

## Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Strategic Growth Committee will be held on:

**Date:** Wednesday 14 June 2023  
**Time:** 9.30am  
**Meeting Room:** Council Chamber and Audio Visual Link  
**Venue:** Municipal Building, Garden Place, Hamilton

Lance Vervoort  
Chief Executive

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## Strategic Growth and District Plan Committee

### *Komiti Rautaki*

### OPEN AGENDA

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#### Membership

**Chairperson** Cr Ryan Hamilton  
*Heamana*

**Deputy Chairperson** Cr Sarah Thomson  
*Heamana Tuarua*

<b>Members</b>	Mayor Paula Southgate	Cr Mark Donovan
	Deputy Mayor Angela O’Leary	Cr Louise Hutt
	Cr Kesh Naidoo-Rauf	Cr Andrew Bydder
	Cr Anna Casey-Cox	Cr Geoff Taylor
	Cr Maxine van Oosten	Cr Emma Pike
	Cr Moko Tauariki	Cr Melaina Huaki
	Cr Ewan Wilson	

**Quorum:** A majority of members (including vacancies)

**Meeting Frequency:** Six weekly

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Amy Viggers  
*Mana Whakahaere*  
Governance Lead

**2 June 2023**

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## Purpose

The Strategic Growth and District Plan Committee is responsible for:

1. Guiding sustainable physical development and growth of Hamilton to meet current and future needs, including oversight of strategic land-use planning, boundary alignment, and existing and alternative planning, funding and financing models for growth-related projects.
2. Driving collaboration with neighboring Councils, Iwi, private sector, and central government to meet Hamilton's growth ambitions.
3. Providing Governance leadership and direction to staff to develop amendments to the Hamilton City Operative District Plan 2017.

***In addition to the common delegations on page 10, the Strategic Growth and District Plan Committee is delegated the following Terms of Reference and powers:***

### Terms of Reference:

4. To monitor and provide advice on the overall development and implementation of urban growth and development strategies, strategic land use, and spatial plans (e.g. Hamilton to Auckland Corridor and Hamilton-Waikato Metropolitan Spatial Plan), and long-term network infrastructure planning in line with national policy requirements.
5. To provide direction and monitor Council's approach to the levying and use of rates for growth, as well as development contributions.
6. To provide direction on and assess proposals for seeking alternative funding models, such as special purpose vehicles and infrastructure funding and financing.
7. To provide direction on strategic priorities for network infrastructure aligned to city development, and oversight of strategic projects associated with those activities.
8. To provide advice on the development and implementation of the Long Term Infrastructure Strategy.
9. To assess proposals for Private Developer Agreements that exceed the Chief Executive's delegations for Unfunded Growth Projects<sup>1</sup> and, if appropriate for Unfunded Growth Projects<sup>1</sup>, to recommend such agreements to the Council for approval.
10. To provide direction regarding Council's involvement in and with Urban Development Authorities, regional alliances, plans, initiatives, and forums for spatial planning (for example, Future Proof, strategic boundary land use agreements and joint council growth related discussions).
11. To consider the impacts of land use and urban development on the environment.
12. To provide clear direction on Council's strategic priorities to organisations and groups, for which Council facilitates funding, aligned with these Terms of Reference, and to oversee those funding arrangements and receive their strategic and business plans and annual performance reports.
13. To provide and approve broad strategic direction to inform and guide the development of the District Plan amendments programme of work.
14. To prepare and approve a draft set of District Plan amendments for the purpose of obtaining initial feedback and comment from the community, stakeholder, and tangata whenua groups.
15. To recommend any proposed District Plan amendments to the Council for adoption and release for formal notification.
16. To provide regular updates to the Council on the progress of the District Plan amendments programme of work.
17. To appoint representation to relevant regional strategy groups as required.

### The Committee is delegated the following powers to act:

- Approval of purchase or disposal of land for network infrastructure, or parks and reserves for works and other purposes within this Committee's area of responsibility that exceeds the Chief Executive's delegation and is in accordance with the Annual plan or Long Term Plan.
- Approval of matters determined by the Committee within its Terms of Reference.

**The Committee is delegated the following recommendatory powers:**

- Adoption of the Long Term Infrastructure Strategy to the Council.
- Approval of additional borrowing to the Finance and Monitoring Committee.
- Approval of city boundary changes to the Council, including in respect of Strategic Boundary Land Use Agreements.
- The Committee may make recommendations to Council and other Committees.

**Recommendatory Oversight of Strategies and Plans:**

- Hamilton Urban Growth Strategy
- Central City Transformation and River Plan(s)

**Recommendatory Oversight of Policies and Bylaws:**

- Development Contributions Policy
- Growth Funding Policy
- Sale and Disposal of Council Land Policy

<sup>1</sup> Unfunded Growth Projects are defined in the Growth Funding Policy as:

- a) Not funded projects
- b) Funded projects but which are proposed to commence earlier than the sequencing and timing established in the Long Term Plan; and/or
- c) Funded projects but which are now proposed to occur beyond the scale, scope and cost prescribed or anticipated for those projects in the Long Term Plan.

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**1 Apologies – *Tono aroha***

**2 Confirmation of Agenda – *Whakatau raarangi take***

The Committee to confirm the agenda.

**3 Declaration of Interest – *Tauaakii whaipanga***

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

**4 Public Forum – *Aatea koorero***

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Chair.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Committee Room prior to the start of the Meeting. A member of the Council Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6727.

# Council Report

**Committee:** Strategic Growth and District Plan Committee

**Date:** 14 June 2023

**Author:** Amy Viggers

**Authoriser:** Michelle Hawthorne

**Position:** Governance Lead

**Position:** Governance and Assurance Manager

**Report Name:** Confirmation of the Strategic Growth and District Plan Committee Open Minutes 20 April 2023

<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Strategic Growth and District Plan Committee confirms the Open Minutes of the Strategic Growth and District Plan Committee Meeting held on 20 April 2023 as a true and correct record.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Strategic Growth and District Plan Committee Open Unconfirmed Minutes 20 April 2023

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## Strategic Growth and District Plan Committee

### *Te Komiti Rautaki Tipu me Maahere Rautaki aa Rohe*

### OPEN MINUTES

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Minutes of a meeting of the Strategic Growth and District Plan Committee held in the Council Chamber and via Audio Visual Link , Municipal Building, Garden Place, Hamilton on Thursday 20 April 2023 at 9.31am.

#### PRESENT

**Chairperson** Cr Ryan Hamilton  
*Heamana*

**Deputy Chairperson** Cr Sarah Thomson  
*Heamana Tuarua*

**Members:** Mayor Paula Southgate  
Deputy Mayor Angela O’Leary  
Cr Kesh Naidoo-Rauf (via audio visual link)  
Cr Anna Casey-Cox  
Cr Maxine van Oosten (via audio visual link)  
Cr Ewan Wilson (via audio visual link)  
Cr Louise Hutt  
Cr Andrew Bydder  
Cr Emma Pike (via audio visual link)

**In Attendance:** Blair Bowcott – General Manager Growth  
Julie Clausen – General Manager Strategy  
Chris Allen – General Manager Development  
Eeva-Liisa Wright – General Manager Infrastructure Operations  
Mark Davies – City Planning Unit Manager  
Jackie Colliar – Strategic Waters Unit Manager  
Natasha Hansen – IAF Infrastructure Programme – Delivery Manager  
Karen Saunders – Growth Programmes Manager  
Phil Haizelden – Transport Strategy Principal  
Stafford Hodgson – Project Manager  
David Spiers and Jessica Andrews – Waka Kotahi representatives

**Governance Staff:** Amy Viggers – Governance Lead  
Carmen Fookes – Senior Governance Advisor  
Nicholas Hawtin – Governance Advisor

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*The Chair opened the meeting with a karakia.*

## Strategic Growth and District Plan Committee 20 APRIL 2023 - OPEN

1. **Apologies – Tono aroha**  
**Resolved:** (Cr Hamilton/Cr Thomson)  
 That the apologies for absence from Cr Donovan, Cr Taylor, and Cr Huaki, and for partial attendance from Mayor Southgate, Cr Hutt, and Cr Pike are accepted.
2. **Confirmation of Agenda – Whakatau raarangi take**  
**Resolved:** (Cr Hamilton/Cr Thomson)  
 That the agenda is confirmed.
3. **Declarations of Interest – Tauaakii whaipaaanga**  
 Cr Wilson declared an interest in Item 9 (District Plan Update - April 2023). He noted he would not participate in the decision or vote on the matter.
4. **Public Forum – Aatea koorero**  
**Mark Morgan** (Hamilton Airport Limited) spoke to Item 8 (Strategic Issues) in support of Southern Links and noted that it would provide a key transport link. He responded to questions from Members concerning growth risks to airport due to delays, employee transport links and current proposals being discussed, and Government investment return.

*Cr Naidoo-Rauf joined the meeting (9.37am) during the above discussion.*

5. **Confirmation of the Strategic Growth and District Plan Committee Open Minutes for 23 February 2023**  
**Resolved:** (Cr Wilson/Cr Bydder)  
 That the Strategic Growth Committee confirm the Open Minutes of the Strategic Growth and District Plan Committee Meeting held on 23 February 2023 as a true and correct record.
6. **Chair's Report**  
 The Chair introduced his report, noting Council's transparency regarding community development restraints.  
**Resolved:** (Cr Hamilton/Cr Thomson)  
 That the Strategic Growth and District Plan Committee receives the Chair's report.
7. **General Manager's Report**  
 The General Manager Growth introduced the report noting the economic situation was leading to developers looking for solutions from Council, the implementation focus of Future Proof and co-investment opportunities. He responded to questions from Members concerning resourcing, collaboration and alignment with other Councils regarding transport services and infrastructure, advocacy with Reserve Banks regarding the economic recession, partnerships in housing within Long-Term Plan, and preparedness for next economic boom despite recession.  
**Resolved:** (Cr Bydder/Cr Casey-Cox)  
 That the Strategic Growth and District Plan Committee receives the report.
8. **Strategic Issues**  
 The General Manager Development introduced the report and outlined Southern Links transport corridors and the history of Southern Links corridors. Waka Kotahi representatives discussed key findings of the Form and Functions Review, in particular the prioritisation of the East-West connections, proposed programmes and development. They responded to questions from

Members concerning Government officials understanding of growth, budget constraints in programme delivery, Metro-Spatial Plan Transport Business Case consideration in the Form and Function Review, role and design of rapid transit route, land ownership impact on designation planning, multi-modal improvement opportunities, Long-Term Plan funding and funding risks, advocacy within Future Proof Committee, freight traffic and impact on multi-modal transport, funding opportunities, climate emission consideration, and mechanisms for additional advocacy.

The City Planning Unit Manager took his section of the report as read, noting that Hamilton City Council entered their submission on the Airport Plan Change supporting the draft plan change and the impact of the Airport Plan Change on Hamilton City boundaries.

The General Manager Growth introduced his part of the report, noting the purpose of the Public Transport Committee, the proposed terms of reference, and connection to Future Proof. Staff responded to questions from Members concerning formation of the agenda for Future Proof partners, operational decision impacts of the Committee, appropriate membership, and previous action overview.

The Strategic Waters Unit Manager and General Manager Development introduced their part of the report, noting the investment in growth networks and timing, and Long-Term Plan collaboration with developers. They responded to questions from Members concerning developer issues and query contacts at Council, funding constraints and investment requirements including within the Long-Term Plan, funding impact of Water Reform changes, and enabling resilience in the water network.

The Transport Strategy Principal introduced his part of his report, noting the impact of the MetroSpatial Plan.

The IAF Infrastructure Programme Delivery Manager introduced her part of the report. She responded to questions from Members concerning Sonning Car Park developments, timeframe for housing development, and Municipal Endowment Fund discussions with developers.

The Growth Programmes Manager took her portion of the report as read. Staff responded to questions from Members concerning development of Eastern Transport Corridor Business Case and timeframe, and future plans for the Central City including Garden Place.

**Staff Action:** *Staff undertook to facilitate a combined Waikato Mayoral meeting with Central Government concerning advocating for the needs of each Council in relation southern links and other related matters.*

**Staff Action:** *Staff undertook to report to the Infrastructure and Transport Committee on the work happening in the water infrastructure space.*

**Resolved:** (Mayor Southgate/Cr Thomson)

That the Strategic Growth and District Plan Committee:

- a) receives the report;
- b) recommends that the Council:
  - i. approves the amended Future Proof Implementation Committee Agreement and Terms of Reference; and
  - ii. delegates to the Chief Executive to sign the updated Agreement (**Attachment 1**), which will give effect to the updated Terms of Reference (**Attachment 2**);
  - iii. approves Deputy Mayor Angela O’Leary and Cr Maxine van Oosten to be Hamilton City Council’s representatives on the Future Proof Public Transport Subcommittee, with

Cr Sarah Thomson as alternate; and

- c) delegates the Chair and Deputy Chair of Strategic Growth and District Plan Committee to work with staff to agree a list of external parties to invite to the next Southern Links Working Party meeting to receive a presentation on the emerging issues arising from the Form and Function review of Southern Links and to receive their feedback for consideration prior to finalising the Form and Function review.

*Mayor Southgate joined the meeting (10.01am) during the above item. She was present when the item was voted on.*

***The meeting was adjourned during the above discussion from 11.03 to 11.23am.***

*Cr Hutt left the meeting (10.31am) during the above item. She was not present when the Item was voted on.*

#### **9. District Plan Update - April 2023**

The City Planning Unit Manager introduced the report, noting the timeframes for the various plan changes and where they were in the process. Staff responded to questions from Members concerning the purpose of the Plan Change 12 Working Group, staff inclusion in Working Group, Inclusionary Zoning Plan Change timeframes and resource requirements including budget, consultation regarding intensification, social infrastructure within intensification areas, Plan Change completion timeframes, Fairfield-Enderley Kaainga Ora partnership, inclusionary zoning alignment and partnerships, and tools and outcomes for capture value uplift and developers.

**Staff Action:** *Staff undertook to seek endorsement and alignment from neighbouring Councils regarding matters such as inclusionary zoning.*

**Resolved:** (Cr Casey-Cox/Cr Thomson)

That the Strategic Growth and District Plan Committee:

- a) receives the report;
- b) approves the formation of a Plan Change 12 Working Group, comprising of the Chair and Deputy Chair of the Strategic Growth and District Plan Committee; and the Chair or Deputy Chair of Infrastructure and Transport Committee; and the Chair or Deputy Chair of the Community and Natural Environment Committee; and
- c) approves the Terms of Reference for the Plan Change 12 Working Group as outlined in the staff report.

#### **10. Hamilton Urban Growth Strategy Adoption Report**

The Growth Programmes Manager and Project Manager took the report as read.

**Resolved:** (Cr Hamilton/Cr Thomson)

That the Strategic Growth and District Plan Committee:

- a) receives the report; and
- b) adopts the Hamilton Urban Growth Strategy (**Attachment 1**).

#### **11. General Updates**

The General Manager Growth took the report as read.

**Resolved:** (Deputy Mayor O'Leary/Cr Bydder)

That the Strategic Growth and District Plan Committee receives the report.

## 12. Resolution to Exclude the Public

**Resolved:** (Cr Hamilton/Cr Thomson)

### Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Strategic Growth and District Plan Committee Public Excluded Minutes 23 February 2023	) Good reason to withhold ) information exists under ) Section 7 Local Government ) Official Information and ) Meetings Act 1987 )	Section 48(1)(a)
C2. Scoping Studies for WA, R2 and SL1		
C3. Central City Memorandum of Understanding		
C4. Strategic Issues (Public Excluded)		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to enable Council to carry out negotiations	Section 7 (2) (i)
	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C4.	to maintain the effective conduct of public affairs through protecting persons from	Section 7 (2) (f) (ii)
		Section 7 (2) (g)

improper pressure or harassment	Section 7 (2) (h)
to maintain legal professional privilege	Section 7 (2) (i)
to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (j)
to enable Council to carry out negotiations	
to prevent the disclosure or use of official information for improper gain or improper advantage	

**The meeting moved into public excluded session of the meeting at 12.29pm.**

**The meeting was declared closed at 2.09pm.**



# Council Report

Item 6

**Committee:** Strategic Growth and District Plan Committee

**Date:** 14 June 2023

**Author:** Amy Viggers

**Authoriser:** Michelle Hawthorne

**Position:** Governance Lead

**Position:** Governance and Assurance Manager

**Report Name:** Chair's Report

<b>Report Status</b>	<i>Open</i>
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## Recommendation - *Tuutohu*

That the Strategic Growth and District Plan Committee receives the report.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report

# Chair's Report



Teena Koutou Katoa,

As this may be my last opportunity to write a Chairs report for this committee, I find it a useful time to reflect on the journey of the last few years and the challenges and opportunities that lie ahead.

We all understand the need for healthy communities and that across our housing spectrum from emergency to transitional, public housing, subsidised rental to private rental and private market ownership all are needed to cater for our increasing population and divergent needs. The challenge is of course meeting the need.

We started some of the zoning changes in earnest with the roll out of the NPS-UD a few years ago and the legislative requirement to intensify in and around areas with a wide range of services and amenities.' A name given to (in my terms) aggregated amenity of grocery, medical, fuel and ideally greenspace, in other words, a centres based-approach creating walkable neighbourhoods where you can get everything you need, I guess primarily with a backdrop to reduce demand for cars and improve health and well-being of communities.

Then before the ink had dried on those plans in late 2021 we encountered the bipartisan MDRS (3x3) which was largely a "one sized fits all" approach to Tier 1 metros. The intention was to enable development everywhere bypassing councils resource consenting processes, increasing intensification by upzoning on any residential lot anywhere with very few exemptions. To not "up-zone" you needed to have a 'Qualifying Matter'. There weren't many. Like hens teeth there were a few like SNA's, natural hazards, and heritage.

Interestingly I still have never seen good NZ examples of 3 dwellings, 3 storeys high on a residential section particularly sandwiched in between standard housing on either side. I'm sure it would be quite a sight!

This created very mixed views around the country with some singing its praises about protecting some greenfield sprawl but many were concerned about its unfettered approach in existing areas and the damage it would do to existing neighbourhoods. No urban design requirements, no permeability requirements and no regard to infrastructure capacity.

Interestingly Auckland was upset, Christchurch rejected it and Rotorua begged for it.

Hamilton City objected on many points at Select Committee stage of the Bill and the win for the city was the recognition of Te Ture Whaimana – The Vision and strategy for the Waikato River. The recognition of Te Ture Whaimana meant we could consider the effects of this increased density on the Awa. Something absolutely fundamental for our local mana whenua who consider the river to be a living Taaonga and therefore it should not be harmed. Te Ture Whaimana was enshrined as a Qualifying Matter and gives significant ability to guide an enablement of the MDRS in a way that's sensitive to the impacts on the river. To help manage the effects we introduced the requirement for 30% minimum on-site permeability (think sponge and flooding occurrences around the country), 2 trees, an infrastructure capacity assessment and financial contributions to cover street amenity upgrades, Te Ture Whaimana impacts and localised infrastructure upgrades. This is all part of Plan change 12 which we may today defer until we understand Plan Change 14 given the importance of understanding flood risk after seeing this issue exacerbated all over the county recently.

It is also important to note that Hamilton has been being intensified at quite a high level for a decade now under our current operative district plan through what has been colloquially called our 'duplex policy'. We saw rates of infill peak last year at 70%. What's ironic about MDRS in Hamilton is that we had the highest rates of infill to in the country already without MDRS. We have seen the challenges high rates of in-fill has already brought. It has been gobbling up infrastructure capacity quietly for some time. Now its time to pay the piper.

The recent shift in position from the National Party recognises that this approach should have been more nuanced and proposes to 'let Councils choose what is right for them' with a proviso they have 'zoned enough capacity for growth for the next 30 years.' This in part recognises the journey that HCC has been on recognising that we need intensification but in guided areas like around our CBD and main transport corridors, cue Stage 1. I believe our zoning is largely there already when you consider the potential intensification ability in stage one, existing greenfield and emerging greenfield sites. This data was provided in our submission to the Select Committee on MDRS over 18 months ago.

As soon as the word greenfield is mentioned, concern from those citing urban sprawl and climate resilience emerge. Whilst they may be correct in some cities and in some countries it is certainly not the case for Hamilton. The reality is we need both and all the design and planning implications we have been factoring in (partly stated thus far in the report) give me confidence that our ability to absorb much more housing in both spaces will put us in good stead for many decades. In fact many of our upcoming greenfield sites have the scale and ability to provide much more environmentally resilient neighbourhoods (think permeability and storm water management, think swales with separated cycleway and micro mobility built in at the start) with more intelligent consideration to walkable amenity.

I don't think the car will however be redundant any time soon. We have to integrate this understanding and not plan it out prematurely.

The exciting element to me in the new housing proposal to simplify and unlock the IFF (Infrastructure Funding and Financing) legislation. We need to move away from the balance sheet's of just developers and councils (with our unhelpful debt cap) and open up more flexibility for funding the infrastructure required. Ultimately the developer and home owner/ratepayer still pays anyway but the flexibility is needed. And going slightly beyond my remit here the entities in the IFF (the Superfunds, ACC's and the like) are hopefully predominantly NZ owned so we can have more of NZ investing in its own infrastructure and everyone wins.

Now to the exciting part, lets talk affordable housing and the spectrum I mentioned at the start of this report.

Since I came on Council over 5 years ago I have been seeking for a 'universal definition' of what is an affordable home. A cousin of 'affordable housing' is 'security of tenure' which could apply to public housing, subsidised rental or even some levels of private rental. While affordable housing has been bandied around for a long time landing on a definition has seemed to evade everyone. The Regional Housing Initiative (RHI) borne out of the Waikato Plan and spearheaded by the formidable Lale Ieremia and Habitat for Humanity's Nic Greene and now resourced to propel CEO Aksel Bech into meaningful action is now undoubtedly part of the solution. After a great hui on 31<sup>st</sup> May with our Mayor, other councillors, RHI, Kainga Ora, Ministry of Social Development, and Wise Group I was given confidence that a definition was imminent. Something that has got a degree of timelessness to it, or relativity, in that in 5 years time it will still hopefully be accurate because the metric moves with time and inflation. I believe it will land on something like 3 x median income or said another way where cost of housing (mortgage or rent, power, rates etc) are no more than 30% of the household income. Wherever it lands it gives us a starting point. How can we dare to 'fix' affordability if we can't first define it? We truly cannot manage something if we cannot first measure it. Maybe it won't be so defined a point as to more being a range either way

current measures of affordability are bandied around ranging from as much as \$400,000 from one price point to another.

The second key takeaway from the meeting was the types of housing. Whilst supply is a key part of the equation we must consider the types of supply otherwise the market will deliver more of the same. The message was clear we need more 1 and 2 bedroom and even some 5+ bedrooms typologies. Kainga Ora will have a big role here to play given the scale of their housing programme. But we also have to support the local players who are providing or willing to provide affordable housing solutions. Greenfield is often the place for purpose built, integrated and scaled developments and simply must be part of the solution.

How can we enable more options through our district plan levers?

In terms of the incentive proposal of National's - \$25,000 for every new house over and above our projected growth we will need some further clarity but it's a step in the right direction. It's a shout out of support, a carrot if you will. Assuming there is still some flex here while the policy is being rolled out, imagine if we were incentivised to help solve the housing crisis by providing more of 'what's needed' as opposed to just general supply?

How can we better support the Regional Housing Initiative given the role its playing in being an exemplar initiative not just in our region but across the country?

Can we measure the gaps in housing with a definition of affordability AND understanding the shortfall in both quantity AND typology on the whole spectrum and then truly solve the housing crisis and heed Julie Nelson's call "to end Homelessness!" ?

It's been a blast.

See you soon and thank you for all for your support, challenges and journeying in this local government waka together.

### **Recommendation**

That the Strategic Growth and District Plan Committee receives the report.

Kia kaha, ngaa mihi nui

Ryan Hamilton for Hamilton

# Council Report

Item 7

**Committee:** Strategic Growth and District Plan Committee

**Date:** 14 June 2023

**Author:** Blair Bowcott

**Authoriser:** Blair Bowcott

**Position:** General Manager Growth

**Position:** General Manager Growth

**Report Name:** General Manager's Report

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

1. To inform the Strategic Growth and District Plan Committee of issues of high significance and areas of interest as indicated by the General Manager, Growth, that are not covered elsewhere in this agenda.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Growth and District Plan Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. This report sets the scene for overarching considerations for growth decision making. We have unlimited demands on our limited resources meaning we not only have to make trade-offs between competing and conflicting priorities but also how these demands play out over time.
4. We're hearing more and more from the development community how the current economic conditions are impacting their business in the short-term.
5. Those short-term challenges need to be addressed, but we cannot lose sight of the outcomes Council needs to achieve in the long-term.
6. We have done a lot of strategic thinking over the past 12 to 24 months about where our city, and our region, wants to be – it's up to us to take the next big steps to implement this vision for Hamilton.
7. We need to invest now to set ourselves up for the future and on the right path to address some significant ongoing challenges such as housing access and affordability, climate change adaptation and mitigation, infrastructure provision in the face of rising standards and costs.
8. The decisions we make in the 2024-34 Long Term Plan will be critical and should be anchored in the strategies that guide us to achieving wellbeing outcomes for Hamiltonians.
9. Our strategies and their outcomes are important to keep at the top mind for the significant decisions and updates the Strategic Growth and District Plan Committee is considering today.
10. Staff consider the decisions in the report is of low significance and that the recommendations comply with Council's legal requirements.

