

**BEFORE THE HEARING PANEL**

**IN THE MATTER** of the Resource Management Act 1991

**AND**

**IN THE MATTER** of Proposed Plan Change 26 to the Operative Waipā District Plan

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**JOINT WITNESS STATEMENT – ECONOMICS  
(FINANCIAL CONTRIBUTIONS)**

**Dated: 14 September 2023**

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<b>Witnesses</b>	<b>For</b>
Greg Akehurst	Retirement Villages Association of NZ Incorporated Ryman Healthcare Limited
Lawrence McIlrath	Waipā District Council

## 1. BACKGROUND

- 1.1 The Panel for Waipā District Council's Plan Change 26 requested that Mr Greg Akehurst and Mr Lawrence McIlrath take part in conferencing and to revert to the Panel with points of agreement and disagreement.

## 2. POINTS OF AGREEMENT

- 2.1 Mr Akehurst and Mr McIlrath agree that:
- (a) there is limited statutory guidance around the specific principles, methodology and approach to apply when estimating Financial Contributions (FCs),
  - (b) it is appropriate to use the principles associated with Development Contributions to assist and guide the FC calculation process. These principles relate to charges being fair, equitable, and proportionate,<sup>1</sup>
  - (c) FCs are an appropriate mechanism to help fund the effects of growth,
  - (d) the mechanics and calculation methodology used to derive Waipa District Council's FCs are appropriate, and
  - (e) Retirement villages have unique attributes and demand profiles that need to be reflected when calculating FCs.
- 2.2 With reference to the interplays between DCs and FCs, it is agreed that:
- (a) Recovering the same costs multiple times using different funding mechanisms (e.g., FCs and DCs), is inappropriate,
  - (b) FCs must reflect the linkages and relationships with other Council revenue sources, and
  - (c) Care needs to be taken during implementation to avoid overlaps between FCs and DCs.

## 3. POINTS OF DISAGREEMENT

### Residential Amenity FC

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<sup>1</sup> Discussed in Mr McIlrath's evidence, para 6.2.

- 3.1 With reference to the Residential Amenity FC, Mr Akehurst and Mr McIlrath disagree about the level of detail to include in the Plan. Mr Akehurst view is that including specific ratios<sup>2</sup> reflecting retirement villages' development attributes and demand profile is preferred because it gives certainty to developers and supports an efficient decision-making process. Mr. McIlrath believes that developments need to be assessed on a case-by-case basis to ensure that each development's specific attributes are appropriately considered. He further indicated that the proposed FCs provide a maximum value that developers can use to support their decision-making processes.

Te Ture Whaimana FC

- 3.2 For the Te Ture Whaimana FC, disagreement arises due to the limited detail around the TTW example projects, that limit the ability to estimate the distribution of benefits between existing and growth households.
- 3.3 Mr McIlrath uses assumptions about the distribution of benefits between existing and growth households to inform his analysis.
- 3.4 In Mr Akehurst's view the purposes of Te Ture Whaimana as outlined in policy mostly relate to remediation of degradation as a result of past development. Projects that relate to the effects of future development are not identified so charging FCs for them is not possible. Until such a time as specific projects relating to the effects of growth are identified, it is more appropriate to assume that funding be based on use years or benefit years and via rates rather than rates and FC's.
- 3.5 In Mr Akehurst's view, if project specifics become available, then it is possible to determine the distribution of costs between Level of Service improvements and Growth. This distribution can then be used and FCs can be struck accordingly. Mr Akehurst suggests that rates should be used until there is a better understanding of projects.

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<sup>2</sup> Figure 1 in Mr Akehurst's evidence.

3.6 Mr McIlrath acknowledges the uncertainty but highlights that in the context of unplanned growth, any modelling of TTW projects will require assumptions.



Mr Akehurst



Mr McIlrath