
 - 98.1 The RVA's and Ryman's submissions are within scope; and
 - 98.2 the Council has failed to give effect to Policy 3 of the NPSUD and therefore failed to fulfil its mandatory obligations under section 77G of the RMA.

The amendments sought by Ryman and the RVA are within the scope of, and "on" PC26

- 99 It is also submitted that the relief sought by the RVA and Ryman is 'within scope' based on the general principles established by case law (which existed prior to the Enabling Housing Act), applying to clause 6 as to whether a submission is 'on' a plan change.⁸²
- 100 Under that case law, a submission can only fairly be regarded as "on" a plan change if it is addressed to the extent to which the variation changes the pre-existing status quo.⁸³ Relevant considerations include:

The leading authorities on when a submission is "on" a plan change are the High Court decisions in *Clearwater Resort Limited v Christchurch City Council* (HC, Christchurch, William Young J, 14/3/2003), *Option 5 Inc v Marlborough District Council* (HC, Blenheim, Ronald Young J, 28/9/2009) and *Palmerston North City Council v Motor Machinists* (HC, Palmerston North, Kos J, 31 May 2013).

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⁸³ Clearwater Resort Limited v Christchurch City Council.

- 100.1 Whether a submission seeks a new management regime for a particular resource when the plan change did not propose to alter the management regime in the operative plan (ie. proposing something "completely novel").84
- 100.2 Whether the effect of the submission would be to amend a planning instrument without a real opportunity for participation by those potentially affected. This is a powerful consideration against any argument that the submission is truly "on" the variation.⁸⁵
- 100.3 A submission point or approach that is not expressly addressed in the section 32 analysis ought not to be considered out of scope of the plan change, if it was an option that *should* have been considered in the section 32 analysis. Otherwise, a council would be able to ignore potential options for addressing the matter that is the subject of the plan change. It would prevent submitters from validly raising those options in their submissions;⁸⁶
- 101 In relation to the submissions by RVA and Ryman, it is submitted that they are 'on' PC26:
 - 101.1 The purpose of PC26 is in part to give effect to policy 3 of the NPSUD.
 - 101.2 While it is acknowledged that the Council did not seek to materially change the provisions in the commercial zones, in view of the mandatory statutory requirements it should have. In that sense, the matter should have been dealt with in the section 32 analysis.
 - 101.3 The submissions are within the purpose statements set out by the Council in the section 32 report, being to incorporate the new MDRS and give effect to Policy 3 of the NPSUD.⁸⁷
 - 101.4 The submissions propose a reasonable and appropriate method to give effect to Policy 3 of the NPSUD, and therefore the Enabling Housing Act.
- 102 The High Court case of *Albany North Landowners v Auckland Council* is also of assistance on the present scope question.⁸⁸ In *Albany North Landowners*, the Court was tasked with considering scope

⁸⁴ Motor Machinists at [69].

⁸⁵ Clearwater Resort Limited v Christchurch City Council.

⁸⁶ Bluehaven Management Limited and Rotorua District Council v Western Bay of Plenty District Council at [39].

⁸⁷ Section 32 Report, Executive Summary.

⁸⁸ Albany North Landowners v Auckland Council [2017] NZHC 138.

issues applicable to the special legislation process for the Proposed Auckland Unitary Plan (*PAUP*).⁸⁹ As is the case for the IPI, submissions were required to be "on" the PAUP.⁹⁰ The Hearings Panel was not limited to making recommendations that were within the scope of submissions.⁹¹ His Honour, Justice Whata, held:

[129] ...the Auckland Unitary Plan planning process is far removed from the relatively discrete variations or plan changes under examination in *Clearwater, Option 5* and *Motor Machinists*. The notified PAUP encompassed the entire Auckland region (except the Hauraki Gulf) and purported to set the frame for resource management of the region for the next 30 years. Presumptively, every aspect of the status quo in planning terms was addressed by the PAUP. Unlike the cases just mentioned, there was no express limit to the areal extent of the PAUP (in terms of the Auckland urban conurbation). The issues as framed by the s 32 report, particularly relating to urban growth, also signal the potential for great change to the urban landscape. The scope for a coherent submission being "on" the PAUP in the sense used by William Young J [in *Clearwater*] was therefore very wide.