## Discussion

### The situation now

11. The previous Committee meeting covered the challenging economic conditions in New Zealand and the importance of working with our partners to deliver the scale of change required to take our city, and our region, forward.
12. We're hearing more and more from the development community how the current economic conditions are impacting their business. There's less new work in the pipeline, which is causing businesses to react – it's driving the loss of staff, slowing new consenting activity and causing delays to construction.
13. Council is coming under increasing pressure from the development community to work in a way that is more enabling for their business. However, much of our business is driven by legislation and limits the flexibility that we have. By addressing short-term issues, we can compromise long-term outcomes we want to achieve for our city.
14. In addition to our current legislative requirements, we are experiencing high levels of uncertainty due to the suite of central government reforms that are underway, and other parties' policy positions that are being released in the lead up to the general election.
15. This is especially evident in the 3 Waters and Resource Management spaces, including proposed changes to the Medium Density Residential Standards by the opposition, funding and financing tools and the wider Future for Local Government Review.
16. For Hamilton this means that we will need to rely on our core strategies to guide us through this period of potential change, and ensure we get the best outcomes for our city and the wider metro area.
17. While it is tough right now, historically the construction sector and wider economy has run in cycles meaning that this downturn will be temporary.
18. The metro area's unique value proposition makes us one of New Zealand's best placed cities for our construction sector to weather these adverse economic headwinds. Other key sectors such as education and healthcare will ensure that Hamilton's economy will continue through tough times.
19. Council's role in thinking strategically and working for the long-term is critical to ensure that when our economy comes out the other side, we have enabled the development community to deliver the housing and business outcomes our people need.

### Delivering the outcomes

20. Hamilton has increasingly been recognised as a great place to live and do business. More and more people are choosing to make our city their home; this is a testament to the kind of city Hamilton is and the work our Council has already done. If we are successful in making Hamilton a great place to live and work, people will continue to vote with their feet.
21. We've done a lot of strategic thinking over the past 12 to 24 months about where our city, and our region, wants to be – it's up to us to take the next big steps to implement this vision for Hamilton.
22. We are facing some short-term challenges that need to be addressed, but we can't lose sight of our role in shaping Hamilton in the long term. Now more than ever, we need to focus on the outcomes we've identified through our strategies to unlock our city's potential. These outcomes stretch from affordable housing, better environmental outcomes to transport mode shift and carbon emissions reduction. We aspire to create a well-functioning, sustainable city where our people can thrive.

23. The scale and cost of infrastructure needed to enable these outcomes is our biggest challenge. The decisions we make in the 2024-34 Long Term Plan will be critical and should be anchored in the strategies that guide us to achieving wellbeing outcomes for Hamiltonians.
24. We cannot do it all at once, and there will need to be some robust discussions about what this means for Council. It's the time to be brave and make some bold decisions, in a tough financial climate, to set Hamilton up for the future.
25. Our strategies and their outcomes are important to keep top of mind for the significant decisions and updates the Strategic Growth and District Plan Committee is considering today.

### **Financial Considerations - *Whaiwhakaaro Puutea***

26. There are no direct financial implications in relation to the information provided in this report.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

27. Staff confirm that this matter complies with Council's legal and policy requirements.
28. Staff have considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

### **Climate Change Impact Statement**

29. Staff have assessed this option and determined that no adaptation assessment is required for the matters in this report.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

30. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
31. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report. The recommendations set out in this report are consistent with that purpose.
32. There are no specific social, economic, environmental, or cultural considerations associated with the matters covered in this report.
33. However, the Strategic Growth and District Plan Committee supports the wider organisation in delivering key objectives that enhance the 4 wellbeings by being responsible for:
  - i. guiding sustainable physical development and growth of Hamilton to meet current and future needs, including oversight of strategic land-use planning, boundary alignment, and existing and alternative planning, funding, and financing models for growth-related projects; and
  - ii. driving collaboration with neighbouring Councils, Iwi, private sector and central government to meet Hamilton's growth ambitions; and
  - iii. providing Governance leadership and direction to staff to develop amendments to the Hamilton City Operative District Plan 2017.

### **Risks - *Tuuraru***

34. There are no known risks associated with the decision being sought in this report.

## **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

### **Significance**

35. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

### **Engagement**

36. Given the low level of significance determined, the engagement level is low. No engagement is required.

## **Attachments - *Ngaa taapirihanga***

There are no attachments for this report.



# Council Report

Item 8

**Committee:** Strategic Growth and District Plan Committee  
**Date:** 14 June 2023  
**Author:** Blair Bowcott  
**Authoriser:** Blair Bowcott  
**Position:** General Manager Growth  
**Position:** General Manager Growth  
**Report Name:** Strategic Issues

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

- To inform and discuss with the Strategic Growth and District Plan Committee issues of high significance and areas of concern that need to be brought to Members' attention, but do not warrant a separate report.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

- That the Strategic Growth and District Plan Committee:
  - receives the report; and
  - notes that:
    - Government agencies working with staff to develop an Infrastructure Funding and Financing (IFF) facility/levy for Hamilton are recommending that a citywide component be introduced into Hamilton's IFF proposal, in addition to the Peacocks greenfield component;
    - staff are scheduling a briefing with Elected Members on the citywide IFF component, due to its materiality and the need for Council direction in relation to it as the 2024-2034 Long Term Plan is developed.

## Executive Summary - *Whakaraapopototanga matua*

- This report provides information to the Strategic Growth and District Plan Committee on issues grouped under the following themes:

Theme	Topic
Land use planning	Future Proof and Future Development Strategy (FDS)
	Housing and Business Capacity Assessment (HBA)
	Council's submission to the Airport Northern Precinct Extension private plan change (Change 20 to the Waipa District Plan)
	Council's submission to the variation on the Waikato Regional Policy Statement (WRPS)

<b>Strategic infrastructure</b>	Metro Spatial Plan Transport Programme Business Case
	Southern Wastewater Treatment Plant
	Connections Approval Process – Technical Assessment Criteria
<b>Housing</b>	<i>No strategic issues to report to this meeting – see the General Update report</i>
<b>Funding / financing</b>	Infrastructure Funding & Financing (IFF) Loan/Levy
<b>Collaborative relationships</b>	Combined Waikato Mayoral meeting with Central Government (Staff Action from 20 April 2023 Committee meeting)
<b>Growth programmes</b>	<ul style="list-style-type: none"> <li>i. Central City</li> <li>ii. Peacocke</li> <li>iii. Rotokauri-Northwest</li> <li>iv. Ruakura</li> <li>v. Emerging areas</li> <li>vi. Strategic Development Forum</li> </ul>

4. Staff have prepared a detailed Peacocke Programme Progress Update report (see **Attachment 7**) in response to a resolution from the 23 August 2022 Finance Committee.
5. It focuses on the benefits and outcomes identified in the 2017 Housing Infrastructure Fund (HIF) Detailed Business Case (DBC). It details progress towards housing outcomes, infrastructure delivery, community and wellbeing outcomes, financial benefits and risks.
6. Overall, Peacocke is on the way to becoming an attractive and sustainable community for up to 20,000 people. Development interest remains high, although timing has shifted out. The delivery of the lead infrastructure is on track. Having the lead infrastructure in place to service this growth area without incurring interest costs is a significant benefit to the city and represents best practice long-term growth planning.
7. More information on how we're tracking towards realising the HIF benefits and wellbeing outcomes is detailed in **Attachment 7**.
8. In March 2022, the Housing and Finance Ministers directed government agencies to support Hamilton City Council to further investigate using the Infrastructure Funding and Financing (IFF) Act 2020 in Peacocke.
9. Government agencies working with staff to develop an IFF facility/levy for Hamilton are now recommending that a citywide component be introduced into Hamilton's IFF proposal, in addition to the Peacockes greenfield component.
10. The Funding / Financing section of this report discusses this item in more detail.
11. Staff consider the decisions in the report is of low significance and that the recommendations comply with Council's legal requirements.

## Discussion – *Matapaki*

### LAND USE PLANNING

#### Future Proof and Future Development Strategy (FDS) work programme

12. A further update to the Future Proof Strategy needs to be undertaken prior to 2024 to meet the NPS-UD requirement to develop a Future Development Strategy (FDS). Technical work to support the development of this FDS update is currently underway.

13. The FDS must be subject to public engagement. A formal consultation period is planned to take place in October-December 2023, as per the Special Consultative Procedure (SCP) in the Local Government Act 2002. This will provide an opportunity for the public and stakeholders to submit on the update and attend a hearing prior to finalising the Strategy update.
14. Following the FDS update, the Future Proof Partnership will move on to preparing an implementation plan for the FDS. The purpose of the implementation plan will be to set out details on the activities/actions identified in the FDS and how these will be undertaken.
15. For an overview of the broader Future Proof work programme, **Attachment 1** sets out the key tasks and timeframes for each working group under Future Proof over the next 6 months. This work programme update was reported to the Future Proof Chief Executives Advisory Group (CEAG) on 26 May 2023. It further outlines the scope of the FDS review and includes references to the work of the Transport Working Group (TWG) and Waters Working Group (WWG).

### **Housing and Business Development Capacity Assessment (HBA)**

16. Future Proof partners are currently undertaking a further assessment of development capacity for the sub-region, which is expected to be completed by August 2023. This assessment of the available development capacity for residential and business growth ensures that the level of planned supply is more than enough to meet the projected levels of demand. The findings of the HBA will inform the development of the FDS and decisions on the 2024 LTP. An update on this work is being reported in the public excluded part of this agenda.

### **Council's submission to the Airport Northern Precinct Extension Private Plan Change**

17. On 28 October 2022, Hamilton City Council made a submission to the Proposed Private Plan Change 20 (PC20) to the Waipa District Plan regarding the Airport Northern Precinct Extension. Council's submission is generally supportive of the plan change.
18. Council identified certain topics in the plan change provisions that require particular focus and provided supporting evidence to safeguard the city's and sub-region's interests on matters relating to retail, land use, infrastructure and ecology.
19. It is important for Council to achieve a good outcome as the Airport is an important regional asset and a destination gateway for Hamiltonians and visitors. Council's evidence identified the importance of industrial land adjoining the Airport to be considered a 'scarce resource' that should be developed to its full industrial potential, leveraging the strategic locational advantages the Airport and associated linkages provide.
20. Commissioners Antoine Coffin and Alan Withy (Chair) were appointed for the Waipa District Council PC20 Hearings held 15-17 March 2023. Council presented expert evidence on transport, retail and planning related matters.
21. Hearings were adjourned on 17 March 2023, awaiting further procedural directions from the panel. The latest minute (#6) of the Commissioner panel indicates the option to file a joint memorandum of Counsel (HCC and applicant) that will inform the panel of any agreed changes before 28 March 2023. Upon discussion between HCC expert witnesses and its Counsel, no joint memorandum needed to be filed.
22. At the time of writing this report, Council awaits decisions or direction from the Hearing Panel. More details of Council's submission on PC20 were reported previously to the Committee on 20 April 2023 and can be found by accessing [this link](#) (see Item 8).

### Council's submission to the variation on the Waikato Regional Policy Statement

23. Waikato Regional Council notified an update to the Waikato Regional Policy Statement (WRPS) in October 2022. The WRPS required amendments to incorporate the requirements of the National Policy Statement on Urban Development (NPS-UD) 2020 and to also reflect the 2022 update to the Future Proof Strategy.
24. Council submitted on the proposed WRPS variation, largely in support, with submission points on urban form and density provisions. Hearings were on 8-10 May 2023.
25. The Hearings panel is reviewing the evidence received from submitters. To satisfy itself that it has all the necessary evidence before it to facilitate its deliberations, the Panel has directed that the hearing adjournments is extended until 9 June 2023. The Panel's decision will follow in due course. HCC has not been directed by the panel to provide any further evidence.

## STRATEGIC INFRASTRUCTURE

### Metro Spatial Plan Transport Programme Business Case – Programme Implementation Progress

26. One of the Future Proof Strategy's transformational moves is *"a radical transport shift to a multi-modal transport network shaped around where and how communities will grow."*
27. The Future Proof Transport Working Group (TWG) was established to oversee implementation of this aspect of the Strategy. In the last triennium, its key deliverable was the Metro Spatial Plan (MSP) Transport Programme Business Case, which sets out how the strategy will be achieved within the MSP area in the form of a 30-year investment programme aligned to land use to realise benefits identified.
28. We are now moving beyond the Programme Business Case (PBC) towards identifying and implementing the recommendations and integrating this work into our own Council strategies and programmes e.g., Access Hamilton.
29. The TWG has focused on several key area across March to June 2023:
  - i. April saw a significant amount of effort from members of the TWG led by Waikato Regional Council to respond to the VKT (Vehicle Kilometers Travelled) Expression of Interest from Waka Kotahi and the Ministry of Transport. At time of writing, the outcome of this application is not known. If successful, the VKT funding will supplement several workstreams related to implementing the PBC recommendations.
  - ii. Finalising scopes and procuring work to implement Programme Business Case priorities (see descriptions in tables below).
  - iii. Working in with the ongoing governance and other structural changes to the Future Proof technical and governance structure, including the formation of the Future Proof Public Transport Sub-Committee.
  - iv. Working towards aligning MSP Programme requirements with Council partners' Long Term Plans and ongoing projects e.g., Infrastructure Acceleration Fund work on Anglesea Street.
  - v. Work to maintain consistency with Future Proof Development Strategy Update and District Plan / Plan Changes and other Partner strategies and plans.
  - vi. Working with Ngā Karu Atua o te Waka and Waikato Tainui (partners in Future Proof) on scoping and procuring work related to developing a rural access programme.
  - vii. Developing a communications plan to connect with metro area residents and businesses that are potentially affected by our investigations, and to raise the profile of the future networks considered in this work.

30. Given the strong relationship between the Metro Spatial Planning work and the programmes behind Access Hamilton, staff have been working closely to align and co-operate on all ongoing tasks, including those related to Our Climate Future.
31. Hamilton City Council will be undertaking several large procurement exercises in May/June 2023 to undertake these tasks on behalf of Future Proof.
32. Work currently undertaken is based on the recommendations endorsed at the June 2022 Future Proof Implementation Committee. Those recommendations were repeated in the [23 February 2023 Strategic Issues report](#) for reference (see Item 7).
33. A summary of the main Transport Working Group tasks is detailed in the table below noting scoping has increased in intensity significantly since last reporting and content has changed accordingly.

Task #	Task / Brief Description	Timing
1	<p><b>Funding the Transport Programme – 2024 LTP Requirements</b></p> <p>This report will document the projects and programmes that required funding in 2024-34 LTPs and be given priority in the 2024-34 Regional Land Transport Plan by all partners to respond to the MSP Transport Programme and maintain momentum in programme implementation and benefit realisation. This list of projects and programmes will form part of reporting to the new Future Proof Public Transport Sub-Committee and then likely to form a list of recommendations to partner Councils to inform their respective LTP discussions.</p> <p>Our intent is that this report becomes a chapter of the 2024-34 Regional Land Transport Plan. This “chapter” will be developed and seek endorsement from FPIC prior to being part of individual partners LTP discussions and the RLTP development process.</p> <p>This task is almost complete and for HCC highlights the priorities from the Biking and Micromobility business case as well as an agreed approach between HCC and WRC on aligning bus related infrastructure with future bus network improvements.</p>	<p>First draft now end of May 2023 deadline for Councils to meet early LTP programme targets.</p> <p>Discussion and recommendations probably June FPIC.</p>
2	<p><b>Bus Rapid Transit – Feasibility &amp; Design Proof of Concept – Proof of Concept</b></p> <p>Next stage of investigations to further develop future Bus Rapid Transit networks identified in 2022.</p> <p>Focus on “proof of concept” design issues, future land requirements, buildability, and affordability, further thinking around specific alignments and cross river connectivity. Will also examine in detail bus operational matters e.g., kerbside vs central lane configurations, stopping patterns, interchange locations etc.</p> <p>This project is also envisaged to incorporate the transport components of the Hamilton Infrastructure Acceleration Fund – Public transport focus in city centre.</p> <p>It is hoped this work will benefit from funding from the April 2023 VKT Expression of Interest submission. At time of writing the outcome of this EOI was not known.</p> <p>Not a full Detailed Business Case but a more refined hybrid approach to understanding the implementation of the future core Bus Rapid Transport Spines. This will be the stepping-stone project to a full Detailed Business Case for staged sections of the future Bus Rapid Transit network as described in the Programme Business Case.</p> <p>In line with Waka Kotahi’s business case approach, the intent is that the</p>	<p>HCC internal scoping March/April 23 looking to finalise with partners end May.</p> <p>Can be discussed in June FPIC.</p> <p>Procurement likely in May/June 2023.</p>

# Item 8

Task #	Task / Brief Description	Timing
	<p>IBC would inform future DBC(s) for further development of the concept, if approved. Note, this work is currently being scoped and may change from an Indicative Business Case format but still follow the same design and network approach.</p> <p>The Proof of Concept could inform future DBC and/or IBC depending on the pathway chosen.</p> <p><b>BRT (Bus Rapid Transit) was identified as a recommended activity in the Hamilton Waikato Metro Spatial Plan Transport Programme Business Case.</b></p> <p>This scope focuses on developing the scope for the end-state of a rapid transit concept, but also a staging and sequencing plan for developing a rapid transit system in Hamilton.</p> <p>The project must interface with and inform other significant projects and programme workstreams as identified in this document. Inform Hamilton City Council and Waka Kotahi's forward budgets.</p> <p>This piece of work will follow Waka Kotahi's business case process; however, it will also need to include the following activities:</p> <ul style="list-style-type: none"> <li>• Concept Design and Design Philosophy (Physical Proposal) – Embedding rapid transit corridors in an integrated whole-of-network design approach for Hamilton.</li> <li>• Develop a high-level operational service concept</li> <li>• Develop a high-level notice of requirements / consenting strategy.</li> <li>• This scoping document therefore provides:</li> <li>• A scope for an Indicative Business Case incorporating the appropriate specific requirements of the project.</li> <li>• Further requirements augmenting an IBC scope to deliver</li> <li>• Proof of Concept for a BRT in Hamilton / Metro area</li> </ul> <p>The scope has been informed by:</p> <ul style="list-style-type: none"> <li>• The HWMSPP Transport Programme Business Case</li> <li>• A series of workshops with Hamilton City Council staff and technical feedback from the Future Proof Transport Working Group.</li> <li>• Discussions with Co-Lab / RATA regarding the WLASS model</li> </ul>	
3	<p><b>“Scheme Optimisation” Scoping for Transport Programme Implementation</b> – note naming of this project may change as scoping progresses.</p> <p>Significant and important task to develop an <i>“Optimisation Programme which primarily <b>looks to achieve a lot more with what is already available</b> to the network and will enable smarter travel choice now.”</i></p> <p>This task will focus on three key work areas:</p> <ol style="list-style-type: none"> <li>Future Network Planning</li> <li>Public transport/rapid transit network planning (the detail)</li> <li>Staging and sequencing of the 30-year programme – this includes alignment with land use and active mode and existing bus network development, realising opportunities and working in with what else we are doing across the city.</li> </ol> <p>This is the work where we discuss trade-offs between modes, where we talk about future priorities and levels of service, on what modes should be prioritised on certain corridors and how the Metro Spatial Plan</p>	<p>Scoping 50% complete.</p> <p>Procurement likely in May/June 2023.</p>

Task #	Task / Brief Description	Timing
	<p>programme implementation combines with each respective partner's transport and growth strategies e.g., how the projects and programmes that are developed and implemented under Access Hamilton and HUGs are combined with the regional focus to meet our targets and aspirations.</p> <p>This work will also consider what an accelerated programme could look like, should we desire to instigate our 30-year programme at a different pace.</p> <p>The focus of this project is around identifying a series of projects and an associated programme incorporating city level initiatives that could be undertaken <b>in the short term</b> to medium term to deliver <b>more immediate outcomes</b> and <b>provide additional clarity on the staging and sequencing of projects</b> to support the progression of the 2022 Programme Business Case recommended programme outcomes through a staging plan.</p> <p>This project will develop 3 Programme pathways for MSP transport and land use delivery broadly determined at this stage of scoping as:</p> <p><b>P1: Standard Staging of PBC Recommended Programme –</b></p> <ul style="list-style-type: none"> <li>• Continue to implement the existing public transport, walk, and cycle programmes</li> <li>• Demand management actions</li> <li>• Optimisation of the existing network and some increasing use of road space reallocation as a tool</li> <li>• Implementation of new bus services and bus priority for 'early staged' delivery of rapid transit services and infrastructure</li> <li>• Route protection for and implementation of transport improvements (incl. long-term rapid transit corridors)</li> <li>• Further walking, cycling and micromobility network development to integrate to rapid transit and bus services</li> </ul> <p><b>P2: Accelerated Staging of PBC Recommended Programme –</b></p> <ul style="list-style-type: none"> <li>• Significant investment in walk and cycle programme</li> <li>• Dramatic demand management actions</li> <li>• Optimisation of the existing network and road space reallocation</li> <li>• Route protection for and implementation of rapid transit corridors</li> <li>• Implementation of rapid transit services and infrastructure</li> <li>• Further network development to for further rapid transit, bus services and walking, cycling and micromobility</li> </ul> <p><b>P3: Climate/VKT Target Response of PBC Recommended Programme –</b></p> <ul style="list-style-type: none"> <li>• Massive investment in walk and cycle programme</li> <li>• Significant demand management actions</li> <li>• Optimisation of the existing network and significant road space reallocation</li> <li>• Route protection for and implementation of rapid transit corridors</li> <li>• Implementation of rapid transit services and infrastructure</li> </ul> <p>Programme 3, at this stage of thinking, is designed to test our response to vehicle emission targets and understand the levels of interventions required to meet the targets we have set ourselves. This would be the programme that lets us address scale and pace challenges to meeting our VKT targets and allow us to understand from a technical level what it</p>	

Task #	Task / Brief Description	Timing
	<p>would take to meet these targets.</p> <p>The programme that will form part of this commission will also need to inform partner 30-year infrastructure planning at a broader level.</p> <p>The projects would <i>support the momentum of the Programme Business Case recommended programme</i> in the early stages of the programme with a view to accelerating activities over a 10-year programme considering the Emissions Reduction Plan VKT target. This VKT target needs to be discussed and 'adopted' by the TWG on behalf of Future Proof and be a focal part of the monitoring and management workstream.</p> <p>It is understood that there will need to be a series of detailed business cases to support the major infrastructure investments as set out in the Transport Programme Business Case; as such, this early Intervention and ramp up strategy work will inform the longer-term business cases with a programme of outcomes that may require a range of pathways going forward, including some that may go straight to pre-implementation or some that require more business case work.</p> <p>This stage will ensure identification of key interdependencies for the short- and long-term programme; however, the expectation is that the activities identified at this stage will be focused on <b>optimising</b> the existing network before the longer-term infrastructure solutions come on board.</p>	
4	<p><b>Freight study</b></p> <p>The need to examine in greater detail, whilst not duplicating national work the specifics of what routes and operating conditions we need to prepare for in the Metro area, how do we plan for significant freight movement in relation to our evolving active mode and public transport networks.</p> <p>Focus maximising road to rail freight transfer and understanding future logistical challenges to a greater level, particularly around how we service the city centre. Study supplemented by the excellent data HCC maintains; also, a useful opportunity to access freight movements locally and regionally, post the Waikato Expressway opening.</p>	<p>Scope finalised.</p> <p>Procurement will commence last week May 2023.</p>

34. Various other tasks related to the MSP Transport Programme Implementation are ongoing, including developing a new Multi-Party Funding Agreement between the partners to fund the tasks described above.
35. Waka Kotahi is intending to take the Transport Programme Business Case to their Board in July or August 2023. Whilst in 2022 Waka Kotahi endorsed the strategic direction of the Programme Business Case, they wanted to gain additional clarity on several items discussed in the document before endorsing at a programme level. These items that related to funding agreements, governance and other technical matters related to scoping the next phases of work. These concerns have been addressed over recent months via the Transport Working Group and by the development of an MOU on funding which is currently in development.
36. Future Proof has recently employed a new part-time Communications & Engagement Advisor. The partners' technical workstreams are liaising to understand how we can work with this new role to undertake our on-going business case development.

#### **New Future Proof Public Transport Sub-Committee**

37. At time of writing, the new Future Proof Public Transport Sub-Committee had not yet met; however, a workshop to discuss role and functions, as well as updates on key work tasks was undertaken on 5 May 2023.



38. The workshop incorporated a discussion led by Waikato Regional Council on the role of the Future Proof partnership and the Terms of Reference of the new sub-committee. This was followed by a discussion and presentation from Waikato Regional Council on public transport planning and future network development aspirations, issues and opportunities.
39. The workshop was concluded by presentations related to the transport workstream under Future Proof and focused on the 2022 Transport Programme Business Case recommended programme, work undertaken since then to implement the programme, and on Te Huia current and future operations and proposals.

### **Southern Wastewater Treatment Plant update**

40. Key project activities since the last project update to the Strategic Growth Committee in April 2023 are highlighted below.

#### ***Site feasibility and due diligence***

41. The site feasibility and due diligence investigations are continuing. Multi-Criteria Assessment workshops have been completed with Iwi/Mana Whenua representatives and Council subject matter experts. The investigations are due to be completed in June 2023.

#### ***Mana whenua engagement and project governance representation***

42. Several hui of mana whenua representatives who hold cultural and historical interest in the project area have now been held. The group terms of reference have been developed, and confirmation of the representatives received from their respective entities (e.g. Iwi, Hapuu, Collectives, Marae).
43. An project update was provided to the May 2023 Council/Waikato-Tainui Co-Governance Forum.
44. A tour to visit and learn from relevant wastewater treatment facilities (including Pukekohe, Meremere and Te Kauwhata WWTPs) occurred on 13 April 2023. This tour was attended by mana whenua and iwi representatives, project staff and Watercare Services Ltd staff.

#### ***Waikato Regional Airport and Cambridge Wastewater Treatment Plant Consenting***

45. Hamilton City Council presented its submission on the Waikato Regional Airport Private Plan Change in March 2023. We anticipate decisions in May – June 2023. A key area of interest for HCC is the level of commitment from WRAL to ultimately discharge to the Southern Wastewater Treatment Facility. Council continues to advance pre-implementation activities on the basis that WRAL will connect as soon as the wastewater plant is commissioned.
46. Submission on the publicly notified Cambridge Wastewater Discharge consent application closed on 17 April 2023. HCC lodged a submission in support of the overall direction and intent of the application by Waipā District Council, noting the significant investment to be made by Council to improve wastewater discharge quality and protect and restore the river.
47. HCC's submission suggested that there be continued sub-regional integrated thinking on matters relating to wastewater treatment, notification of spills to the awa for protection of water treatment operations, and improved frequency of technology review periods.

#### ***Project Management and Communications Planning***

48. The project management plan is being considered for approval by the project governance group in May 2023. A communications plan has been finalised to define key messages and communications and engagement protocols for the project.

49. Staff included the Southern Sub-Regional WWTP in the Capital Investment submission to the DIA in March 2023. As part of the submission, Stage 2 and 3 upgrades are proposed to occur earlier than outlined in the DBC. Increased costs from those outlined in the Southern Metro WW DBC have also been included in order to provide for adequate environmental, cultural and social mitigation measures/enhancements that could be expected through the consenting process.
50. Meanwhile, we are continuing with pre-implementation activities and preparing documentation to procure professional services to deliver the designation and consenting applications using current LTP funding.
51. To support continuation of the pre-implementation activities and delivery of the project, staff have submitted a DIA Oversight Approval Request (in accordance with the Water Services Entity – National Transition Unit guidelines) seeking approval to:
  - i. commit \$20M of new funding in addition to the \$9.6M funding in the 2021-2031 LTP (~\$9M) to continue and complete investigation, land purchase, concept design, detailed design, master planning, designation and regional consenting of the plant and discharges by July 2024; and
  - ii. commit \$111M of new funding to construct and commission Stage 1 and Stage 2a & 2b of the new sub-regional wastewater treatment plant and associated water discharges (\$111M) by 2031.
52. If oversight approval is received from the DIA, staff will recommend through a future report to this Committee, subject to confirmation that the additional expenditure can be accommodated within Councils financial limits, that Council debt fund delivery of the pre-implementation activities (point i. above) of the project.

### Connections Approval Process – Technical Assessment Criteria

53. The three waters servicing challenges and Council's proposed responses to those challenges have been outlined as part of regular reporting on Plan Change 12. Most recently, the Three Waters Connections update provided in the April 2023 Strategic issues report outlined:
  - i. Existing and anticipated three waters servicing challenges in Hamilton City, including HCCs statutory obligations to deliver 'betterment' to the Waikato River alongside a range of other regulatory drivers and obligations, including NPS-UD and MDRS.
  - ii. Council's solutions to the above challenges, including –
    - a. PC12 is a targeted response to central governments direction to provide for further intensification through NPS-UD and MDRS while also seeking to recognise Councils obligations under Te Ture Whaimana. The targeted response includes targeting increased densities in an identified Stage 1 priority development area
    - b. Targeted and prioritised three waters infrastructure investment programme to address existing level of service issues, and to enable development within the Stage 1 development area
    - c. The revised three waters connections approval process, including a new technical capacity assessment and the approaches proposed to support the prioritisation of the Stage 1 development areas.
  - iii. Upcoming briefings and key milestone dates to complete the three waters connection policy and associated technical capacity assessment approach and implementation tools.

54. Key project activities and updates since the April 2023 Committee meeting are highlighted below.

**Capacity Assessment Criteria and Approach - Elected Member Briefing, 3 May 2023**

55. On 3 May 2023, a closed briefing was held to build on the information provided at the April 2023 meeting and to work through and obtain feedback on key elements of the proposed capacity assessment and connections approval approach:
- i. Technical assessment criteria and rules proposed to identify areas that have available capacity or are constrained for development (filtering rules)
  - ii. Technical assessment criteria and rules proposed to assess impact of a development proposal on available capacity and if there is sufficient network capacity to protect public health and safety, levels of service and the awa (capacity rules).
  - iii. The network assumptions (i.e. “as – is” or including planned and/or funded upgrades) and extent of the networks that should be considered as part of the capacity assessments.
  - iv. Who the capacity assessment could be applied to
  - v. Outline of proposed ‘network capacity assessment GIS tool’ to assist decision making
  - vi. An outline of the proposed process (at a very high level).
56. The briefing presentation is **Attachment 2**.
57. A number of key settings for the capacity assessment and connections approval approach were still being developed and evaluated at the time of the briefing, however feedback was requested to help inform the settings for recommendation to this Committee meeting for endorsement.
58. Key feedback from the briefing included:
- i. Acceptance of the proposed water and wastewater technical assessment criteria

Wastewater	Water
<b>Network Overflows*:</b> <i>No increased frequency, extent or volume for design level of service/containment standards</i>	<b>Pressure &gt; 200kpa (20m)</b> <i>Maintain target minimum water pressure across the network</i>
<b>Dry weather peak pipe utilization</b> <i>Not exceeding 75% pipe full flow under dry weather flow</i> <i>Avoid creating dry weather overflows; align existing approaches</i>	<b>Flow 25L/min</b> <i>One measure to assess ability to meet fire fighting standards</i> <b>Headloss &lt; 10m/km</b> <i>Network resilience, risk and energy consumption</i>

*\* For wastewater, wet weather network overflows, dry weather peak pipe utilization, and any increased frequency or volume of network overflows for the design level of service will be assessed. The current agreed design level of service is 1 in 2 year containment standards.*

- ii. Acceptance of approvals being given on a first come first served basis to be equitable and avoid legal issues.

- iii. General agreement that the capacity assessments for the Infrastructure Capacity Overlay Area (i.e., those areas outside of Stage 1) should be based on the network “as-is”.
  - iv. Agreement that the trigger for capacity assessments need to be linked to activities that will increase flow / demand, rather than simply adopting the min. floor area proposed in the Water Services Legislation Bill (25m2).
  - v. Questions on how the proposed assessment and criteria will be implemented.
  - vi. Questions around what we can do to further support development in the Stage 1 area, i.e. lower the barriers for development where we want to see it happen. Need to further consider and present the risks and opportunities associated taking different approaches within the Stage 1 area.
59. Staff are still working through a number of remaining key settings (including several of those noted above) and details, including:
- i. Threshold for any development under 4 lots, or dwelling extension being required to go through a network capacity assessment.
  - ii. Threshold for development being required to go through a network capacity assessment where development assumptions have changed.
  - iii. Extent of network to be assessed for development within the Stage 1 area.
  - iv. Proposed policy position on how long the Network Capacity Certificate is valid for.
  - v. Information requirements for various scales of development.
60. Staff had intended to present final recommendations on the capacity assessment criteria and approach for endorsement at this meeting due to the strategic nature of these settings and their potential implications on growth and Council’s approach to PC12 (in particular, the trigger for capacity assessments and the approach to assessments in the Stage 1 area).
61. As a result of the additional time needed to finalise recommendations for the above settings, staff propose to utilise part of the scheduled briefing on 20 June 2023 to present and seek final feedback on the recommendations ahead of presenting them to the Infrastructure Operations and Transport Committee for endorsement as part of the overall policy review process in July 2023.
62. The proposal to seek endorsement of the capacity assessment criteria and connections approval approach at this meeting was also to support the delivery of expert evidence for the PC12 Substantive Hearing. Expert evidence is due in July 2023, and the hearing proceeds in September 2023, and while the connections approval process sits outside of the RMA, it is important that HCC clearly outline the approach and how it will be applied in the hearing. In order to meet the deadlines for filing expert evidence, Staff will adopt the recommendations to be put to the July 2023 Infrastructure Operations and Transport Committee meeting. Updates or amendments to expert evidence to reflect Council decisions can be tabled at the time of the hearing.

#### ***Other Three Waters Connections Project Update***

63. The revised Three Waters Connection Policy is being drafted.
64. A simple diagram showing the Connections Approval Process concept, which encapsulates the existing the existing RMA application process, and introduces new components is outlined in **Attachment 3**. Internal engagement is underway to refine the process before it is tested with targeted stakeholders.

65. The standalone project to develop the online GIS based Network Capacity Assessment is currently being initiated. The customer interface processes and tools (including “smart forms” are also being developed) to support implementation to the revised approval process.
66. Recommended updates to the Regional Infrastructure Technical Specifications (RITS) needed to meet the evolving metropolitan needs of the Hamilton have been submitted to Co-Lab for consideration. The recommendations include specific standards for infill/intensification development. These requirements will likely be unique to Hamilton City in the Waikato region, and so it is important that Council’s representative on the Co-Lab Board advocate for these recommended updates to be adopted for Hamilton.

## FUNDING / FINANCING

### Infrastructure Funding & Financing (IFF) Facility/Levy

67. On 30 March 2022, the Housing and Finance Ministers directed government agencies to support Hamilton City Council to further investigate using the Infrastructure Funding and Financing (IFF) Act 2020 in Peacocke, which could provide around \$100M in balance sheet debt headroom.
68. For context, an IFF facility/levy is a funding and financing mechanism that enables loans/debt associated with infrastructure to be held by a separate entity from the Council which benefits from the infrastructure. This debt remains “off balance sheet” from Council and therefore doesn’t affect the Councils debt ratios. The entity charges an annual levy (like a targeted rate) to fund the loan/debt facility to each property that benefits from the infrastructure.
69. The funding headroom created by successfully deploying the IFF in Hamilton is required to be directed to infrastructure investment to support new housing. Rotokauri Stage 1 growth area has been a prominent option discussed with Elected Members previously, in addition to an obligation created under Council’s Infrastructure Acceleration Fund grant to use part of any IFF funding secured to fund specified trunk water mains in the Central City. The latter is subject to confirmation of water reform legislation.
70. Staff have progressed the IFF with Government agencies and it is going well. Staff have largely fulfilled Crown Infrastructure Partners (CIP) initial information requirements and are working closely with CIP and Mafic (Treasury’s financiers) to develop the proposal into a framework which, if approved by government agencies and the Council, will inform an IFF facility and levy.
71. During recent meetings (following IFF deals completed by Tauranga City Council and Wellington City Council) CIP have expressed a preference to include a substantial ‘citywide’ element into an IFF deal with Hamilton. In addition to the greenfield Peacocke component of the IFF facility, this involves a second component which uses assets that have a citywide function to underpin an IFF facility and levy. The outcome of this is a small levy of the order of \$100, as compared to the \$1500-2000 in the greenfield, payable by all households across the city. This combination may generate balance sheet headroom of \$50-70M, in addition to the \$50-80M created through the greenfield component.
72. Staff consider there is merit in this citywide component in part because the citywide levy is low and yet it generates a substantial facility and balance sheet debt headroom.
73. Staff are scheduling a briefing with Elected Members on the citywide IFF component, due to its materiality and the need for Council direction in relation to it as the 2024-2034 Long Term Plan is developed.
74. Note that regardless of the above citywide component, CIP will soon engage developers in the Peacocke area as part of its next steps to ultimately take the proposal to the CIP Board for approval to proceed.

75. Updates on this in-principle framework and outcomes of developer meetings will be reported in due course. The Council will have the opportunity to approve or otherwise before a levy is confirmed, and deployment phases begin.

## COLLABORATION / RELATIONSHIPS

76. At the 20 April 2023 meeting of the Strategic Growth and District Plan Committee, the following staff action was noted:

*Staff undertook to facilitate a combined Waikato Mayoral meeting with Central Government concerning advocating for the needs of each Council in relation to southern links and other related matters.*

77. As part of Council's regular relationship meetings with neighbouring councils, Waikato District Council and Hamilton City Council representatives also agreed to investigate opportunities to engage with key political stakeholders in the lead up to the general election to promote metro issues and opportunities. There was a strong desire to engage with the opposition leader Christopher Luxon in addition to sitting ministers.
78. It was suggested that this could occur over the Fieldays period (Wednesday 14 June to Saturday 17 June 2023), when many political parties will have representatives in the region.
79. Staff have reached out to key staff in Wellington to organise meetings, with the aim of including the metro area's three Mayors and Chair of the Regional Council.

## GROWTH PROGRAMMES

80. This section provides an update of strategic growth activity in the Central City, Peacocke, Rotokauri-Northwest, Ruakura and emerging areas. Updates on each of these areas were provided to the Strategic Growth Committee on [20 April 2023](#) (see Item 8).
81. Since the last report, Lehi Duncan, the Ruakura Programme Manager has picked up Programme Management of Fairfield-Enderley area and will work closely with our partners Kainga Ora. Planning is now underway and updates will be provided in the future.
82. These updates provide strategic growth-related activities. For a comprehensive view of activities and projects taking place in the growth programmes areas visit the programme webpages:

Central City: [www.hamilton.govt.nz/centralcity](http://www.hamilton.govt.nz/centralcity)

Peacocke: [www.hamilton.govt.nz/Peacocke](http://www.hamilton.govt.nz/Peacocke)

Rotokauri: [www.hamilton.govt.nz/Rotokauri](http://www.hamilton.govt.nz/Rotokauri)

Ruakura: [www.hamilton.govt.nz/Ruakura](http://www.hamilton.govt.nz/Ruakura)

83. All of the Hamilton City Growth Programmes have been identified as Priority Development Areas through Future Proof, with Central City, Ruakura, Rotokauri and Fairfield-Enderley being focus areas for 2022/23. Trackers on how these areas are progressing are presented to each Future Proof Implementation Committee, with the next committee meeting on 23 June 2023.

### Central City

84. The vision for the central city is to 'shape a central city where people love to be'.
85. The [Hamilton Urban Growth Strategy](#) was adopted in April 2023 and identifies the Central City as a key priority strategic growth area.

86. Along with providing a place for commercial, cultural and economic growth, the central city will be a place to call home with 4,000 homes for up to 10,000 people planned for the next 10 years.
87. The [Central City Transformation Plan](#) identifies a number of key projects to deliver transformational outcomes. Staff are currently exploring options for bringing a comprehensive update to Elected Members on how we are tracking against the Central City Transformation Plan outcomes.
88. Residential Development Activity since 2020, as at May 2023, in the Central City and 800m Walkable Catchment includes:
  - i. **126** sections have been granted subdivision consent
  - ii. **56** sections have been titled
  - iii. **87** homes were granted building consent but are not yet completed
  - iv. **592** homes completed, including **155** completed in the immediate Central City area.
89. Notable development activity in the central city since April 2023 includes:
  - i. **Amohia Ake (ACC Building)** – opened in April 2023, constructed by Tainui Group Holdings (TGH) the 8,500m<sup>2</sup> office building will bring around 800 ACC staff into the central city.
  - ii. **Union Square** – this development will provide 23,000m<sup>2</sup> of office space over five buildings. The newly completed carpark for 350 cars opened in April 2023 with a ‘rooftop shout’ run by the Hamilton Central Business Association.
  - iii. **Waikato Regional Theatre** – excavation activities continue along with development of further sections of the shear walls, large amounts of reinforcing steel and foundation slabs.
90. A map showing locations of planned or actual development activity is in **Attachment 4**.
91. A number of transport, community and economic development activities have taken place in the central city since April 2023; these will be reported through the relevant committees.
92. Key programme risks include:
  - i. Market conditions may impact on the timing of developers delivering homes and commercial builds in the central city. Staff are closely monitoring the growth activity and continue to regularly engage with key developers alongside seeking solutions to enable growth. Agreements are in place with key developers to support Infrastructure Acceleration Fund (IAF) housing outcomes.
  - ii. Misaligned or lack of investment into the central city may affect the timing, quality or delivery of the Central City Transformation Plan outcomes. Staff are working to align investment to strategic outcomes through the Long Term Plan and working with government agencies and partners to ensure alignment and funding is directed to the right projects at the right time.

#### **Infrastructure Acceleration Fund (IAF) Delivery update**

93. To achieve the central city housing outcomes the IAF Infrastructure Programme, funded primarily by Kainga Ora, will deliver:
  - i. a new water reservoir and pump station
  - ii. active modes river crossing
  - iii. three waters upsizing reactive works to enable development commitments and investigations into other strategic three waters and transport infrastructure.

94. Staff will provide an update of the overall IAF programme to this Committee, with project-specific decisions going to the Infrastructure and Transport Committee, and contract awards going to the Finance and Monitoring Committee or Council when appropriate, as per financial delegations.
95. Work this period has confirmed that both the bridge and the reservoir will require resource consent with respect to land use. This then requires demonstrating that all practicable options have been considered prior to selecting a preferred location. To inform this work, investigations will include geotechnical, archaeological, constructability, affordability and – for the bridge – placemaking amongst other factors. Elected Members will be advised of the investigation works closer to the time via Executive Update.
96. Overall, the programme is on track to achieve the IAF deliverables. Staff will seek Elected Member input on location and macroscopic approvals for individual project scopes during 2023.

### Peacocke

97. The vision for Peacocke is to enable the development of an attractive and sustainable community. Enabled by the Housing Infrastructure Fund, Peacocke will provide up to 7,400 homes for up to 20,000 people in the next 40 years.
98. With the construction of the bridge and wastewater pumpstation progressing well and on track to open by the end of 2023, and the Plan Change 5 progressing, the programme focus is shifting to support developers through the pre application and consent process to ensure best practice urban design and community outcomes are achieved.

### Peacocke Programme Progress Update Report

99. On 23 August 2022 the Finance Committee resolved:
 

*“Requests staff report to the appropriate committee prior to June 2023 on the progress to realise benefits as well as identify risks for the Peacocke Business case including yield, development contributions, general development activity and overall financial arrangements”*
100. Staff have prepared a detailed Peacocke Programme Progress Update report (see **Attachment 7**).

### Other key Peacocke updates

#### *Plan Change 5 (Peacocke Structure Plan)*

101. At the close of the appeal period on 14 April 2023, 5 appeals had been lodged with the Environment Court:
  - i. *Cordylone*: Amend structure plan to delete indicative road alignment on its property and replace with alternative alignment
  - ii. *Shortbread Ltd*: Relocate the Stormwater Management Device from its property and locate it at the ‘eastern gully head’
  - iii. *Peacocke South Ltd*: Deletion of Natural Open Space Zone and amending the Significant Bat Habitat Area feature and zoning land as Medium Density Residential Zone
  - iv. *Adare*: Wide ranging amendments to Structure Plan, Neighbourhood Centre Zone, Local Centre Zone, subdivision, district plan administration
  - v. *Woolworths*: Rezoning of Woolworths site to Local Centre Zone.
102. Staff are now awaiting direction from the Court regarding appellants’ agreement to court-assisted mediation. If parties agree to mediation, this process is expected to be scheduled by the Court in late July 2023.



### HIF Strategic Infrastructure Delivery Update

103. The Waikato River bridge and Peacocke wastewater transfer station projects are still progressing towards completion in 2032. Staff continue to manage costs within the overall programme allocation and are seeking adjustment of budget timing to match current cost demands.
104. Capital project cost escalation continues to be a risk to the Peacocke programme. Staff shortages across the construction industry is increasing pressure. Further details of risks are in the Peacocke Programme Progress Update Report in **Attachment 7** and reported through the Finance Committee as part of the Capital Projects Report.
105. **Waikato River bridge and surrounding transport network** – Concrete foundations for bridge deck is complete with barrier and balustrade installation under way. Kerbing and pavement works continue along Peacockes Road but severe adverse weather may mean delays in sealing and traffic transfers back to Peacockes Road affecting progress across the 2023 Winter season.
106. **Peacockes Road Urban Upgrade - South and Whatukooruru Drive - Stage 2A** – gully bridge piling is under way and abutment construction will start soon.
107. **North-south wastewater pipeline and shared pathway** – initial earthworks are under way. Council has confirmed construction of the connecting paths between the bridges and the existing transport network. Existing road network continuity will be investigated.
108. **Whatukooruru Drive - Stage 2B** – Council is undertaking early contractor involvement (ECI) with existing contractors in Peacocke as a procurement model option for the final stage of Whatukooruru Drive (from Hall Road through to Ohaupo Road (SH3)). An ECI process has many benefits including access to current contractors' expertise and experience gained from working in the Peacocke area in developing methodologies that respond to site challenges and use

### Rotokauri-Northwest

109. The vision for Rotokauri-Northwest is to enable the development of connected, vibrant, attractive and prosperous northwest community. When complete, Rotokauri-Northwest will have up to 8,700 homes for up to 22,000 people in the next 50 years.
  110. Overall, programme activity across Rotokauri Northwest continues to focus on working with developers to unlock new development.
  111. Rotokauri-Northwest currently has developer ready land for **209** homes.
  112. Residential Development Activity, as at May 2023, in the Rotokauri-Northwest area includes:
    - i. **556** sections with subdivision consents in progress\*
    - ii. **432** sections have been granted subdivision consent
    - iii. **17** homes granted building consent but not yet completed
    - iv. **236** homes completed (mostly in Stage 1).
- \* 479 sections in Rotokauri Stage 1 are waiting for strategic infrastructure to be in place before resource consent can be granted
113. A map showing locations of planned or actual development activity is in **Attachment 5**.
  114. Notable development activity in the central city since April 2023 includes:
    - i. **Te Wetini Developments** have lodged a mixed-use consent application for five buildings (around 9100m<sup>2</sup> gross floor area) containing light industrial, ancillary office and retail and food and beverage units; and

- ii. **Metecno Group** recently announced that they are expanding into New Zealand with the establishment of a \$30M facility in Te Rapa for producing “thermally efficient” construction materials. The 23,000sqm site is to include an 8500sqm manufacturing facility and will produce cladding and roofing panels and boards. The location was chosen for logistical reasons – Hamilton’s central location and strong transport links. Consent applications are yet to be received and Foster Construction will be constructing the project.

#### Strategic Infrastructure Delivery Update

- 115. **Rotokauri Arterial Transport Network** – The Notice of Requirement (NoR) for this designation is scheduled for June 2023.
- 116. **Rotokauri Greenway** – Hounsell Holdings is progressing well with the detailed design for this project and has lodged a COVID-19 Fast Track Consent referral application with Ministry for the Environment, which has the potential to streamline the consent process from years down to months for this piece of strategic infrastructure in Rotokauri.
- 117. **Te Wetini Drive Extension** – At this time, Council is unable to provide a confirmed date when the new section of road will open as there are some final works and the road vesting process to be completed before the road is officially opened.
- 118. **Community Park** – A location for the community park in the MADE Group development in Rotokauri Stage 2 has been agreed and a report for the land acquisition will be presented to the Community and Natural Environment Committee in June 2023.