- Although PC26 is not a full plan review, it proposes significant amendments to the parts of the Plan that relate to the urban environment. It does so in light of a clear direction from Parliament to enable greater intensification. In that context, a narrow interpretation of whether a submission is "on" PC26 is not appropriate.
- Further, in the wider context of PC26 to accommodate the new MDRS and consequential changes to give effect to the Enabling Housing Act, 92 it could not be said that affected persons may have lost the opportunity to participate. The Enabling Housing Act requirements and expectations for intensification were widely publicised. Anyone with an interest in the management of retirement villages or other residential activities in both residential and non-residential zones should have become involved in the planmaking processes. Further, PC26 was publicly notified, and Ryman and the RVA's submissions and further submissions were publicly available. These submissions specifically sought that a comprehensive retirement village-specific framework be applied through the ISPP.93 The provisions are not site specific.

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Note that the powers of the IHP are even broader than those of the PAUP Hearings Panel that were considered in *Albany North*. The PAUP Hearings Panel could only make recommendations that were "on" the PAUP: Local Government (Auckland Transitional Provisions) Act 2010, section 144. While submissions on PC78 must be "on" the plan change, the IHP is not subject to that same restriction.

⁹⁰ Local Government (Auckland Transitional Provisions) Act 2010, section 123(2).

Local Government (Auckland Transitional Provisions) Act 2010, section 144(5).

⁹² Section 32 Report, section 1.1, page 7.

⁹³ RVA submission, paragraph [68].

105 Accordingly, Ryman and the RVA can see no legal barrier to their retirement village provisions forming part of the Panel's recommendation on PC26 in respect to Commercial Zones.

Scope gateway

- In any case, it is also submitted that the standard case law on scope and what it means to be "on" a plan change requires careful application in the context of the IPI as directed under the Enabling Housing Act. The Enabling Housing Act context was not in question in the earlier Court cases.
- 107 As noted, section 80E contains reasonably wide scope to enable related provisions. Clause 99 also expressly enables an ISPP hearings panel to make recommendations that extend beyond the scope of submissions made on the IPI. Clause 101(5) expressly empowers territorial authorities to accept such recommendations. These provisions are ultimately designed to ensure that a package of plan provisions that enable housing are included in the final IPI decision.
- 108 Accordingly, cases that address the extent to which a plan change or variation changes the pre-existing status quo are submitted to be of limited assistance. The "overarching gateway" is section 80E. 94 This should be the focus, not the notified version of PC26. The crux of the RVA and Ryman's proposed provisions is to enable a particular type of housing, being retirement villages, to give effect to Policy 3. The provisions therefore directly meet this 'overarching gateway' and are within the scope of the IPI.

CONCLUSION

- 109 PC26 must ensure that the Waipā District Plan specifically and appropriately provides for, and enables retirement villages in all relevant residential and commercial / mixed use zones. Appropriate provision for retirement villages will meet Enabling Housing Act requirements, give effect to the NPSUD, and respond to the significant health and wellbeing issues created by the current retirement housing and care crisis.
- 110 The RVA and Ryman submit that their proposed provisions and relief sought are squarely within the scope of PC26. They see no legal barrier to the retirement village provisions, as set out in the RVA's submissions, being considered as part of the various topics of PC26, and ultimately being part of the Panel's recommendation on PC26.

Waikanae Land Company Ltd v Heritage New Zealand Pouhere Taonga [2023] NZEnvC 056, at [29-30].

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- 111 When compared to the Council's proposed provisions, Ryman and the RVA's approach involves reasonably practicable options to achieve the objectives of PC26 that are:
 - 111.1 more effective and efficient;
 - 111.2 less restrictive, but with appropriate controls as necessary to manage adverse effects; and
 - 111.3 the most appropriate way to achieve the purpose of the RMA (which in this context is informed by the purposes of the NPSUD and the Enabling Housing Act).
- 112 Accordingly, Ryman and the RVA respectfully seek that the Panel recommends, and the Council accepts, the proposals put forward by Ms Williams on behalf of Ryman and the RVA.

Luke Hinchey / Hadleigh Pedler Counsel for Ryman and the RVA 21 April 2023