#### Ruakura

- 119. The vision for Ruakura is to partner to ensure Hamiltonians enjoy a connected, vibrant, attractive and prosperous Ruakura Community. Ruakura is an engine for economic growth, providing thousands of jobs alongside 3,300 homes for up to 8000 people in the next 30 years.
- 120. Stage One of Ruakura Superhub is well advanced, with 23ha out of the 37ha of employment land already committed, and Practical Completion being awarded for the new roads and associated waters and utility infrastructure between the Waikato Expressway, the Ruakura Inland Port, and Ruakura Road. This has been developed in a partnership between Council, Tainui Group Holdings (TGH) and Central Government, with funding from the Provincial Growth Fund (PGF) and Crown Infrastructure Partners (CIP).
- 121. Programme attention is shifting to plan and prepare for further development of the Ruakura growth area through the Eastern Transport Corridor (ETC) Business Case and strengthening relationships with other key stakeholders in the area, including Waikato Innovation Park.
- 122. An update on the ETC is provided in paragraphs 132-138 of this report.
- 123. The Ruakura Programme team attended the University of Waikato’s Open Day on 26 May 2023, to share the Ruakura story alongside staff showcasing the breadth of roles at Council to potential university students.
- 124. Ruakura currently has developer-ready land for **576** homes.
- 125. Residential Development Activity, as at May 2023, in the Ruakura area includes:
  - i. **2** sections with subdivision consents in progress
  - ii. **484** sections have been granted subdivision consent
  - iii. **132** sections have been titled
  - iv. **88** homes granted building consent but not yet completed
  - v. **651** homes completed.

126. Notable development activity in Ruakura since April 2023 includes:
- **Pragma Property Group** has lodged a subdivision consent for some 48 industrial lots, at the southern end of Greenhill Park and includes a short extension of Webb Drive.
127. A map showing locations of planned or actual development activity is in **Attachment 6**.
128. Chedworth Properties has reached a milestone of completing more than 600 new residential sections and 500 new homes at Greenhill Park, in the north of the Ruakura growth area. Development of Greenhill Park began in 2015, and the area is Hamilton's first higher density community.
129. This has been achieved through Chedworth Properties' focus on employing a network of locally owned contractors and construction companies, to ensure Hamilton benefits not only from increased residential capacity, but also the economic opportunities created in the development of Greenhill Park.
130. Chedworth Properties is currently in the planning and design phase of a neighbourhood centre at Greenhill Park. This is expected to include a day-care, café/restaurant, a medical centre, a small supermarket, offices and retail for the Greenhill Park community and wider Hamilton residents. Construction is expected to commence in 2025/2026.
131. Upon completion, Greenhill Park will have 1,800 homes for approximately 4,500 people across the 136ha residential area, with 14ha of industrial land to provide for employment activities, and over 16ha set aside as public open space through a network of cycle paths and walkways, parks and playgrounds. This provides Hamilton with a strong example of density done well as the city responds to NPS-UD through PC12.

#### **Strategic Infrastructure Delivery Update**

132. **Eastern Transport Corridor (ETC) Detailed Business Case** – The ETC is key to unlocking the full potential of Ruakura inland port and enabling the full development of up to 1300 homes at Tuumata.
133. Council staff continue to work closely with TGH and other partners through a Waka Kotahi Business Case process to identify a preferred design option and investigate the possibility of securing funding from the National Land Transport Fund to assist the next phases of design and delivery.
134. The ETC has been embedded in the Ruakura Structure Plan and associated policies since the 2014 plan change process was completed for the Inland Port. The corridor is identified as a key opportunity to enable transport mode shift in the east of the city, unlock the full development of the Ruakura growth cell, and enable significant emissions reduction in the regional freight network through more efficient railway transport. It is anticipated the ETC will cater for freight, future rapid transit services, active mode users and local traffic.
135. The Strategic Case component of the Business Case application is currently in its final review cycle for submission to Waka Kotahi in early June 2023. This will be followed by the Preferred Option Assessment process, Benefits Analysis, and final Business Case compilation for submission to Waka Kotahi.
136. Council has allocated funding for the design of the ETC from Crown Infrastructure Partners funding received for Ruakura, and this will commence in FY 2023/24. This will be progressed ahead of the completion of the Waka Kotahi Business Case and will be integrated into the Preferred Option once this is confirmed through the Business Case process.

137. The timing of construction of the ETC will be considered as part of the National Land Transport Programme (NLTP), once the outcome of the Business Case is known and what funding partnerships with both Waka Kotahi and Tainui Group Holdings (TGH) might be available. Construction funding for a Council contribution to the ETC is scheduled to commence in 2028/29 in the current LTP.
138. A more detailed report on the ETC Business Case will be brought to the 10 October 2023 Strategic Growth and District Plan Committee meeting, prior to submission to Waka Kotahi.
139. **Stormwater** – Erosion control works in the Mangaonua Gully, located south of the Superhub, as well as DOC-style access tracks throughout the gully, are now complete. In early April, timber piles were airlifted in by helicopter and construction is well underway on the boardwalk. The project is jointly funded by Council and Central Government and more than 100,000 native plants will be planted by Ngāti Hauā Mahi Trust, with planting beginning at the end of April 2023.

### Emerging Areas

140. In July 2022, the Strategic Growth Committee resolved for staff to progress scoping studies for R2, WA and SL1 Growth Areas.
141. The Council-led scoping studies involve collating existing knowledge and information on the areas to understand where any gaps are. The studies will help Council and developers to understand constraints and opportunities, identify areas for further investigation and help Council understand the high-level work and resources required if a decision is made to progress any of these areas. The studies will also contribute to the Future Development Strategy (FDS).
142. Staff have been progressing the scoping studies for WA, R2 and SL1. Staff are also preparing scoping studies for Ruakura East and HT1 to support the FDS. An update on this work is being reported in the Public Excluded part of this agenda.
143. Alongside the scoping studies, a high-level assessment has been undertaken to identify longer-term (+30 year) land supply options for industrial activities.
144. This work will inform the scoping studies/emerging areas work programme and Hamilton's position on the upcoming FDS update to the Future Proof Strategy.

### Strategic Development Forum

145. A Strategic Development Forum has been established to support productive and sustainable commercial and industrial growth in Hamilton. Developers have been experiencing multiple challenges, including rising land costs and increasing complexities in consenting requirements, that have created barriers to unlocking and developing industrial and commercial land.
146. These barriers subsequently impact on our ability to attract new businesses into Hamilton and the sub-region. There is opportunity to work collaboratively with some key, experienced developers to bridge the strategic gap between developers and Elected Members. The forum will provide a mechanism for developers to provide a collective voice of feedback to Council to help inform policy direction and remove some of the barriers to development.
147. Developers have indicated that they wish to continue with the forum under the new Council and dates for meetings are currently being planned. The Council membership of the forum was reviewed at the last Committee meeting and now includes Councillors Ryan Hamilton, Mark Donovan, Anna Casey-Cox and Mayor Paula Southgate.

148. Staff and the developers' representative have met and have agreed on several actions including for both Council and the Developers. These include:
- i. Developers to advocate, engage and submit on key policies and plans to support alignment on strategic outcomes.
  - ii. Trialling a case led approach for key industrial developments that meet certain criteria (for example, economic outcomes, size, scale and complexity). The intended benefits of the case led approach include early issues identification, shared understanding of strategic outcomes and an overall smoother and more efficient consenting and development process.

### **Financial Considerations – *Whaiwhakaaro Puutea***

149. All of the topics covered in this report are funded by existing budgets. There are no financial implications in relation to the information provided in this report. .

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

149. Staff confirm that this matter complies with Council's legal and policy requirements.

### **Climate Change Impact Statement**

150. Staff have assessed this option and determined that no adaptation assessment is required for the matters in this report.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

151. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
152. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report. The recommendations set out in this report are consistent with that purpose.

### **Social**

153. As more people live and work in the city, we need to make sure the benefits of living in Hamilton Kirikiriroa grow alongside the new homes and businesses. While we don't determine how much growth occurs in Hamilton, we can determine what kind of city Hamilton Kirikiriroa aspires to be. We want to create a liveable city, an attractive lifestyle and improve the wellbeing of current and future residents.
154. This means creating accessible, equitable quality spaces and places for our communities such as parks, green space, playgrounds, education, health, libraries, pools and other community facilities. It also means expanding opportunities for people to engage in arts, culture and creativity in diverse and meaningful ways.
155. A key consideration for growth is ensuring that growth is planned close to places where people can access their daily needs, with genuine travel choices.

### **Economic**

156. As part of delivering economic growth outcomes, Council proactively works with existing and prospective businesses to expand or establish operations creating investment and employment opportunities.
157. As our city grows, so too do opportunities for expanding and attracting tourism and economic growth while continuing to raise the city's reputation and profile as a great place to live and visit.

158. In order to attract more jobs to our city, more industrial land is required. Studies are underway to help determine the needs, best locations and actions required.
159. Delivery of key growth areas contributes to economic wellbeing through delivery of major infrastructure and residential and commercial construction activities.

**Environmental**

160. As we grow it's important that we balance the need for housing alongside the need to protect and enhance our biodiversity. It's also important that we make the best use of our limited natural resources such as water.
161. Nature in the City strategy outcomes is a key consideration for growth. Access to nature, parks and open spaces and protection and restoration of significant natural areas key outcomes alongside delivering new homes and jobs.
162. The Waikato River is at the heart of Hamilton Kirikiriroa. It supports life throughout the city and region, it is central to our culture and has shaped the form of our city. As we continue to grow, we must put the health and wellbeing of the River at the heart of everything we do.
163. As the city grows, this means we need to promote investment that protects and restores the Waikato River and delivers on our obligation under Te Ture Whaimana o Te Awa o Waikato and targeting growth areas services by, or planned to be serviced by, high quality three waters infrastructure.
164. Our approach to growth needs to enable our city to reduce carbon emissions while adapting to the changing climate to improve our resilience. This means enabling growth of homes and jobs in areas that can easily access public and/or active transport modes. It also means guiding growth that builds our resilience to climate change impacts, such as avoiding areas where there are flooding and other natural hazards.

**Cultural**

165. Effective partnership with Iwi is integral to the success of the growth programmes. We respect the special status of Tangata Whenua, are committed to the principles of Te Tiriti O Waitangi and further Maaori aspirations through building mana-enhancing partnerships.
166. Our Iwi partners, Waikato-Tainui, are engaged under the Joint Management Agreement (JMA), with a shared responsibility to achieve the vision and strategy for the Waikato River.
167. Staff place a high level of importance on the Vision and Strategy for the Waikato River when planning projects that impact the river and tributaries and staff consider relevant sections of the Waikato-Tainui Environmental Plan when planning growth projects.
168. The Council continues to meet its legislative responsibilities under the RMA by providing opportunities for Iwi and hapuu to contribute to local government decision-making processes and exercise of kaitiakitanga over the natural and physical aspects within growth programmes areas.

**Risks - *Tuuraru***

169. There are no known risks associated with the matters covered in this report, other than those described in the IAF Central City programme delivery – next phases item.

## **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

### **Significance**

170. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

### **Engagement**

171. Given the low level of significance determined, the engagement level is low. No engagement is required.

## **Attachments - *Ngaa taapirihanga***

Attachment 1 - Future Proof Work Programme at May 2023

Attachment 2 - Connections Review - Technical Assessment Criteria (EM Briefing 3 May 2023)

Attachment 3 - Proposed Connection Approval Process - Concept

Attachment 4 - Central City Development Activity Map

Attachment 5 - Rotokauri Northwest Development Activity Map

Attachment 6 - Ruakura Development Activity Map

Attachment 7 - Peacocke Programme Progress Update - May 2023

## Appendix 1

### Future Proof Work Programme

This work programme sets out the key tasks and timeframes for each working group under Future Proof over the next 6 months.

Working Group	Tasks	Timeframes	Resources
Office	1. Working group admin tasks and support	Ongoing	Future Proof Project Coordinator
	2. Agenda meeting and reporting	Ongoing	Future Proof Project Coordinator
	3. Website management	Water business cases to be uploaded	Futureproof Comms Advisor
	4. Induction material for new FPIC members and potentially members of water entity B	Completed	Future Proof Project Coordinator
	5. Annual Report	23 June 2022	Futureproof Comms Advisor
	6. Communications and Engagement strategy 7. Media tactics 8. Stakeholder presentations 9. Graphic design support including media and brand awareness (currently no ongoing contract for this work, need a common graphics palette and look for all strategies) 10. Excluding FDS graphics and engagement	Comms Advisor confirmed. Natalie Haysom.	Comms advisor tba) budget require
Priority Development Areas	11. Quarterly tracker updates 12. Action plans for each focus area	Version 0.1 of Action plans February 2022	PDAWG/Karen



Working Group (PDAWG)	13. Confirm GIS support for FDS and PDAWG	Completed	HCC
Funding	14. Long Term Plan costs to deliver infrastructure and plans	Workbrief complete with consultant for proposal	Consultant
	15. Current state funding analysis and other tools	See above	Consultant
FDS review	16. Scoping/collating information and commencing the review of the FDS. Key inputs include: <ul style="list-style-type: none"> <li>- Iwi/Hapu aspiration</li> <li>- Updated population and employment projections</li> <li>- Housing and Business Assessment update</li> <li>- Industrial land</li> <li>- Scenario testing</li> <li>- LTPs/10 Year Plans/NLTP/RLTP, 30 Year Infrastructure Strategies for all councils</li> <li>- Waipa Spatial Plan Ahu Ake</li> <li>- Emissions Reductions Plan</li> <li>- MDRS Plan Changes</li> <li>- National Adaptation Plan</li> <li>- Matamata Piako District Council</li> <li>- Transport PBC</li> <li>- Three waters work</li> <li>- Spatially identify development infrastructure and additional infrastructure</li> <li>- Southern Links Form and Function review</li> <li>- National Policy Statements</li> <li>- Mapping</li> </ul>	July 2022 to January 2023 – orange because of timeline integration issues	GMD team, PPWG
	17. Develop a communications and engagement plan and undertake engagement	Plan completed, ready to move to implementation. A	Comms Advisor (tba) and GMD team

		coms and engagement resource has been engaged and starts 17 <sup>th</sup> May.	
	18. Test other greenfield areas	Revising programme based on legal advice and HCC work programme	GMD team, PPWG
<b>Transport Working Group (TWG)</b>	19. Defining a future work programme for the Transport Working Group to begin implementation of the business case 20. An MSP chapter for the next RLTP <ul style="list-style-type: none"> <li>Work with the partners to secure funding and/or in-kind resources to undertake early implementation activities for the Transport Programme Business Case</li> </ul>	Workbriefs for key projects being completed, will be procured by HCC.  VKT expression of interest submitted	TWG, (Phil Hazeldien, Sarah Loynes),
<b>Strategy to Implementation Review</b>	21. Scoping workshop with key thinkers from partner agencies to confirm problems we need to address and potential options	Completed – changes to operating model proposed	Implementation Advisor
	22. Confirm function requirements/objectives for working groups,	Draft operating model evolving, partner workshops underway, next steps are to prepare draft terms of reference for working groups	Implementation Advisor
	23. Define options for future governance models and reporting frameworks	Completed	Implementation Advisor
<b>Data and Analytics</b>	24. Modelling and Forecasting Working Group <ul style="list-style-type: none"> <li>Bringing the various GIS teams together to discuss inter-regional integration</li> </ul>	Completed	Implementation Advisor

	25. Roadmap workshop with Modelling and Forecasting Working Group - Identify terms of reference for future work	Based on conversations to date this group appears at the moment to be not necessary except perhaps as an information sharing forum.	Tbc  (GIS teams from HCC, WRC, WDC, Co-Lab)
	26.Scope approach for outcome monitoring for Strategy - Key Performance Indicators - Measures - Draft Report Cards (link to PDAWG action plans)	FPIC has requested that report cards focussed on outcomes be prepared to guide governance conversations ahead of the next FPIC meeting. A draft scope for this work has been prepared and with SMSG for comment.	IA, possible consultant support
<b>Waters Working Group (WWG)</b>	27.Summary of reports prepared to date 28.Next steps identified 29.Preparation of an Implementation Plan for the Waters programme	Report recommending changes to strategy via FDS in preparation	GMD team, Jackie Colliar, IA
	30.Briefing Water Entity B on strategy, business cases and plan of action	On hold until shape of reforms confirmed	GMD team, Jackie Colliar, IA
<b>Future Proof Submission to Local</b>	31.To be discussed with CoLab and brought back to SMSG 32.Areas of interest to Future Proof: Chapters 5, 6 and 8 or 9 which deals	Completed	Implementation Advisor

<b>Government Reform</b>	with funding for delivery for partnerships		
<b>Te Ture Whaimana o Te Awa o Waikato</b>	33.Raise the issue of how the Future Proof partnership can ensure that the concerns with consistently implementing Te Ture Whaimana and that Te Ture Whaimana is collectively put forward in government initiatives, particularly considering Te Ture Whaimana review.	Addressed by WWG report above and reflected in future operating model	Implementation Advisor
<b>Iwi Environmental Management Plans</b>	34. Review Iwi Environmental Management Plans to review tāngata whenua perspectives regarding urban development. 35.Next Step: Review to occur as part of FDS process.	Underway as part of FDS review	FDS project team

3 May 2023

# Connections Review

## Technical Assessment Criteria

### Elected Member Briefing



Item 8

Attachment 2



## Purpose

- To present **the proposed technical assessment approach and criteria to assess proposed network connection applications**, prepared as part of the Connections Review project.
- To seek feedback on the approach and assessment criteria ahead of seeking endorsement from elected members.



## Outline

- Our challenges
- How we are responding
- Connections Review Project Overview
- Overall Approach Considerations
- Proposed Approach & Criteria in practice
- Directions & feedback sought
- Key dates for project delivery
- Next Steps



## Our challenges

- Increased environmental, social, and cultural expectations and regulatory obligations.
  - Te Ture Whaimana sets out an obligation to deliver ‘betterment’ to the Waikato River.
  - NPS – FM Hierarchy: 1<sup>st</sup> Health of Waterbody & ecosystems 2<sup>nd</sup> Health needs of people 3<sup>rd</sup> Ability for people and communities to provide for their wellbeing
  - Impacts of climate change and importance of provide more resilient communities.
  - Direction from Central government to enable infill and intensification

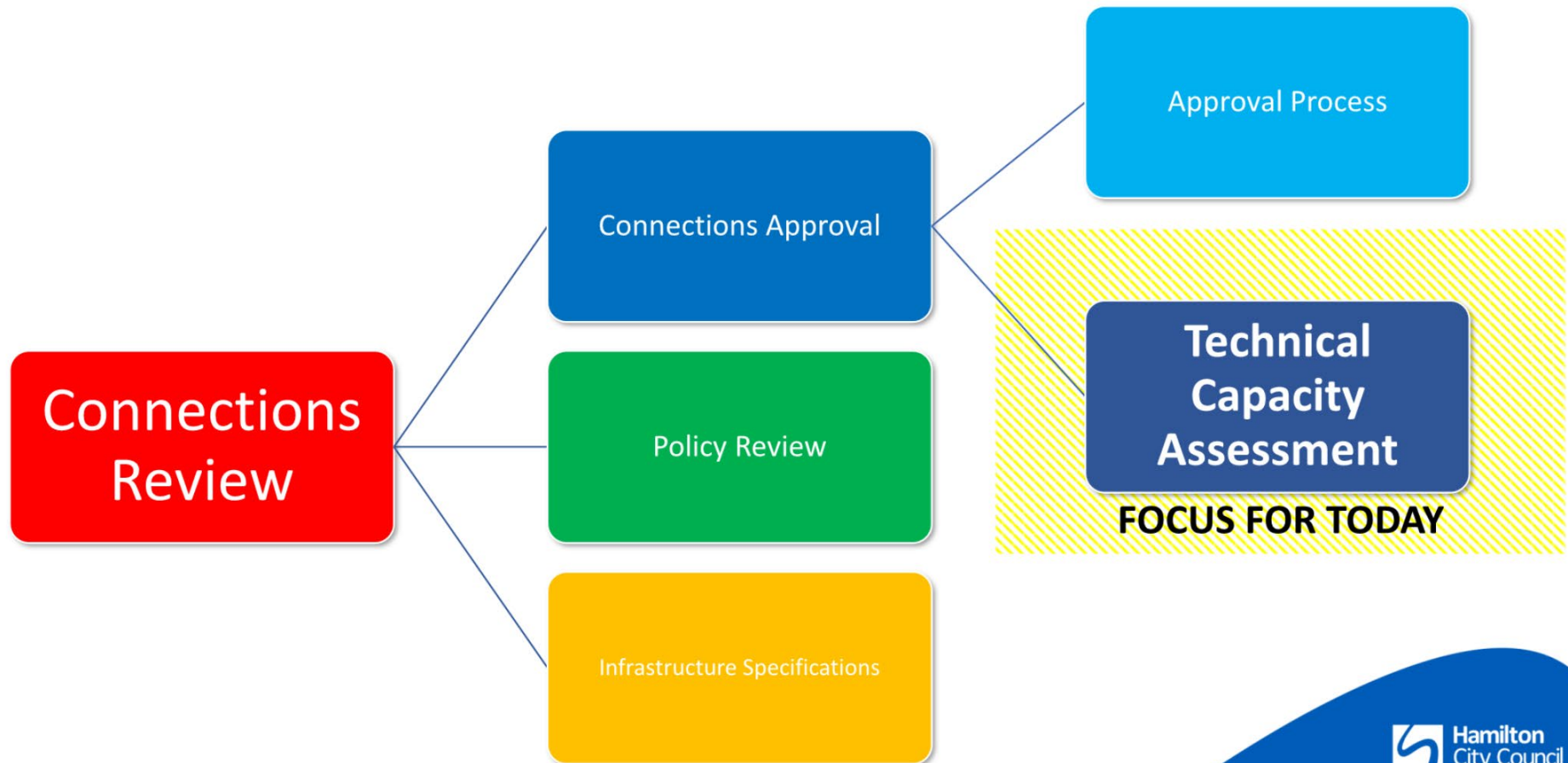
**Three Waters systems have some capacity constraints across the City already.  
These challenges will be compounded by infill and intensification if unmanaged.**



## Our Responses

- Three waters infrastructure master planning and asset management planning recommend investments to improve system performance and respond to growth.
- Funding recommendations are considered through Long Term Planning processes; however Council is financially constrained and not all investment recommendations are currently funded.
- Plan Changes to manage land use and flood risk
- Using district plan provisions to manage growth pressures where there are capacity constraints.
- Revised connections approval process to further assist with managing growth impacts until necessary upgrades are delivered

## Connection Review Project Overview



## Revised Connections Process - Network Capacity Assessments

- Key component to Councils response to NPS-UD and MDRS and our obligations through Te Ture Whaimana
- Council have existing legislative tools to decline applications for connections based on **inadequate network capacity and inability to comply with WRC resource consents**
- Council haven't used these legislative tools to manage development previously so transparency and clear messaging on the revised approach is needed with external parties
- Revised approach requires consistency across City Planning, City Waters, City Development, Building Control
- New operational tools will be needed to implement revised connections process

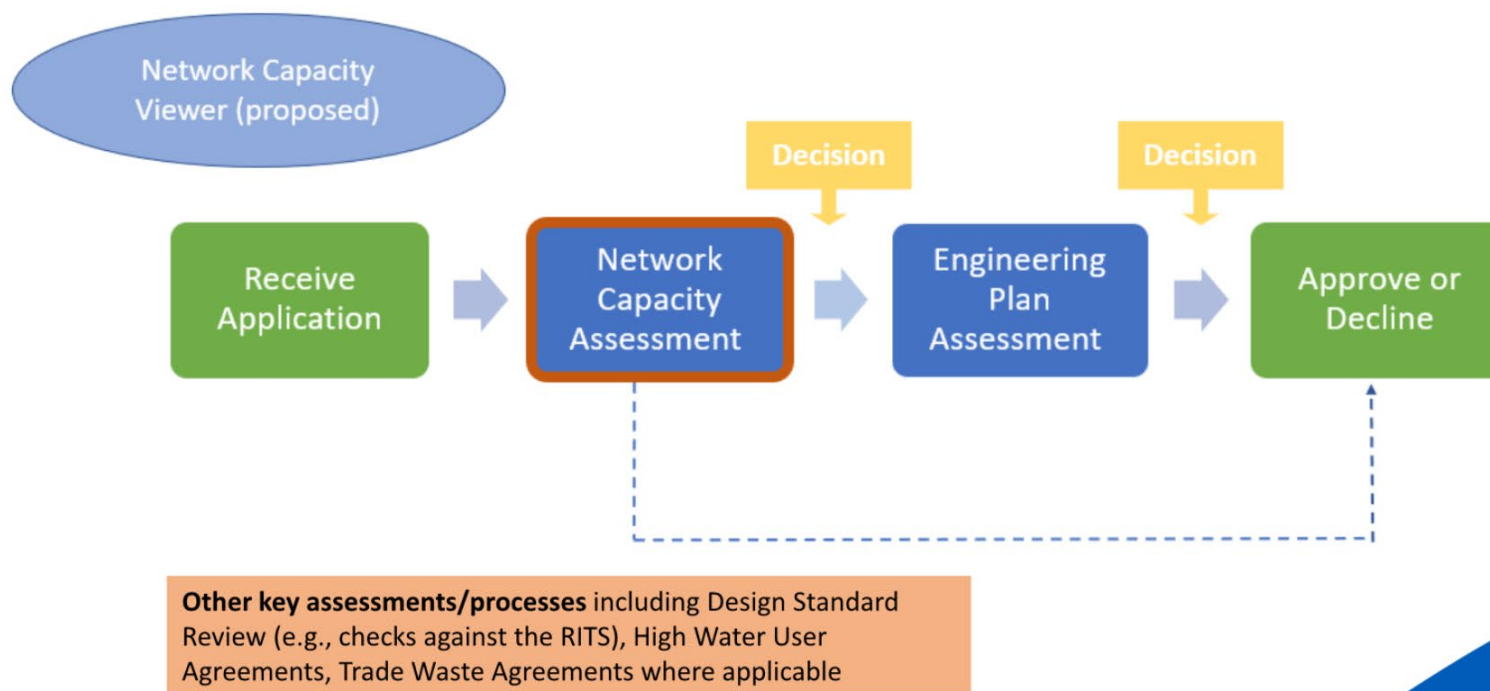
## What is the purpose of the capacity assessment process?

- Support decision making by staff who assess applications for service connection.
- Provides an 'evidence base' that is based on a consistent methodology to support decisions.
- Enable growth in areas where there are no capacity constraints
- I.e., if there are no capacity constraints, we could confidently approve application to connect

Stormwater out of scope – decision that this is adequately covered by PC12 and proposed PC14

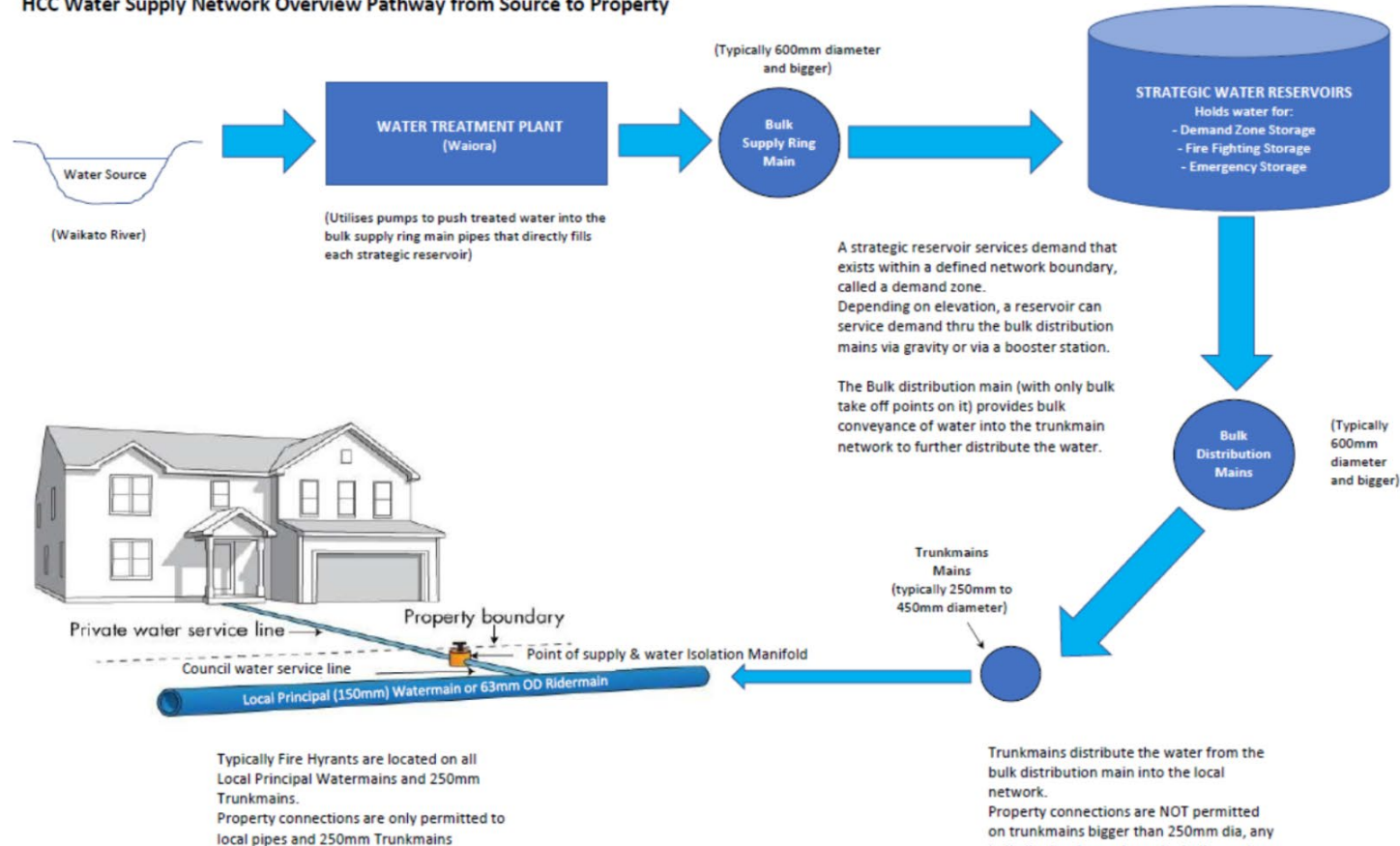
# Network Capacity Assessment Process

*(Aligns with Water Services Legislation Bill process)*



# Water Network - 101

HCC Water Supply Network Overview Pathway from Source to Property

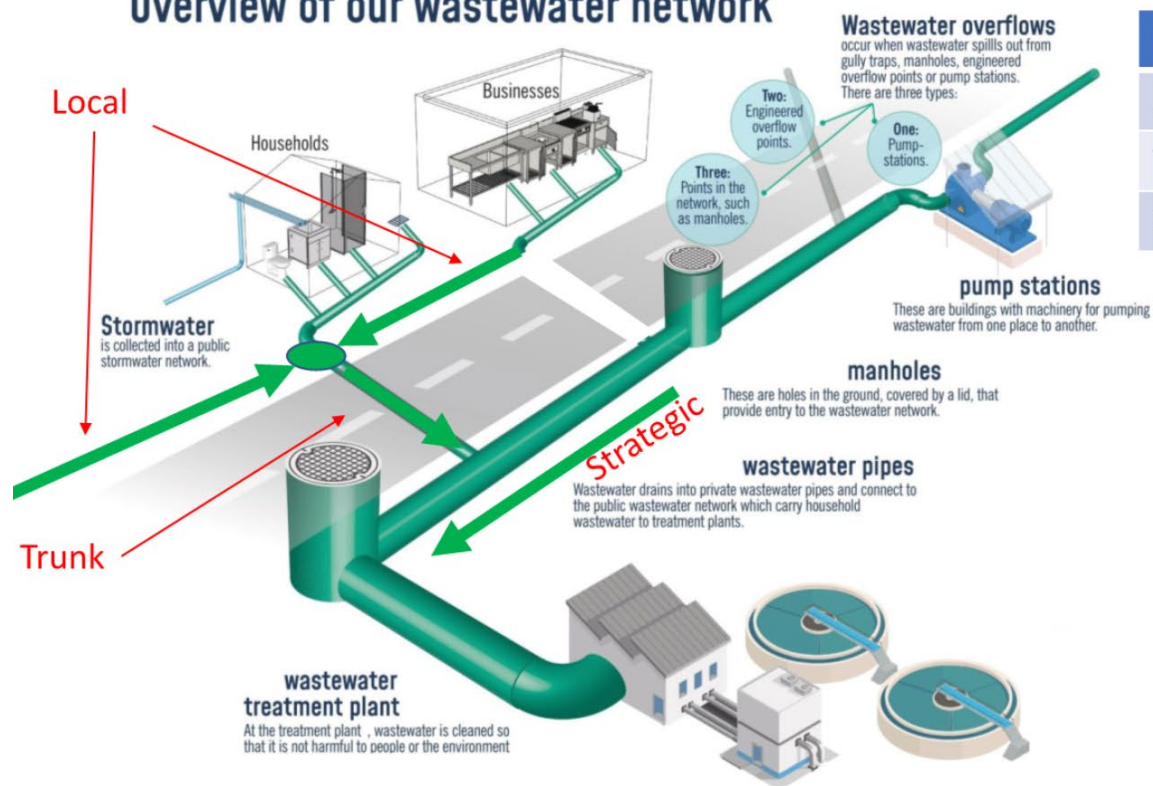


Network Categories	Diameter
Local	≤ 150mm
Trunk and Bulk	> 150mm



# Wastewater Network - 101

## Overview of our wastewater network



Network Categories	Diameter
Local / Service	< 225mm
Trunk	225mm ≤ >450mm
Strategic / Interceptor	≥ 450mm

## Overall Approach Considerations

- Who should the capacity assessment be applied to?
- What criteria should we use?
- What extent of the network should be considered as part of the capacity assessment? – *4 scenario evaluated*
- Should we assess the network “as-is” or include recommended upgrades?
- Should we have a different approach for Stage 1 area to prioritise investment and development in that area?
- What tools are needed to implement capacity assessments and overall connections approval processes?



## Who should the capacity assessment be applied to?

- ALL applications for a new connection.
- ALL applications for an upsized connection
- Dwelling extension or new studio greater than xx m2 using existing connection (*this threshold needs to be considered further*)

### ***Rationale:***

- *Consistency in managing demand on our networks to satisfy TTWM*
- *Alignment with proposed Water Services Legislation Bill*

## What capacity criteria should be used?

Wastewater	Water
<b>Network Overflows:</b> <i>No increased frequency, extent or volume for design level of service/containment standards</i>	<b>Pressure &gt; 200kpa (20m)</b> <i>Maintain target min. water pressure across the network</i>
<b>Dry weather peak pipe utilization</b> <i>Not exceeding 75% pipe full flow under dry weather flow -&gt; Avoid creating dry weather overflows; align existing approaches</i>	<b>Flow 25L/min</b> <i>One measure to assess ability to meet fire fighting standards</i> <b>Headloss &lt; 10m/km</b> <i>Network resilience, risk and energy consumption</i>

## What extent of the network should be considered?

- Stage 1 Area: Propose to assess local and trunk network capacity only

***Rationale:***

*Assumes that the strategic network investment will be prioritised and delivered as needed to support development in the Stage 1 area*

- Everywhere else: Propose to assess capacity from connection to strategic network (i.e. Interceptors – WW, Bulk Mains – Water)

***Rationale:***

*Takes full network approach to ensure that network performance to align with TTWM*

## Should we assess the network “as-is” or include recommended upgrades?

- Our proposal is to assess capacity based on the modelled “as is” network at the time of applications (i.e., without recommended or planned upgrades)

### ***Rationale:***

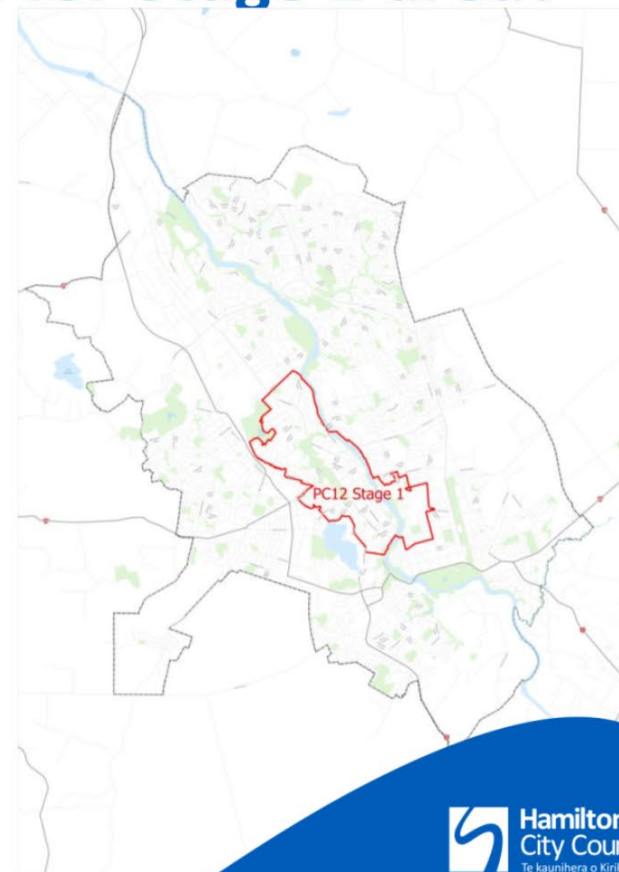
- *Granting approvals on the basis of a “future” network carries significant risk as investment priorities and timing can change and there is no guarantee they will happen.*
- *Where no capacity constraint identified, application can be progressed for further assessment.*
- *Where there is certainty that the infrastructure upgrades required to address network constraints will be delivered (i.e., funded and programmed delivery within two years), conditional approval may be granted.*
- *Where upgrades are identified, but not funded or programmed to be delivered within two years, the information will be shared with applicants, but applications declined unless funded by the developer.*

## Should we have a different approach for Stage 1 area?

- Our proposal is to have a lower bar for the Stage 1 area and only assess the local and trunk network capacity.

### **Rationale:**

- *To prioritize development in the Stage 1 area by having a lower threshold for connection approval but introduces risks to Council*
- *Assumes that strategic infrastructure investment needed to service development in the Stage 1 area will be programmed and funded for delivery when needed.*
- *Assumes reactionary funding available to upgrade trunk network across the full stage 1 area*
- *This approach carries the same risk as noted above in previous slide (i.e making decisions based on a “future network”). It requires that investment is prioritized to service the Stage 1 area ahead of other areas in the city*
- *Including trunk network in the capacity assessment would lower the risk but constrain development*





## What tools are needed for process implementation?

- Clear and consistent messaging about connections approval process across the Building Consent, Resource Consent processes
- User friendly and clear customer interface platform
- Clear workflow processes including delegated authority to staff for connection application decisions
- Network Capacity Assessment Tool
- Certainty on Stage 1 Investment funding

### ***Rationale:***

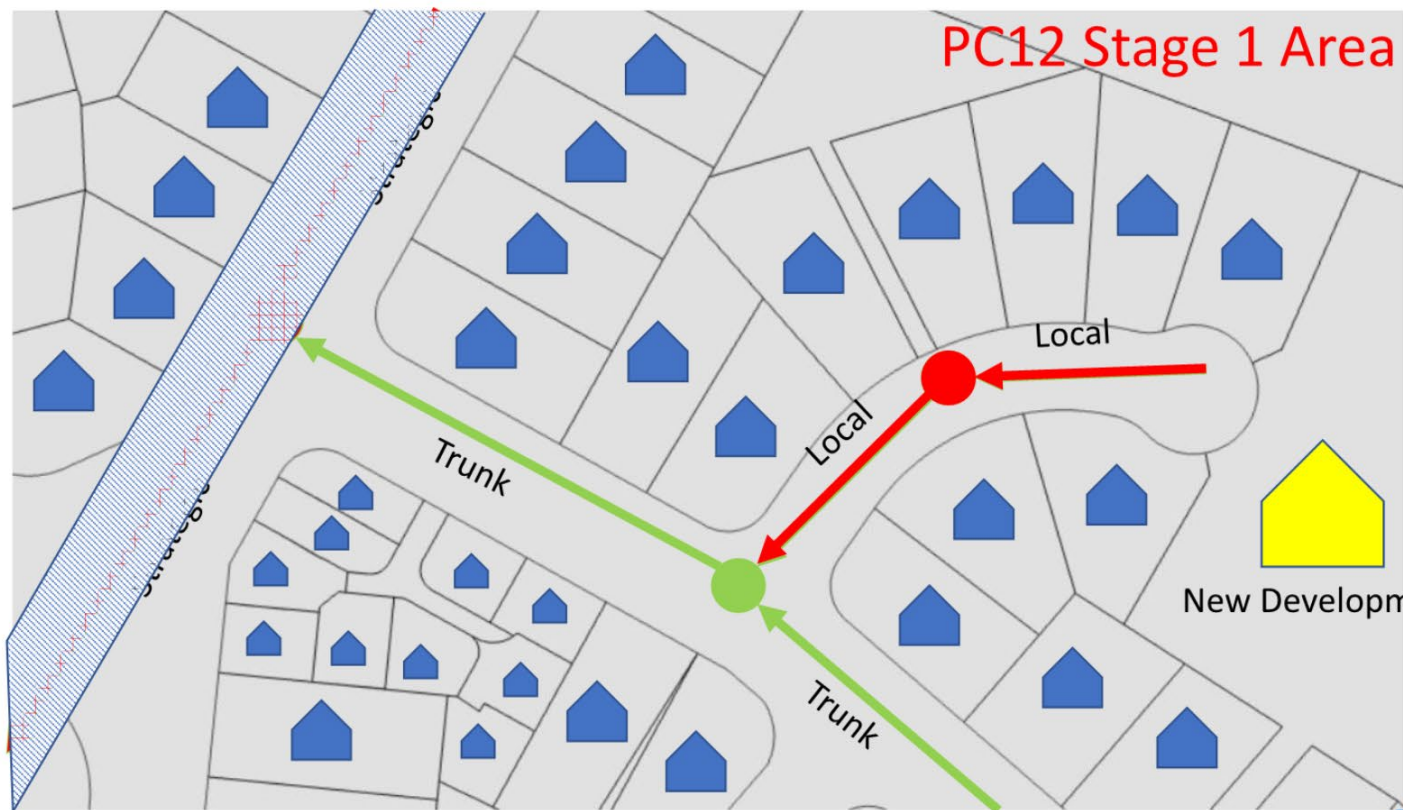
- *This approach is introducing a new way of doing things.*
- *Tools to simplify and manage the process are critical*
- *Transparency and consistency in decision making*



## Network Capacity Assessment Tool (Triage Tool)

- Web-Based GIS mapping tool
- Based on hydraulic models data
- Technical rules to drive network capacity status
- Show 'estimated' remaining available capacity
- Track development status
- Accounting system and update network status
- Provide information to customers for their due diligence and consent applications

## Proposed Criteria in Practice - WW



Advise that upgrade of local main is required for the proposed development.

Advise that the connection application will not be approved until the strategic infrastructure is constructed to mitigate the constraint on the strategic network

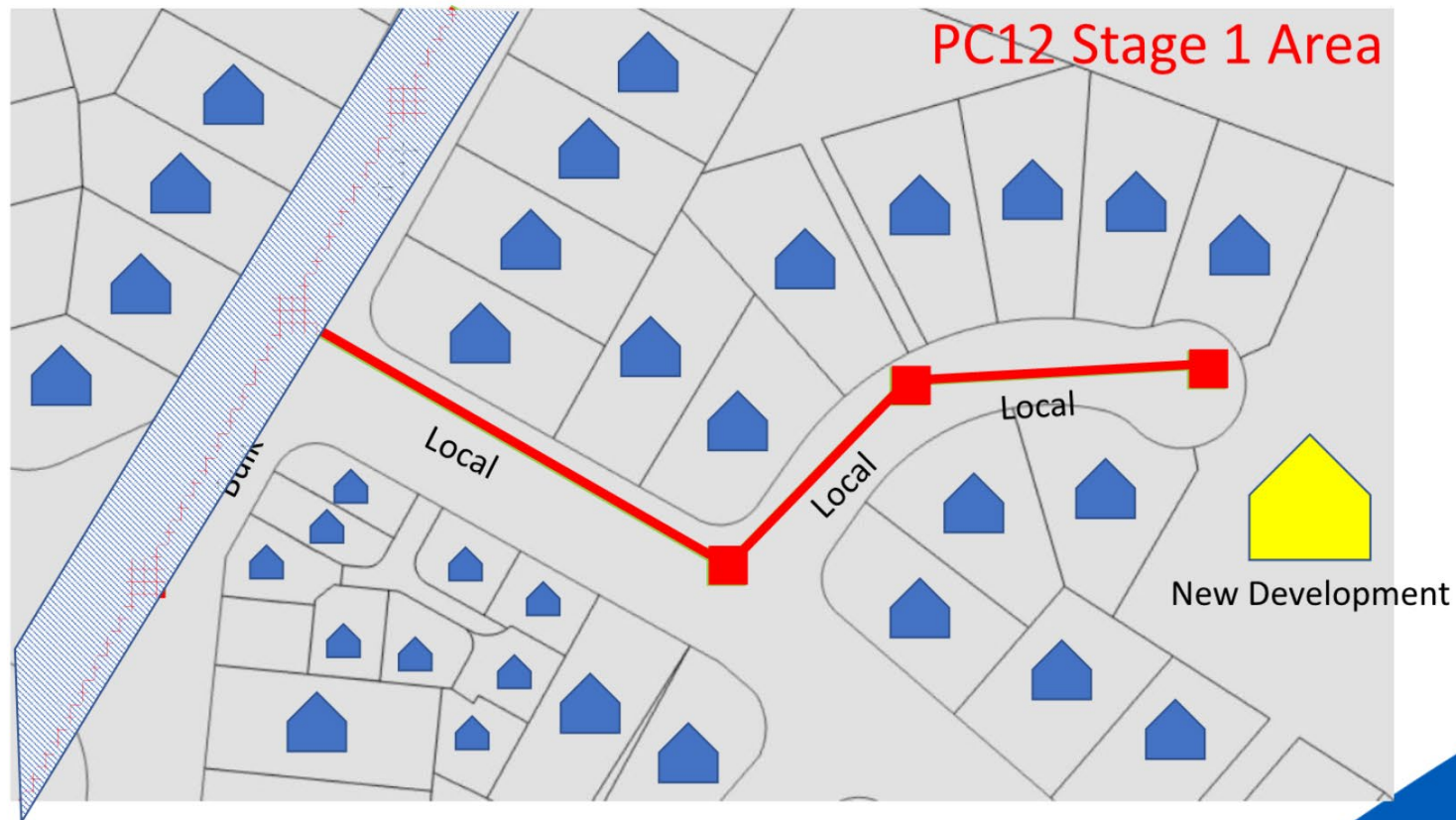
Advise that only upgrade of local main is required for the proposed development. The constraint on the strategic network is assumed to be mitigated in near future.



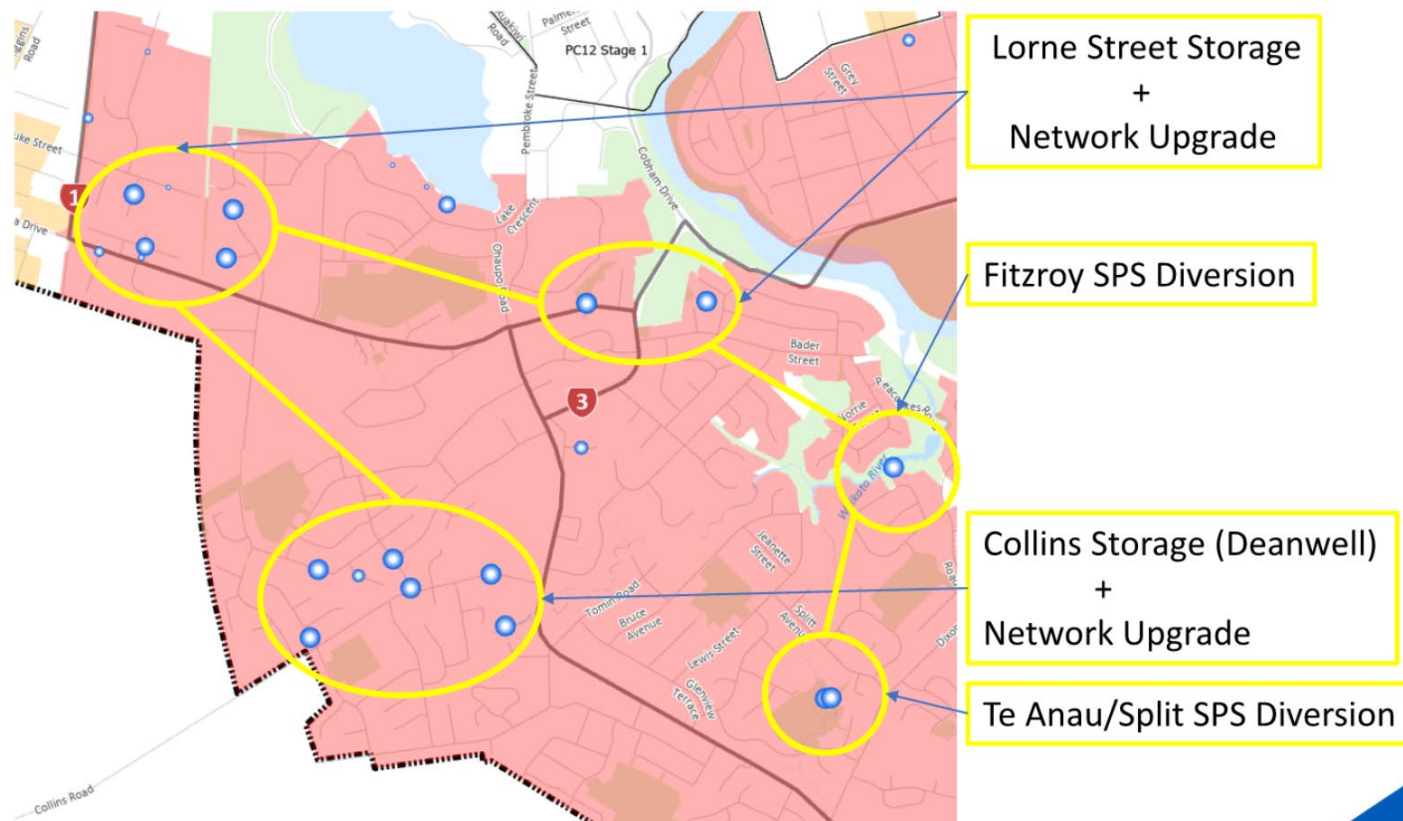
## Proposed Criteria in Practice - WS

Item 8

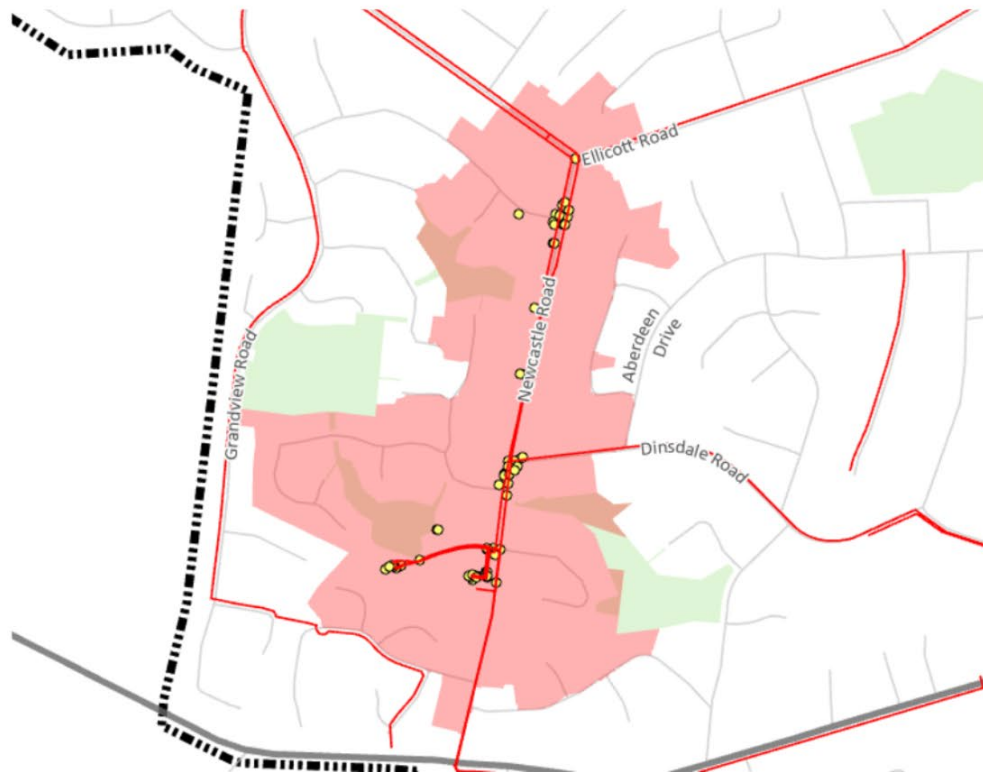
Attachment 2



## Proposed Approach in Practice - WW



## Proposed Approach in Practice - WS



### Newcastle Demand Management Area (DMA)

- Project is currently being delivered
- Pumpstation upgrade
- Pipe network upgrade
- Valve closure

## Implications of proposed approach

- Some areas of the city will continue to be developed until network capacity becomes constrained.
- Some areas of the city will be constrained until upgrades are implemented.
- This will mean that connection applications may be declined or conditional on the upgrade implementation
- Stage 1 investment will be prioritised to support lower threshold for connection approval
- Development in “non-priority” areas will not be prioritized and will be constrained for development in the long-term

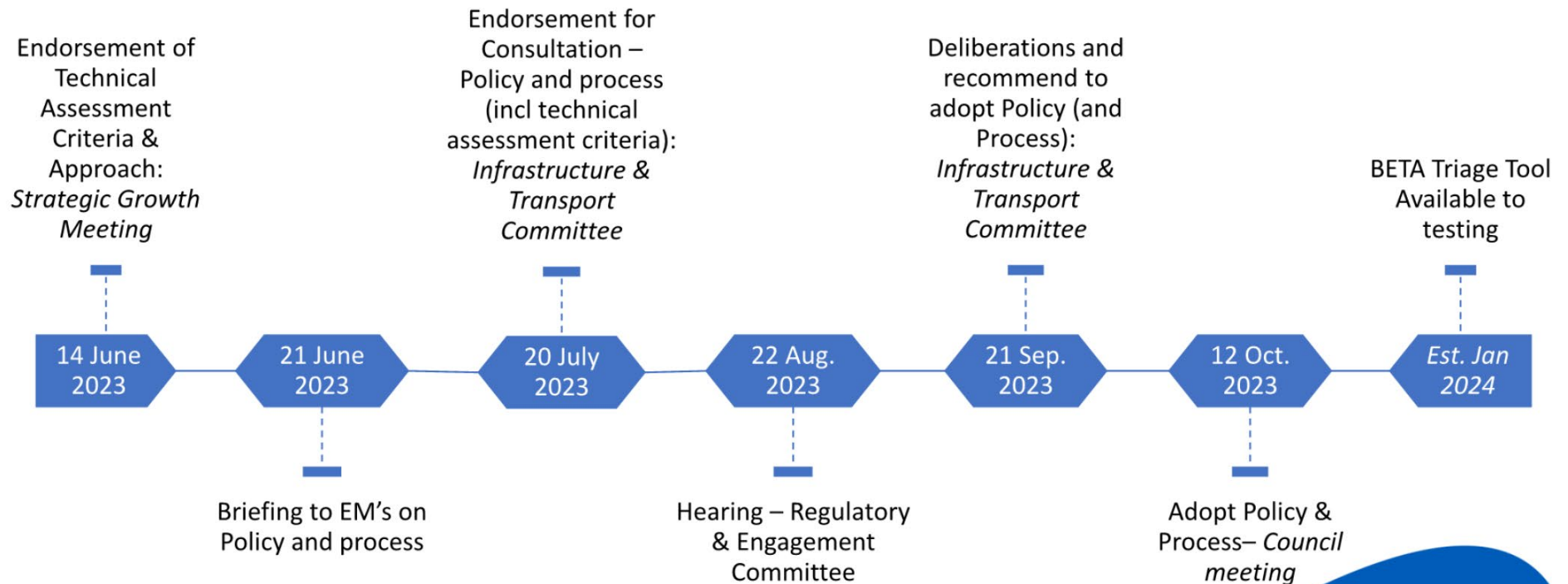


## Direction and feedback needed

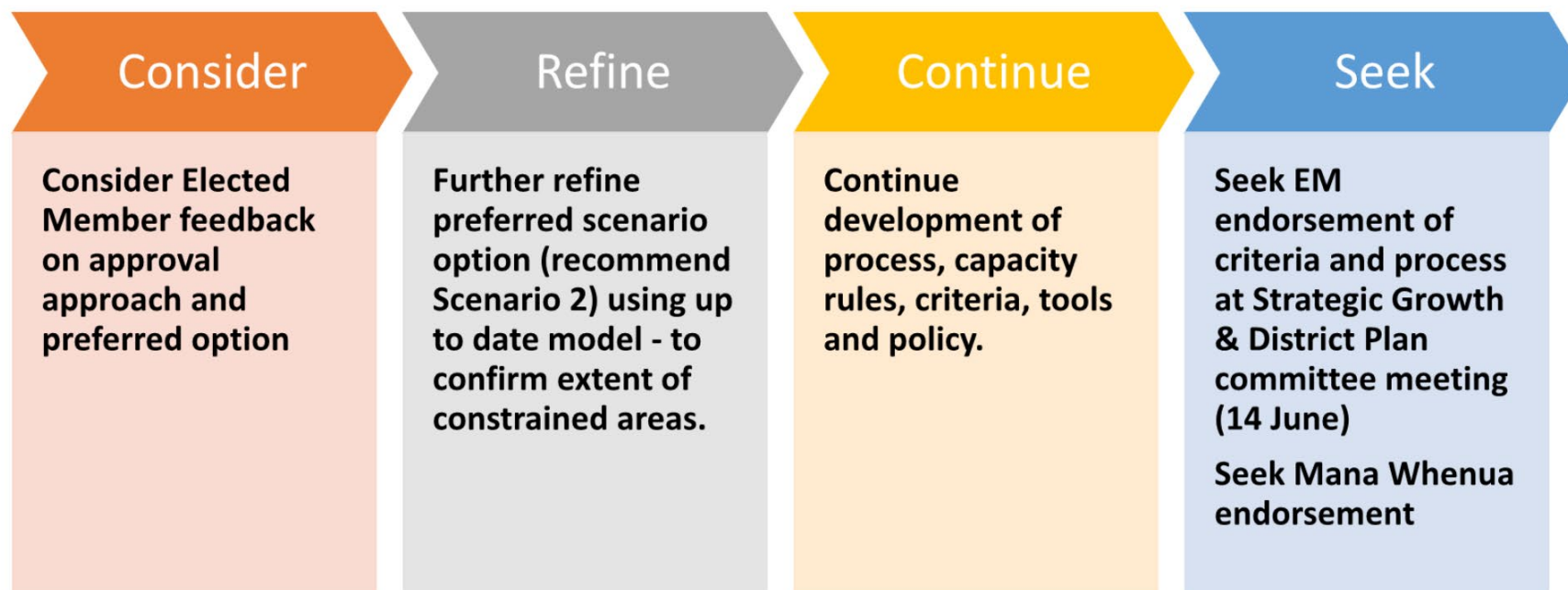
- Do members have any concerns about the proposals for:
  1. Who capacity assessment should be applied to
  2. Network capacity criteria and rules
  3. The extent of the network should be considered as part of the capacity assessment
  4. Proposal to assess capacity based on the “as-is” network
  5. A lower threshold for capacity assessments in the Stage 1 area. Are Members prepared to carry some risk for development in Stage 1 until scheduled strategic network upgrades occur?
- Do members agree that there should be delegated authority to staff for decision making on connection applications due to established technical criteria?
- Do members have any views around how community engagement is managed?
- Is there anything further that Members would like to see covered in the staff report for 14 June?



## Key Dates for project delivery



# Next Steps



As at 31 May 2023

### Proposed Connection Approval Process – Concept - under development

1. Key changes to existing processes include requiring early assessment of network capacity prior to approval to connect, application of technical screening and assessments, and introduction of a network capacity certificate.
2. Stormwater not in scope of the technical assessment criteria presented due to the complexity of assessing capacity in primary and secondary flows. Stormwater will be assessed through existing and proposed District Plan provisions.
3. Key changes align with the Water Services Legislation Bill 2022 which requires confirmation of network capacity prior to processing resource consents.

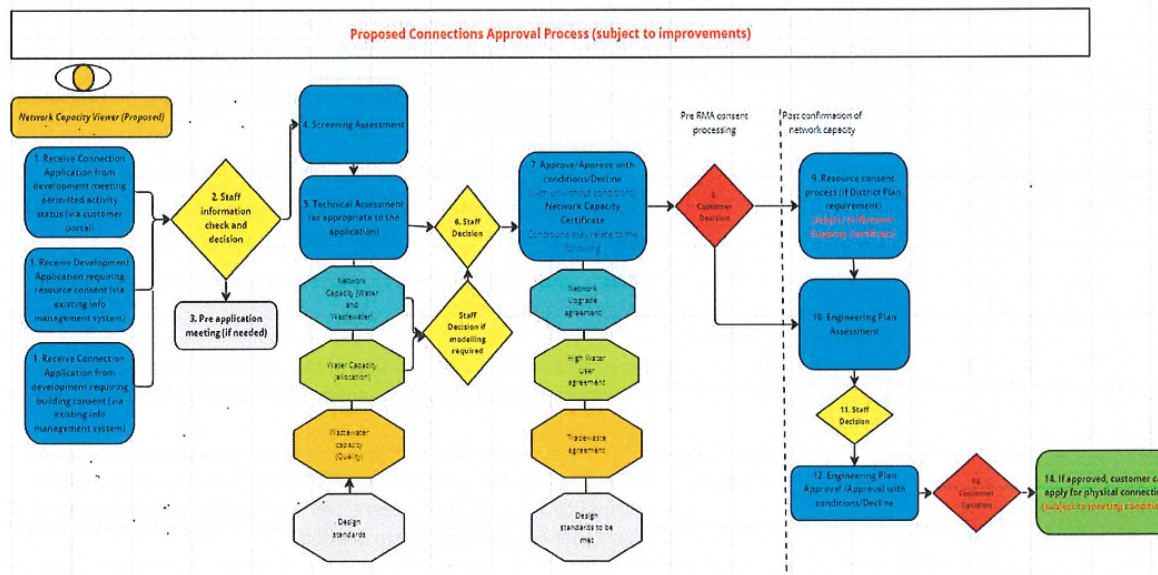


Fig: Connections Approval Process Concept



	Part of Process	Intent
	<b>Publicly available Web Viewer</b>	To provide early signal to developers of capacity constraints and assist their investment decisions.
1	<b>Receive Application to Connect to Network</b>	<p>Application will come via a proposed new system and through existing application management systems.</p> <p>Staff are developing a new portal for those applications that do not enter through an existing system (ie) permitted activities.</p> <p>Upfront information on the details to be provided will allow a network capacity assessment and approval.</p> <p>All development applications will need to be considered for assessment. This includes whether the development has permitted activity status or requires resource consent under the District Plan, or requires a building consent.</p>
2	<b>Staff information check and decision</b>	<p>Appropriate information must be provided before a screening assessment can be undertaken. Customer will be informed if:</p> <ul style="list-style-type: none"> <li>information is sufficient to carry out screening and technical assessments,</li> <li>pre-application meeting would be needed or beneficial.</li> </ul> <p>Information requirements for connection approval will form part of application for other approval and consent requirements.</p> <p>Staff are reviewing information requirements to ensure maximum alignment for the customer.</p>
3	<b>Pre application meeting where needed</b>	Depending on the scale, location of the development, and existing network capacity status, a pre-application meeting may be required.
4	<b>Screening Assessment</b>	An initial screening assessment will be undertaken to determine if the application should be progressed to a Technical Assessment, and what other considerations are needed.
5	<b>Technical Assessment</b>	<p>Technical assessment will use set technical criteria for determining if the development will have unacceptable effects on the network and if further agreements will need to be sought prior to progression of an application.</p> <p>Development proposals will be assessed for the following (where relevant):</p> <ol style="list-style-type: none"> <li>impact on network capacity (using technical rules)</li> <li>impact on water allocation</li> <li>impact on wastewater loading</li> <li>design standards</li> </ol> <p>Digital Growth Planning Tool (Network Capacity Assessment Triage Tool (NCATT) using GIS will be developed to assist in assessments.</p>

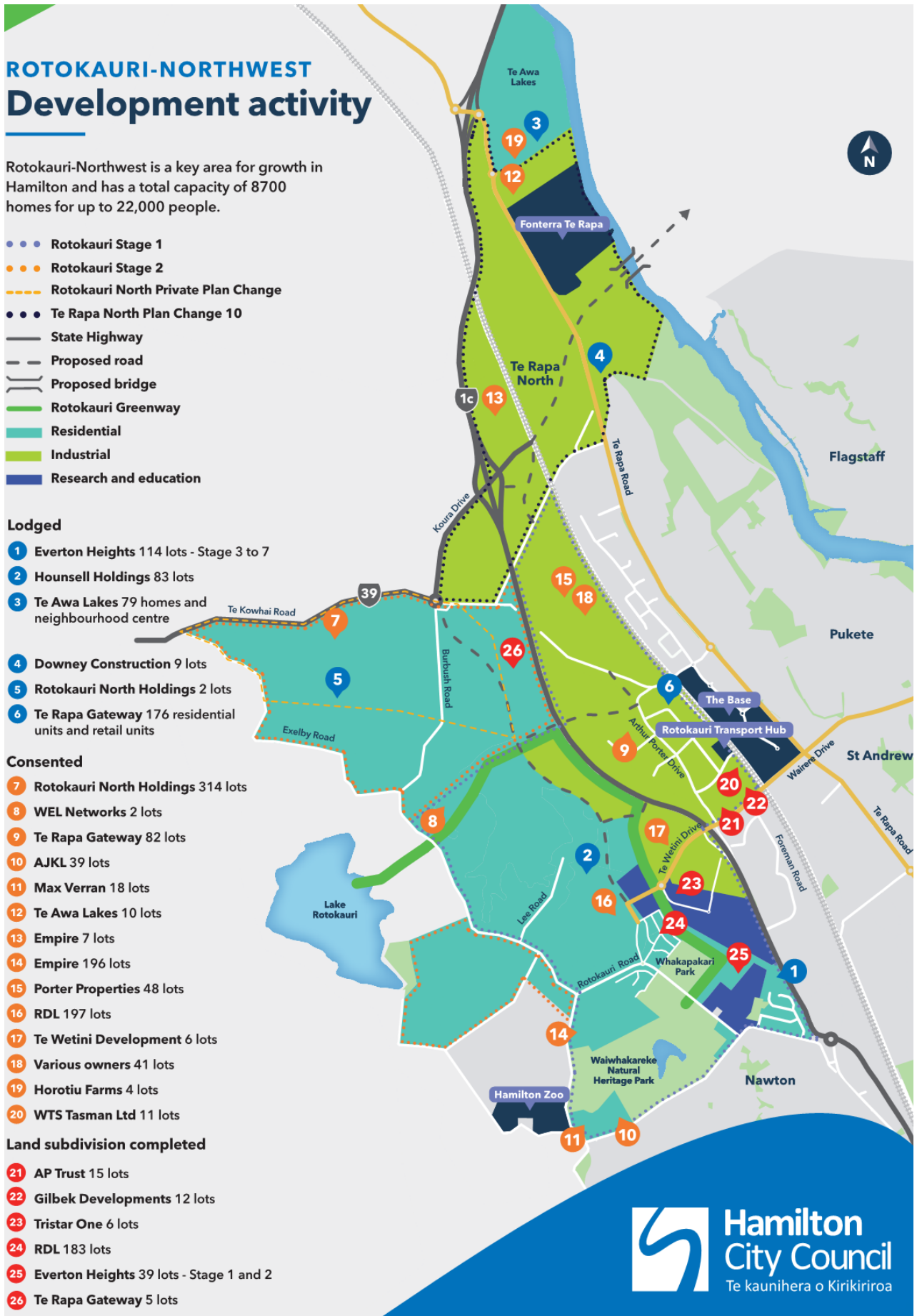
	Part of Process	Intent
6	Staff Decision	<p>Based on the outcome of the Screening and Technical assessment, staff will decide if water and wastewater network capacity is available or could be available, and if conditional approval is required.</p> <p>Staff may also decide that based on the nature and location of the development, further modelling will be required to determine network impacts.</p>
7	Approve/Approve with conditions/Decline application.	<p>Staff will inform the customer if their connection application is approved and if conditions will be applied to the approval, (and if any existing engineering plan will need to be amended to provide for capacity.</p> <p>A Network Capacity Certificate (water and wastewater) can be issued if the customer wishes to proceed.</p>
8	Customer Decision	<p>The customer will determine if: the any conditions are acceptable and they wish to proceed; if they wish to amend their application and resubmit; or if they wish to withdraw their application until capacity become available.</p>
9	Resource consent process if required by the District Plan	<p>An application cannot be progressed until a technical assessment carried out.</p> <p>Depending on the activity status of their development, and having a Network Capacity Certificate, the customer can proceed to:</p> <ul style="list-style-type: none"> <li>• resource consent processing</li> <li>• engineering plan assessment</li> </ul> <p>No changes are proposed to the resource consent process</p>
10	Engineering Plan Assessment	<p>Staff will assess if the Engineering Plan will have negative effects on the network and meets design standards (including stormwater) or if conditions are required for the development.</p>
11	Staff Decision	<p>Staff will decide if network capacity considerations and design standards have been met.</p>
12	Engineering Plan Approval /Approval with conditions/Decline	<p>If an engineering plan assessment is required, that application will be progressed only if there is capacity.</p> <p>Staff will inform the customer if the Plan meets requirements, or what further conditions will need to be applied.</p> <p>An approved (stamped) Engineering Plan can be issued if the customer wishes to proceed.</p> <p>Staff are developing a standardised Engineering Plan to ensure consistent and quality inputs and outcomes.</p>
13	Customer Decision	<p>The customer will determine if: the any conditions are acceptable and they wish to proceed; if they wish to amend the engineering</p>

	Part of Process	Intent
		plan; or if they wish to withdraw the plan.
14	If approved, customer can apply for physical connection	<p>The customer may apply for a physical connection with proof the following:</p> <ul style="list-style-type: none"><li>• Network Capacity Certificate</li><li>• Approved Engineering Plan</li><li>• Relevant agreements for water, wastewater and stormwater</li></ul>

Table: Proposed Approval Process – Key components (under development)

















# Peacocke

## Programme Progress Update

MAY 2023



**Hamilton  
City Council**  
Te kaunihera o Kirikiriroa

## Purpose

To provide an update on the Peacocke Programme delivery. This report is focused on the benefits and outcomes identified in the Housing Infrastructure Fund (HIF) Detailed Business Case (DBC).

## Contents

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## Executive Summary

Peacocke is on the way to becoming an attractive and sustainable community for up to 20,000 people.

The **2017 HIF DBC** set out an ambitious projection of delivery of homes in the first ten years from 2018. While development interest in the area remains high, the timing of developments has shifted out. This is largely due to consenting delays for major consents due to environmental requirements, changes in areas of developable land, a shift in government policy and the market towards infill and current market conditions.

The delivery of the HIF strategic infrastructure is on track, with the bridge and strategic transport network due to open in late 2023. Consenting pre-application levels are high and development activity is expected to pick up once the strategic infrastructure is complete.

Peacocke represents a successful, high trust government agency funding partnership model that has enabled delivery of the strategic infrastructure through challenging economic conditions. The model has enabled Council to continue investment and respond to growth cycles. The interest free loan is on track to saving approximately \$70-\$80 million in interest costs to Council and ratepayers. Having the lead infrastructure in place to service this growth area without incurring interest costs is a significant benefit to the city and represents best practice long term growth planning.

Peacocke represents Councils biggest-ever investment into a new growth area. The Peacocke Structure Plan, Integrated Catchment Management Plan, transport and mode shift connections and the Southern Links environmental restoration and monitoring work will see a climate friendly neighbourhood with abundant access to nature.

There were four key programme benefits in the **2017 HIF DBC**. **Table 1** below, summarises the status of those benefits.

**Table 1. Summary of progress towards HIF DBC Benefits**

#	Name	Description	Benefit Status	Commentary
1	More homes	The development of 3750 dwellings over 10 years and approximately 8,400 over 30 years.	In progress	Some activity to date and high developer interest. Delays associated with major consents, market conditions and increases in infill development have slowed the timing of uptake. Projections have been updated to 7,400 homes over 40 years.
2	Interest savings	The ability to use HIF Funding to fund wastewater and transport infrastructure and the associated interest saving benefits of approximately \$70 million	On track	High-level analysis indicates that the financial benefit will be between \$70 million and \$80 million to Council. This supports investment for long term growth.
3	Funding Assistance	The ability to apply for a Funding Assistance Rate (FAR) of 51% from Waka Kotahi NZTA for transport projects in Peacocke that connect to new subdivisions	Realised	Waka Kotahi NZTA funded \$110.1m towards the strategic transport infrastructure as part of HIF.
4	Opening of Southern Links	The opening of Southern Links, a regionally significant transport corridor and network.	On track	Delivery of strategic infrastructure is on track. The opening of this network also 'unlocks' the growth area for new homes.



## Background

The Peacocke area was brought into the city in 1989, after a re-organisation of local government, to provide for long-term residential growth. While important designation and planning work was progressed, the area remained largely undeveloped due to the funding required to establish the strategic infrastructure that was needed to 'open up' the growth cell for development.

### The HIF Detailed Business Case

In 2016, an opportunity arose to apply for funding from the \$1 billion Government Housing Infrastructure Fund. The **HIF DBC** was prepared by Council and sought funding for infrastructure to unlock thousands of homes in the area to meet the growth demands of a growing population.

A copy of the **HIF DBC** can be found [HERE](#).

In 2017, central Government approved HIF Funding of \$290.4 million (being \$180.3 million of HIF funding and \$110.1 million of Waka Kotahi NZTA subsidies). This funding was subsequently included in the 2018-28 Long Term Plan (LTP), alongside other funding required for infrastructure in the area and the Peacocke Programme commenced from 1 July 2018. Council entered into a HIF Facility Agreement which included specific milestone dates to be met for the strategic infrastructure.

Since July 2018, Council has been taking a programme management approach to enabling development in the Peacocke area. This includes implementing the strategic infrastructure that is funded by the HIF and LTP, as well as the other projects and activities occurring in or near the Peacocke area in southwest Hamilton.

The first tranche of the programme is largely complete and focussed on design of the strategic infrastructure and land acquisition, key planning tools such as the Integrated Catchment Management Plan and Peacocke Structure Plan review (Plan Change 5) and working with the major developer in the area on their consent for Amberfield. The programme's second tranche is under way - focussed on construction of the major network infrastructure. The third tranche will be focussed on enabling the new homes and creating a community for those who will call Peacocke home.

### Key Facts

- Land area is 740ha
- Up to 7400 homes in the next 40 years
- Up to 20,000 people will call Peacocke home by 2060
- \$180.3 million Housing Infrastructure Fund Interest-Free Loan
- \$110.1 million Waka Kotahi NZTA Transport Subsidies
- Over 100ha gully and open space networks
- 16 new neighbourhood parks as well as a 7ha Sport and Active Recreation Zone
- Over 30 wetlands
- 20-year pest and predator control of restoration sites
- Home to the native Pekapeka Tou Roa (Long-Tailed Bat)
- Future Proof Priority Development Area



## Programme Vision

To enable the development of an attractive and sustainable community in Peacocke and surrounds  
*Ko te whakakitenga moo te whenua Peacocke - Ko te aaheinga o te hanga he waahi ataahua, he hua, he waahi toiora ki Peacocke*

Peacocke is projected to deliver a third of Hamilton's medium and long-term housing needs. The Peacocke programme includes the delivery of the strategic network infrastructure, community facilities and infrastructure, resource consenting and building consenting activities, ecological protection and enhancement, funding, monitoring and reporting and commercial activities.

## Programme Objectives

The key programme objectives, as highlighted in the **2017 HIF DBC** include:

- Support Hamilton to be the third city economy in New Zealand
- Increase the amount of developer-ready land to meet the National Policy Statement - Urban Development Capacity
- Support the provision of affordable housing
- Build a vibrant community that integrates with Hamilton Kirikiriroa
- Enable coordinated land use and strategic infrastructure
- Ensure financial sustainability for Hamilton City Council and the community.

## Benefits

The key programme benefits, as highlighted in the **2017 HIF DBC**, include:

1. The development of 3750 dwellings over 10 years and approximately 8,400 over 30 years.
2. The ability to use HIF Funding to fund wastewater and transport infrastructure and the associated interest saving benefits of approximately \$70 million
3. The ability to apply for a Funding Assistance Rate (FAR) of 51% from Waka Kotahi NZTA for transport projects in Peacocke that connect to new subdivisions
4. The opening of Southern Links, a regionally significant transport corridor and network.

## Key Projects

The HIF Infrastructure projects include:

- SH3/Ohaupo Road intersection and East-West Arterial Road Stage 1 (Whatukooruru Drive)
- Wairere Drive extension and bridge over Waikato River to Peacocke North South Arterial
- Wastewater strategic storage and pressure main back to the existing far eastern interceptor
- Peacocke Road urban upgrade
- East-West Arterial Road Stage 2
- North-south Arterial Road Land
- Wastewater internal strategic Network
- Water distribution mains

Alongside delivery of the HIF infrastructure other key projects included Plan Change 5, Mangakootukutuku Integrated Catchment Management Plan (ICMP), environmental monitoring and investment, parks and open spaces planning including the Sports Park designation and delivery of Te Inuwai Park in Stage 1 and working with key partners such as developers and Ministry of Education.

Refer to **Appendix 1** for a map of key projects in the area.

## How's it tracking?

### Housing Outcomes

#### Consenting and development activity

Development and consenting activity in Peacocke are poised to take flight following the completion of the HIF Strategic Infrastructure from 2023 onwards. Several major landowners in the area have signalled their intentions to develop, with some having already progressed through consenting and some homes already completed. Ministry of Education is in planning stages for two school sites in the area.

The recent downturn in the residential housing market and the current economic climate in New Zealand may slow some timing of some developments. However, pre-application activity has picked up over the last quarter (2023 Q1) following notification of the Peacocke Structure Plan (Plan Change 5) decision and as key infrastructure projects are nearing completion.

Development Activity at May 2023, since the HIF Programme commenced 2018, includes:

- **800** sections in recent pre-application discussions indicating development in 2-4 years
- **28** sections in progress for subdivision consents
- **1314** sections have been granted subdivision consent
- **169** sections have been titled but not yet received building consent
- **71** homes granted building consent but not yet completed
- **325** homes completed

Refer to **Appendix 2** for the Development Activity map.

**Table 2. Notable developments since 2018**

Phase	Development name	Details
Consented	Amberfield	Amberfield has consent for 1116 – 1142 new homes across four distinct neighbourhoods. The central neighbourhood will feature a town centre and include high density housing. The 109ha development will feature 33.7ha of open spaces that include a connected network of parks and reserves. The consenting process took significantly longer than anticipated, largely due to environmental requirements. Amberfield have contracted Council to construct their stage 1 development entrance as part of the Waikato River bridge contract works.
	Questral Broadwater Retirement Village	Earthworks are planned for the end of 2023. This will be the first active residential development in the north of the growth area. Once complete the village will have 230 units, a hospital and dementia unit. Broadwater have contracted Council to construct all utility services to their development boundary and have entered into a construction shared cost arrangement with Council for the stormwater outfall structure into the Waikato River
In Construction	Aurora	Aurora in the South Area is well underway. The development when complete will have 300 homes and will include a neighbourhood centre, park and playground and a landscaped wetland. Homes are under construction with some complete. The developer is looking to extend to surrounding areas. Aurora and Council jointly funded a shared and integrated storm water treatment device which resulted in a more efficient use of land for development.

The first major consent in the Peacocke Stage 2 area, Amberfield, which is owned by The Adare Company (the Peacocke family) took much longer than initially anticipated due to unknown environmental requirements many of which were associated with the Pekapeka tou roa (NZ Long-Tailed Bat) being present in the area.

The Peacocke Structure Plan has addressed many environmental considerations, such as protecting land for bat corridors, gullies and wetlands which will support efficient consenting processes. The resource consenting team has put in place several initiatives to work with developers to ensure that consents can proceed while maintaining quality environmental outcomes, this includes providing advice to plant early or maintain large trees on site.

Developer Guidelines are being created to ensure all stakeholders and landowners are informed on the vision for Peacocke and to ensure best practice urban design and community outcomes are understood and incorporated into future subdivision applications.



*Aurora Development underway - 2023.*

### Changes to the projected housing yield

In 2017, the HIF DBC identified Peacocke as accommodating approximately 8400 new homes, 3750 of these being provided in the first 10 years (from 2018 – 2028). Through the Plan Change work, this projection has changed to be 7,400 homes.

The key factors contributing to this change included increased land requirements and higher standards for stormwater management, significant ecological areas, school and recreation facilities, and land requirements to support infrastructure and services (including roading, neighbourhood parks, and local centres). Plan Change 5 has addressed the reduction in developable land by enabling a higher density of homes in the area on the developable land.

The delivery of the HIF Infrastructure means that there is sufficient infrastructure in place (or committed) to service the projected new homes for actual and potential subdivision. There may be some future tension in requirements for developer upsize in locations not directly serviced from the arterial transport corridors. This will be managed through the Peacocke Structure Plan staging requirements and Long Term Plan and is a low risk.

While the projections have changed slightly, having the lead infrastructure in place to service this growth area without incurring interest costs is a significant benefit to the city and represents best practice long term growth planning.

### Actuals and new projected housing yield growth

The HIF DBC projected that 1570 homes were to be constructed in the first five years from 2018-2023 (Table 3). The actual number of homes that were constructed as at May 2023 was **325** homes.

There are two reasons for this difference:

- The change in the developable land as outlined above.
- The delays associated with the major subdivision consent for Amberfield, and the Broadwater Retirement Village, initially associated with consenting and appeals, and subsequently by the COVID-19 pandemic, economic downturn and supply chain and demand challenges.

Revised growth projections are below which show **1977** homes being delivered in the 10-year period. This includes actuals and projections from 2018 – 2028 (Table 3).

The timing of overall completion of the growth area has also been extended to 2064, based on the Plan Change 12 projections. This is due to the central Government changes, Medium Density Residential Standards and Plan Change 5 creating opportunity for more infill.

**Table 3. HIF DBC dwelling projections compared to actuals and updated dwelling projects**

Period	Projected Dwellings from HIF DBC	Actual Dwellings (Code of compliance) at April 2023	New Dwelling Actuals & PC12 Projections May 2023 <small>Figures include 2018 – April 2023 actuals and 2023/2024+ projections</small>
<b>2018 – 2023</b>	1570 homes	325 homes*	
<b>2018 – 2028</b>	3750 homes		1977 homes
<b>2018 - 2048</b>	8400 homes		5702 homes
<b>2018 – 2064</b>			7738 homes

\* Data commenced from 1 July 2018 and includes some of Peacocke Stage 1 and all of Peacocke Stage 2. Noting that there are additional homes that have been completed prior to 1 July 2018 in Peacocke Stage 1.



## Delivery of infrastructure

Council continues to effectively deliver the complex and large Peacocke Network Infrastructure Programme despite a sustained series of impacts from the COVID-19 pandemic, global supply chain issues, disinformation and local objections and recent extreme weather events in New Zealand.

The programme's success demonstrates to central Government and the local community that Hamilton can deliver on large scale infrastructure funding commitments using a high trust model.

Over \$345 million of the infrastructure programme is complete or contractually committed and under way. Actual expenditure to date is approximately \$242 million, from a near standing start in 2018. Project spending to date is equivalent to around 4000 full-time jobs each year for 5 years (2018 – 2022), including direct and indirect construction services.

The national award-winning project for the Northern Wastewater pipeline for Peacocke was completed early by around 9 months and delivered underbudget. The SH3 / Ohaupo Road roundabout intersection and first section of Whatukooruru Drive was operational 6-months early, allowing access to the new Aurora housing development (Northview Capital – Peacocke Stage 1B) which now has houses complete.



*1 Transfer pump station wastewater tank base slab pour - pump station building in background – 2023.*

The next two key infrastructure projects - Peacocke wastewater transfer station including local pipelines and Waikato River bridge and surrounding transport network - are on track for completion by late-2023. These projects are on track to be completed within a few months of the HIF DBC milestone dates and well within the HIF time contingency for delivery. This work will be delivered in advance of new homes and residential developments starting in Peacocke. Through partnership with landowners and developers, some enabling works have been funded directly by developers such as local transport works and utility connections required for their subdivisions. When the first development in Peacocke Stage 2 is started, the strategic infrastructure connections will be there to service it from day one.

The north-south wastewater pipeline within Peacocke, Whatukooruru Drive (the East-west minor arterial road) and the Peacockes Road urban upgrade have started construction on schedule with the

2018 HIF agreement. Staff are exploring early contractor involvement for the remaining section of Whatukooruru Drive (Hall Road to Ohaupo Road SH3). All HIF funded projects are expected to be completed during 2025 in accordance with Council's HIF funding agreement milestones.

While budget contingencies remain tight, works are being managed within available budgets and reallocations within the programme.

The projects' design philosophies have anticipated changes in standards for walking, cycling, and stormwater and have pursued whole-of-life energy savings in wastewater. Approximately \$30 million of added-value elements have been delivered, including safer access and mobility, supporting mode shift and road safety Vision Zero aspirations. In addition, the projects have promoted integration and future-proofing with combined activity delivery, such as Bikes on Pipes, and collaborating with developers for service connections and intersections.

By leveraging the HIF investments with local funding and coordinating projects, Council has delivered additional benefits including mode shift, stormwater treatment benefits, cultural and ecological gains, play opportunities and enhancing wastewater levels of service on the western side of the city.

The contracts' excellence in delivery has already been recognised in a series of industry awards, including:

- Northern Wastewater Pipeline for Peacocke
  - Waikato Excellence in Construction Safety (CCNZ) 2022
  - National Winner - Excellence in Construction \$10-100 million (CCNZ) 2022
- Waikato River bridge to Peacocke
  - Lift of the Year – Waikato River Bridge lattice piers (NZ Crane Association) 2022
  - Soil nailing – award (CCNZ) 2022



*Final bridge deck concrete pour – 2023.*



*SH3/Ohaupo Road Roundabout – completed in 2021.*



*Pedestrian overbridge construction - 2023.*



## Community and Wellbeing Outcomes

Councils purpose is to improve the wellbeing of Hamiltonians. The wellbeing of the future community in Peacocke has been at the heart of the programme since before it commenced.

Key considerations as the new community grows include:

- the people of the future community and existing neighbouring communities
- the health and wellbeing of the Waikato River
- improved travel choices
- climate change
- the environment
- working with our neighbouring Councils to plan for future long-term growth near the area.

Once complete, Peacocke will be an attractive and sustainable community and home to up to 20,000 people.

## Environmental Benefits

Peacocke is Councils biggest-ever environmental investment into a new growth area. Located next to the Waikato River, in close proximity to the central city, Peacocke has an extensive gully system of more than 100ha with native and exotic plants, native birds, lizards and other wildlife, including the endangered long-tailed bat.

Key environmental work and benefits to date includes:

- Over 200,000 new native plants have been planted to help mitigate construction work (this is in addition to the plants that developers are required to plant as part of their developments). Another 15,000 plants are planned to be planted by Council over the next few months.
- Planning under way for 15ha of gully restoration and 1.5km of stream restoration as part of the strategic transport infrastructure work.
- Completion of the Mangakootukutuku ICMP which guides best practice stormwater management and provides for 30 wetlands.
- Since 2020 Council has been restoring a site for Lizard habitat. Recent monitoring has indicated a growth in lizard numbers, average size and weight, and evidence of breeding
- In 2020 Council installed 80 bat boxes. Monitoring in 2022 indicates bat use for 41% of these boxes. Council has been selected as a finalist in the Engineering New Zealand Impact Awards 2023 for this work.
- The infrastructure designs, once complete, will improve the water quality in the Waikato River and gullies and reduce our emissions through providing alternative forms of transport.
- Planning for community gardens.

Refer to **Appendix 3** for a map of environmental activities in the area.



*SH3 integrated stormwater treatment device - 2023.*

### **Green Star Communities**

To help measure and monitor the investment into the environmental outcomes, an application for the infrastructure and area to receive a Green Star Community accreditation is under way. Staff are in the final stages of submitting an application and will know by the end of 2023 if we have been successful.

### **Peacocke Structure Plan (Plan Change 5)**

Soon to be fully operative, Plan Change 5 has been amended to increase housing densities within the structure plan area to meet the requirements of the National Policy Statement on Urban Development. The structure plan also helps to support the environmental investment objectives for the wider Peacocke programme, through increasing open spaces, natural areas and habitat for native flora and fauna in Peacocke.

Council is responding to the changing climate and more intense rainfall events. Part of the structure plan is making sure we're managing stormwater right through wetlands and enough green spaces to provide drainage. Peacocke will be set up from the beginning to deal with some of the climate challenges the country is facing.

We're building a climate-ready neighbourhood in Peacocke by protecting the natural environment, well-planned transport networks and well-designed urban development. Wider footpaths with separated cycle lanes, and a strategic public transport network will give Peacocke residents active travel options and enable them to choose a low-carbon commute.

The Peacocke Structure Plan is in **Appendix 4**.



*Plan Change Concept Render - 2021.*

## Social Benefits

### Housing and Infrastructure

While addressing one of New Zealand's key social issues – housing availability - the Peacocke programme is providing a framework to support the strengthening of community networks, safety, and connectedness to the environment, the Waikato River and each other.

The Peacocke Programme is an example of government and inter-agency collaboration to address the social issue of a housing shortage. Council has sought to leverage social and other broader outcomes benefits from the infrastructure investment. A core part of the Peacocke infrastructure is in connections, including promoting safety and accessibility for active modes, and providing connections. As well as movement between activity centres and enabling active modes, the infrastructure provides new public access to the river and to the and across gullies with walking and cycling connections, which all contribute to emission reduction targets over time.

The Waikato River Bridge includes accessible design to leverage social benefits with facilities such as stepping-stone logs and balance beams to encourage play on the way while supporting inclusion and health. Stormwater treatment and detention areas are laid out to be multi-functional, this includes improving access for play, cultural and environmental elements, and outcomes. Along with being accessible, these stormwater treatment areas are supporting biodiversity as well as their primary functions.

The work undertaken through Plan Change 5 will enable and encourage a range of housing typologies to support the housing strategy outcomes and affordable housing options.

### Parks, Open Spaces and Community Facilities

In addition to the HIF Strategic Infrastructure, it's important to ensure we are creating accessible, quality spaces and places for our communities such as parks, green space, playgrounds, education, health, and community facilities.



Once complete Peacocke will have 16 new neighbourhood parks as well as a 7ha Sport and Active Recreation Zone, which will include sports fields (grassed and artificial), courts, greens, athletic tracks, their surrounds, and other facilities used predominantly for organised, competitive sports or active recreation.



*Te Inuwai Park Opening - 2020.*

Te Inuwai Park in the south-west of Hamilton is the first park to support the new neighbourhood in Peacocke Stage 1. The Council worked closely with mana whenua to incorporate the area's history into the playground. Open in 2020 the playground includes native plants, fruit trees and community garden planter boxes for locals to use. A pou and interpretive signage to tell the area's story have also been installed.

The Peacocke Sports Park land in the north of Peacocke Stage 2 was acquired through a Notice of Requirement process in 2021. Designation for the sports park was confirmed in 2022 and negotiations to purchase the land are being finalised and expected to be wrapped up in mid-2023. Basic development of the land is expected to take place in 2029/30 as identified in the current 2021-31 LTP (refer to Map in **Appendix 1** to view location).

In addition to the parks, a riverside walkway is planned as part of the Qestral Broadwater Retirement Village development in the north (Refer **Appendix 2** for map showing location) providing 24/7 public access. This walkway will link into the walkway being constructed as part of the Waikato River bridge works to the south and the esplanade reserves to be vested within the Amberfield site to the north.

Community facilities are being planned for as part of the town centre planning.

### Education

The Ministry of Education has plans for two new primary schools in Peacocke to support the population growth in the area. In addition to this, Melville High School and Melville Intermediate are set to merge and reopen as a new school in January 2024. This new school will play a key role in providing education opportunities for the new community in Peacocke. Safe transport connections from Peacocke to Melville High School are important consideration for Long Term Planning.

### Cultural Benefits

Council has embedded opportunities to support and reflect te ao Maaori and tikanga in our construction project through procurement processes, cultural site inductions and management plans. This work includes tangata whenua representatives managing kaiaarahi and kaitiaki roles on site, including cultural inputs and education at toolbox meetings, ecological quality assurance and karakia.

Hamilton has worked with tangata whenua to leverage environmental, social and cultural benefits from the HIF Facility Agreement investment.

In partnership with the Southern Links Tangata Whenua Working Group (TWWG), cultural symbolism, tangata whenua values and storytelling have been incorporated into transport networks and three waters infrastructure in the Peacocke area. The Group is made up of delegated members from local hapuu - Ngaati Maahanga, Ngaati Wairere, Ngaati Korokii-Kahukura and Ngaati Hauaa.



*POU at Waikato River Bridge - 2023.*



*Walking and cycling bridge - 2023.*

Through the Waikato River bridge project, Council has worked with local artists and manufacturers in innovative construction processes to:

- Transform traditional Maaori carvings completed by-hand into concrete panels. The 400+ panels that are part of the Waikato River bridge foundations and form the outer layer of central pier base for the bridge. Each of the carvings has meaning, including references to the river, and taniwha, and sacred sites as well as the nearby Mangakootukutuku gully and stream network.
- Install two unique gateway structures as part of the walking and cycling footbridge over the new ring road extension near the Hamilton Gardens. These columns were designed in



*Artist Eugene Kara creating the carvings that were used for the Waikato Bridge foundation concrete panels - 2021.*



partnership with the TWWG which act as a *waharoa* (gateway) to the new Peacocke community and incorporate designs that reflecting the form of *taurapa* (waka stern posts).

Other key initiatives include:

- Cultural Storytelling - Setting up the Sustainability and Cultural Storytelling Discovery Trail will be delivering to the Green Star Community accreditation, through physical signage and stops on the permanent discovery trail.
- Whatukooruru Paa – Council is in the process of transferring the historic Paa site to Waikato-Tainui iwi. It's located near the new road, its namesake – Whatukooruru Drive in the centre of Peacocke.
- Paa harakeke – Working with a local landowner to move a heritage flax collection to a create a publically accessible paa harakeke as part of the strategic infrastructure projects. The paa harakeke will be planted near the site of the new Waikato River bridge, for weavers to come and harvest muka (fibres) for raranga (weaving). It will include interpretive signage to celebrate the history of the flax and its cultural significance to Peacocke.



*Local landowner Penny Cameron relocating heritage flax at Paa harakeke - 2020.*

### Economic Benefits

The interest-free HIF Facility Agreement contributes to Hamilton's and the sub-regions economic well-being directly with local and indirect expenditure through construction contracts in Peacocke. An example of local benefits is PFS Engineering, an award-winning engineering company in Riverlea, opposite Peacocke, which fabricated the pedestrian footbridge over the new Waikato River bridge near the Hamilton Gardens.

In addition to the direct benefits, there are indirect benefits. For example, the Northern Wastewater Pipeline to Peacocke contractor, CB Civil, relocated over 20 individuals or families from Auckland to Hamilton, and reported over 80% of their procurement being local.

A 7.8ha main town centre will be established within Peacocke generating job, bringing new businesses into the Peacocke community, and providing essential services to residents and the new community.

## Financial Benefits Update

Council entered into a Facility Agreement to the Housing Infrastructure Fund (HIF) in July 2018. This Facility Agreement provided access to an interest-free loan to the value of \$180.30 million and sets out the management of these funds.

The funding is intended to provide strategic transport, wastewater and water infrastructure that will allow residential development in Peacocke. The detail was included in the HIF Detailed Business Case that was submitted to support Council application for the funding.

The \$180.3 million HIF funding was part of a total programme fund of \$290.4 million with the \$110.1 million balance coming from Waka Kotahi New Zealand Transport Agency subsidies. This represents a significant investment in residential growth for Hamilton.

Each quarter Council makes an application to drawdown on the actual costs to date. Each drawdown represents an individual loan agreement with the interest free period starting from the time the funds are received.

At 30 April 2023, Council has made 17 individual drawdowns totalling \$98.2 million. Two new drawdowns have been drafted and forwarded to the Ministry of Urban Housing and Development (MHuD), bringing the total to \$118.9 million. See Table 4 for breakdown.

**Table 4 – HIF Facility Agreement Drawdowns Received and Remaining Value**

Drawdown	HIF Claim	Waka Kotahi	Total Claim
Payments Received	\$118,949,300	\$73,792,000	\$158,302,700
Remaining Value	\$61,350,700	\$36,308,000	\$97,658,700
Total	\$180,300,000	\$110,100,000	\$290,400,000

Current cashflow projections indicate the remaining balance of the HIF Facility Agreement as \$61.4 million and will likely to be drawn down over the next five quarters, until Q3 2024.

Each drawdown is treated by The Treasury as an individual 10-year interest free loan. Once a loan reaches the 10-year interest-free period then it is repaid and will convert to interest-bearing debt for Council. This debt is serviced through Development Contributions (DCs) that are received from developments within Peacocke.

Due to the long timeframe over which the HIF applies along with the dynamic nature to the debt markets it is difficult to precisely determine the full benefit of the interest loan however a high-level analysis indicates that the financial benefit will be between \$70 million and \$80 million to Council.

## Development Contributions (DC's)

The demand outlook for housing over the longer term in Peacocke, once the strategic infrastructure is complete and the area is enabled for development, remains strong. DC revenue is also expected to be in line with the existing projections except that the first significant revenue is expected in 2024/25 rather than 2023/24 reflecting the timing impact of covid and supply chain disruptions experienced in recent years.

As part of mitigating the impact of changes in the timing of housing development, The Treasury approved Council's request to defer \$16.4M of fixed repayments that were initially intended to reflect DC revenue in the 2021-31 LTP period. That provides a longer interest free period (fewer early

repayments) than the original agreement equating to an additional \$3M+ interest savings for Council. Council is working with The Treasury and Waka Kotahi officials to explore further opportunities to help manage the financial implications of additional cost escalations associated with the HIF-funded programme of work on Council's Financial Strategy

#### HIF to IFF

Council is working with Government agencies to advance an Infrastructure Funding & Financing (IFF) levy in Peacocke to enable substantial debt of around \$50 - \$100 million to move off Council's balance sheet and into a Special Purpose Vehicle. This process is expected to take 12 to 18 months. If successful, this would free up capital and enhance future economic wellbeing in the city.

## Risks

### Housing market demand changes and economic downturn

There is a risk that developers delay progressing housing developments due to the current market and economic/financial downturn. Council is closely monitoring this situation through our economic development and growth metrics reporting alongside regular engagements with developers.

To remove barriers and facilitate new housing developments, Council is working closely with active developers and agencies such as the Ministry of Education through agreements to coordinate and share infrastructure delivery and design to achieve cost, land and environmental efficiencies.

### Infrastructure project risks

#### Costs

New Zealand remains in a period of very high economic uncertainty which continues to affect supply chains and labour markets, locally and overseas. This economic environment has meant cost escalations are at above expected levels and affects both current contractually committed works and works yet-to-be-started.

#### Health and weather events

Recent adverse weather and the COVID-19 pandemic during 2020 – 2022 have reduced productivity of the past three summer construction seasons, essentially reducing to two from the potential three full summer construction seasons allowed for the current construction projects.

Substantial productivity impacts occurred during the 2021/22 summer due to COVID-19 (Omicron) outbreaks in New Zealand and subsequent restrictions requiring programme resequencing.

Further programme delays have now been experienced throughout the 2022/23 summer due to extraordinary rainfall and weather events (including Cyclone Gabrielle) severely impacting the critical fine-weather activities including reduced access to the bridge site due to unseasonal river flooding. Few opportunities now exist for further resequencing of works and there is a risk that Council receives contractual time extension claims. Delays across the 2023 winter season is a risk to current project and could lead to significant claims for lost or reduced productivity.

Council continues to work with legal and contractual experts as part of assessing any contractual claims received that may impact project budget or completion dates. Where Council is contractually

obliged to approve extensions of time (with or without costs) Council will also need to extend the associated professional services engagements for the associated contract management and supervision, resulting in further costs.

#### **Other and localised risks**

As far as practicable within the Peacocke programme and contract frameworks, Council continues to manage project risks such as staffing shortages, material pricing increases and availability challenges with steel and fuel being particularly sensitive along with key construction components that are manufactured overseas. Other project risks are ongoing such as archaeological discoveries, working with residents and landowners near the designation and dealing with contaminated materials and noxious weeds.

Localised risks are ongoing and focused on the designation land near Hall Road. These risks included but are not limited to the final land acquisition and settlement processes, managing disinformation regarding construction of the last stage of Whatukooruru Drive (East-west arterial road) and security threats to Council staff, contractors, and property within the designation land along Hall Road. These localised risks are being managed successfully and are unlikely to compromise programme outcomes but present potential cost and time risks to the construction project and reputational risk to Council.

Generally, the infrastructure project risks relate to specific projects rather than the overall programme with the most significant risk being increasing costs. Project time and delay risks are unlikely to significantly impact on programme outcomes and benefits due to the delays in housing developments.



## Appendix 1 – Peacocke Programme Projects

Map showing Peacocke Programme Projects at May 2023



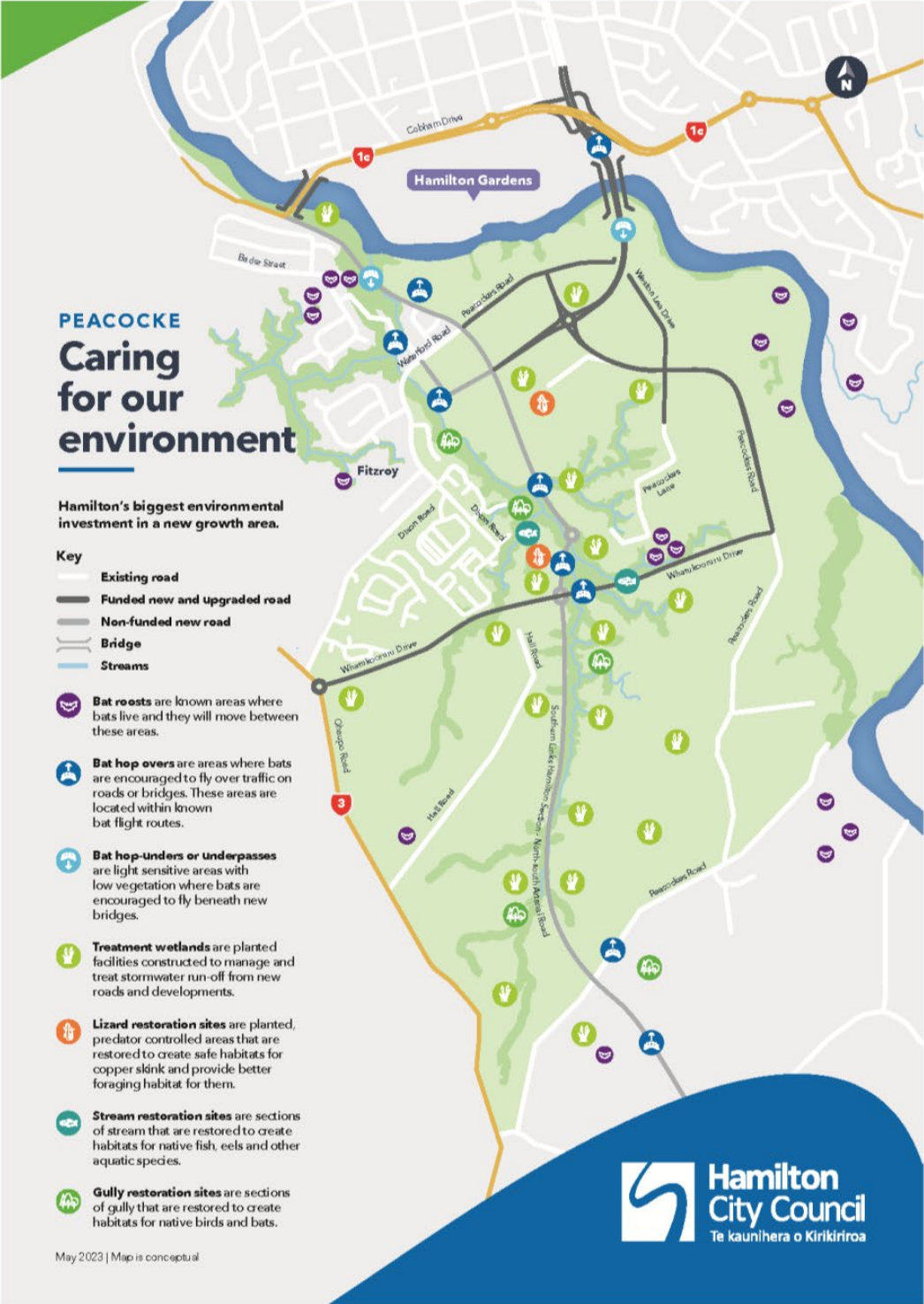
## Appendix 2 – Development Activity

Map showing development activity in Peacocke at May 2023



## Appendix 3 – Environmental Activity

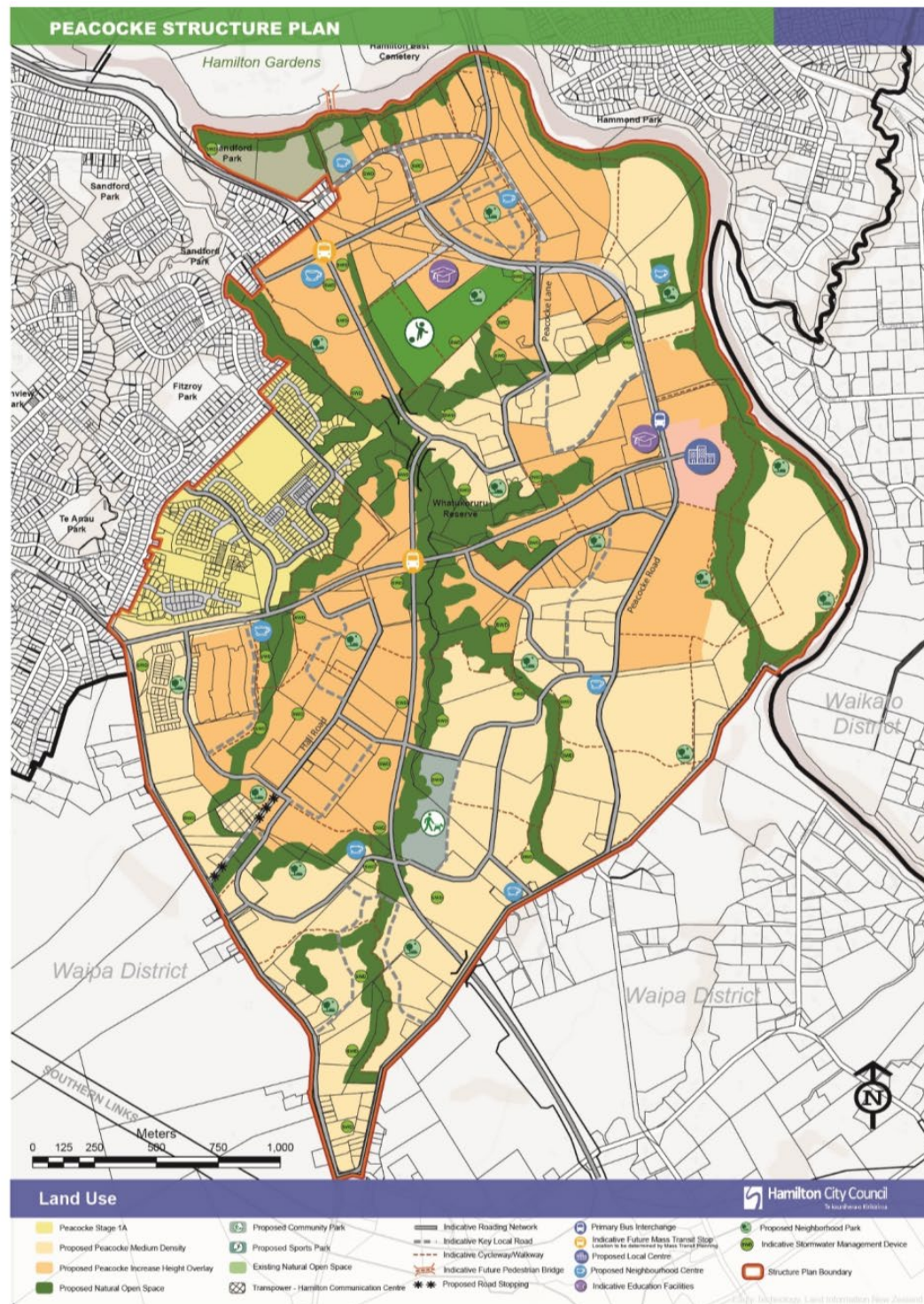
Map showing environmental activities in Peacocke at May 2023





## Appendix 4 – Peacocke Structure Plan

Map showing Peacocke Structure Plan as part of Plan Change 5





# Council Report

Item 9

**Committee:** Strategic Growth and District Plan Committee  
**Date:** 14 June 2023  
**Author:** Mark Davey  
**Authoriser:** Blair Bowcott  
**Position:** City Planning Manager  
**Position:** General Manager Growth  
**Report Name:** District Plan Update - June 2023

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

1. To inform the Strategic Growth and District Plan Committee of District Plan matters that need to be brought to the Members' attention, but which do not necessitate a separate report.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Growth and District Plan Committee:
  - a) receives the report; and
  - b) notes that staff are seeking an extension from the Minister for the Environment to the decision-making deadline on Plan Change 12 – Enabling Housing (currently 31 March 2024) as the current deadline does not allow sufficient time for Plan Change 14 – Flood Hazards to be advanced prior to decisions on Plan Change 12 being due.

## Executive Summary - *Whakaraapopototanga matua*

3. This report provides updates to the Strategic Growth and District Plan Committee on aspects of the District Plan Change Programme (DP Programme), private plan changes, and other planning matters including:
  - i. Plan Change 5 (Peacocke);
  - ii. Plan Change 9 (Historic Heritage and Natural Environment);
  - iii. Plan Change 10 (Te Rapa Deferred Industrial land);
  - iv. Plan Change 12 (Enabling Housing);
  - v. Plan Change 13 (Te Rapa Racecourse private plan change);
  - vi. Plan Change 14 (Flood Hazards);
  - vii. Plan change 15 (Tuumata private plan change by TGH);
  - viii. Inclusionary Zoning plan change;
  - ix. the Fairfield-Enderley Urban Development Partnership;
  - x. Central city development, including internal planning, land use and infrastructure alignment to support the delivery of the Central City Transformation Plan.
  - xi. National Planning Standards

4. A large focus of the District Plan programme continues to be responding to central government directives stemming from the National Policy Statement on Urban Development (NPS-UD) (2020) and the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act (HSAA) (2021).
5. More recently, this work programme has been added to with two private plan changes, PC13 and PC15.
6. Given the likely implications of PC14 – Flood Hazards on PC12, staff are looking to seek an extension from the Minister for the Environment of the decision-making deadline on PC12. Currently that deadline is 31 March 2024, which does not allow sufficient time for PC14 to be advanced prior to decisions on PC12 being due.
7. Staff will provide a verbal update to the Committee on the preliminary feedback from Ministry for the Environment officials regarding this potential request.
8. At the 20 April 2023 Committee meeting, the following staff action was noted:  
*Staff undertook to seek endorsement and alignment from neighbouring Councils regarding matters such as inclusionary zoning.*
9. Staff have had discussions with Waikato District Council and Waipa District Council staff. There is support for aligning inclusionary zoning work programmes where possible. HCC staff will continue to work with their counterparts to achieve alignment, noting that this alignment will also rely on political endorsement and funding from partner councils.

### Background - Koorero whaimaarama

10. Council has a wide-reaching District Plan programme currently underway, which includes eight plan changes to the District Plan. Two of these changes have been requested from parties outside of Council, namely Tainui Group Holdings (TGH) and the Waikato Racing Club Incorporated (WRCI), Private Plan Changes PC13 and PC15 respectively.
11. All plan changes and other key District Plan related matters specific to the Hamilton District Plan are listed below, and explained in more detail in the 23 February 2023 District Plan update to Council.
12. This report focuses on key updates, given the minor changes to timeframes and deliverables since the April 2023 report.

### Discussion – Matapaki

13. Key updates to District Plan Change Programme only.

Plan Change/project	Status	Commentary
Plan Change 5 (Peacocke)	Appeal period closed 14 April 2023. Commissioners' decisions and appeals received are available <a href="#">here</a> .	5 appeals to the plan change have been lodged with the Environment Court, along with an additional two parties seeking to be included in the appeal process as s274 parties.
Plan Change 9 (Historic Heritage and Natural Environment)	First tranche of hearings May 22-7 June 2023 focused on notable trees, significant natural areas and historic heritage areas.	Hearings will resume 6 November 2023 for the second tranche including archaeological and cultural sites and heritage items. The Panel might issue an interim decision on the first tranche of topics.
Plan Change 10	On hold	On hold due to resourcing

Plan Change/project	Status	Commentary
(Te Rapa Deferred Industrial land)		constraints and infrastructure hurdles, noting discussions are occurring with major landowners on land use intentions.
Plan Change 12 (Enabling Housing)	Proceeding to hearings commencing 4 September 2023	Technical reports are being prepared in advance of the September 2023 hearings. Expert conferencing commenced in May 2023 and will run through June.
Plan Change 13 (Te Rapa Racecourse private plan change)	Hearings set down for 3 – 7 July 2023.	26 submissions were received. Further submission period has now closed.
Plan Change 14 (Flood Hazards)	Undertaking flood modelling and developing planning provisions estimated for initial public engagement in October 2023 (pre notification consultation). Expecting to go to hearings Q1 of 2024.	Given the likely implications of PC14 on PC12, staff are considering seeking an extension from the minister regarding the decision-making deadline on PC12.
Plan Change 15 (Tuumata private plan change by TGH)	Submissions period closed 17 May 2023. Approximately 10 submissions were received including a submission on behalf of Hamilton City Council.	There were some residual issues which HCC was not able to resolve with TGH prior to lodgement and as such will address these through the formal hearing process. TGH has requested a change to the hearing date for this plan change. HCC are working to find alternate hearing dates, likely to be Q4 2023.
Inclusionary Zoning plan change	On hold. Will be progressed as a separate plan change, ie separate to PC12	Legal advice on behalf of HCC is that Inclusionary Zoning cannot be part of PC12. The Independent Hearings Panel on PC12 will make a decision on this. A separate plan change will need to proceed as per the existing Council resolutions. Staff aim to notify this mid-2024 subject to resourcing and alignment with partner councils.
Fairfield-Enderley Urban Development Partnership	Progressing	A steering group comprising Kainga Ora and HCC staff has been established to oversee a consultant brief to develop a redevelopment plan for Kainga Ora land holdings in this locality.
Central city development, including internal planning, land use and infrastructure alignment to support the delivery of the Central City Transformation Plan (CCTP).	Internal alignment phase for CCTP actions and AMP delivery. Together with IAF/Housing outcomes agreements	Scoping what further work is required to inform the 2024-2034 Long Term Plan and associated asset management plans.
National Planning Standards	On-hold	The implementation of National Planning Standards into district

# Item 9

Plan Change/project	Status	Commentary
		plans are required by 2024. Staff are seeking an exemption from this deadline due to the process constraints of implementing these standards at the same time as significant changes are being made to the district plan under PC12 and PC9.

14. Plan Change 12 has commenced expert conferencing; this will continue through June, prior to exchange of technical evidence in advance of the September 2023 hearings. Staff are now undertaking a deeper analysis of submitters' requests, which will be responded to through substantive topic evidence.
15. There is an important relationship between the mapping of flood hazards city-wide, the management of these flood hazards as part of PC14, and residential intensification being enabled under PC12.
16. Given this relationship, it is important that the new flood hazard information and management approaches are considered by the Independent Hearing Panel on PC12. To allow this to occur, Council is looking to seek an extension of the decision-making deadline on PC12 from the Minister for the Environment. Currently the deadline is 31 March 2024, which does not allow sufficient time for PC14 to be advanced prior to decisions on PC12 being due.
17. Staff will provide a verbal update to the Committee on the preliminary feedback from Ministry for the Environment officials regarding this potential request. This is a similar request to that sought by Auckland Council, and granted by the minister, relating their Intensification Planning Instrument (IPI).
18. Hamilton City Council is required to implement National Planning Standards by 2024. These standards seek to introduce standardisation across district plans in the country so that there is a consistency with respect to naming conventions used.
19. There is a range of process and logistical difficulties in implementing these standards at the same time as advancing significant changes to the District Plan under Plan Change 12 and Plan Change 9. There are also broader questions regarding the relevance and value of bringing about such changes to Hamilton's District Plan at this time considering Resource Management reform and the creation of new region-wide Natural and Built Environment Plans.
20. Staff are raising these points with Ministry for the Environment officials and will report back to a future Committee meeting.
21. Staff have been in discussions with Waikato-Tainui regarding Sites and Areas of Significance to Maaori (SASMs). This piece of work had been being undertaken as part of Plan Change 9 but did not proceed as further evidential basis was required to meet RMA tests (refer District Plan Committee District Plan Report 3 May 2022).
22. Staff are going to review the work that was undertaken over the next 12 months, when resource becomes available, and develop a work plan with Waikato-Tainui regarding the scope of this work and how it might proceed. Once staff commence the review into SASMS, they will provide updates to the Committee on the progress of this work.

23. At their 20 April 2023 meeting, the Committee approved the formation of a PC12 Working Group comprising the Chair and Deputy Chair of the Strategic Growth and District Plan Committee; and the Chair or Deputy Chair of Infrastructure and Transport Committee; and the Chair or Deputy Chair of the Community and Natural Environment Committee. It also approved the group's terms of reference, being to provide direction to staff concerning policy changes relating to Plan Change 12.
24. Staff are seeking to convene the Working Group in June. Staff note there are minimal changes to the as notified version of Plan Change 12 being proposed by staff.
25. Turning now briefly to recent housing announcements by National and subsequent media releases by the Minister of Housing, Hon. Megan Woods. Both the Government and leader of the opposition have foreshadowed potential changes to the Enabling Housing Act. These announcements signal a potential change to the MDRS provisions within the Act and a potential strengthening of the NPS-UD aspects of the policy, i.e. more intensification around centres and corridors.
26. As noted above, Council intends to seek an extension to the decision-making deadline on PC12 on basis of the need for PC12 to take account of flood hazards. If the Enabling Housing Act does change (unlikely to be prior Parliament rising at the end of August 2023), this extension of the PC12 decision-making process could allow for HCC to accommodate any law changes that might or might not occur.

#### Risks - *Tuuraru*

27. Risks are tracked at both project and programme level and are reviewed and updated regularly with the wider team and key stakeholders. Key programme risks are outlined below. Risks 2 and 4 will now be reported to the Strategic Risk and Assurance Committee.

Risk ID	Risk Description	Likelihood (residual)	Consequence (residual)	Risk rating	Owner
1	<b>Resourcing</b> Due to the condensed timeframes, Covid/Omicron way of working and other reforms impacting Council e.g. Three Waters, there are inadequate resources available to complete the plan changes leading to plan not being delivered or of low standard.	Likely (4)	Major (4)	Very High 16	Mark Davey
2	<b>Meeting statutory obligations</b> The plan change processes are challenged on the basis it doesn't comply with the Amendment Act and broader RMA and statutory requirements, which could require a rework of plan provisions resulting in a negative impact on reputation, budget, and stakeholder expectations.	Possible (3)	Major (4)	Very high 12	Mark Davey
3	<b>Staff engagement</b> Due to heavy workload pressures and rapidly changing government directives staff engagement may decline.	Possible (3)	Major (4)	Very high 12	Mark Davey
4	<b>Adverse reaction by affected property owners</b>	Almost Certain (5)	Serious (3)	Very high 15	Mark Davey

Risk ID	Risk Description	Likelihood (residual)	Consequence (residual)	Risk rating	Owner
	There are numerous aspects to the various plan changes that are likely to alter existing property rights, which is likely to result in adverse reactions from some landowners.				
5	<b>Balancing competing priorities</b> Due to the legislative requirements and trade-offs required in the agreed plan change approach, Council may not be seen to support other organisational priorities such as affordable housing leading to negative publicity.	Possible (3)	Major (4)	Very High 12	Mark Davey

### Financial Considerations - *Whaiwhakaaro Puutea*

28. The District Plan Programme is funded through the 2021-31 Long Term Plan. The overall budget for the 10-year period is \$13 million, noting that PC5 is separate to the approved District Plan Programme funding. Council recoups the majority of costs incurred for processing private plan changes post-lodgement from the applicants.
29. A financial update for FY23 is presented below as May 31<sup>st</sup> 2023. Staff remain confident that the overall 10-year District Plan Programme budget is sufficient to deliver on the programme as it currently stands, however the projected spend in the current financial year and the overall timing of spend is earlier than budgeted. The Financial Summary report to the February 2023 Finance Committee provides more detail on the District Plan and PC5 expenditure and forecast for 2022/23 year.

	Sum of YTD Actuals (as at 31 <sup>st</sup> May 2023)	Sum of Annual Budget (FY2023)
District Plan Change Programme	\$1,876,543	\$2,464,004

### Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

30. Staff confirm that these matters comply with Council's legal and policy requirements. Overall, staff operate within the RMA 1991 for these plan changes and comply with the relevant processes.
31. Council, along with their Future Proof partners, sought legal advice on the correct application of Te Ture Whaimana – the Vision and Strategy for the Waikato River as a qualifying matter related to PC12. Staff have considered this advice in the context of Hamilton, and this is reflected in the proposed planning approach through PC12.
32. Staff confirm that the District Plan Programme responds to the National Policy Statement on Urban Development (NPD-UD) (2020) and the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act (HSAA) (2021).
33. Staff note that advice is being sought from the Ministry for the Environment officials regarding the requirement to implement the National Planning Standards by 2024 and a possible extension to the decision-making deadline of 31 March 2024 on Hamilton's IPI (Plan Change 12).

## Climate Change Impact Statement

34. Staff have assessed this option and determined that no adaption assessment is required. However, climate change is addressed in each of the plan changes referred to in this report.

## Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

35. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
36. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
37. The recommendations set out in this report are consistent with that purpose.

## Social

38. Social wellbeing is defined as the capacity of individuals, their families, whaanau, iwi, haapu and a range of communities to set goals and achieve them.
39. The proposed approach aligns with 'Our vision for Hamilton Kirikiriroa', which provides direction for shaping a city that's easy to live in, where people love to be, a central city where people love to be, and a fun city with lots to do.

## Economic

40. Economic wellbeing is defined as the capacity of the economy to generate employment and wealth necessary for present and future financial security.
41. The NPS-UD recognises the national significance of providing sufficient development capacity to meet the different needs of people and communities and adequate opportunities for land to be developed to meet community business and housing needs.
42. The NPS-UD and the HSAA require that district plans make room for growth both 'up' and 'out', and that rules are not unnecessarily constraining growth. The intensification directed by Central Government will have a direct impact on housing pressure in Hamilton.
43. Significant investment in infrastructure to support the ongoing growth and development of the city will be required. Decisions which confer additional development rights and enable growth (e.g. PC12), must take into account key factors including environmental limits, legal/policy obligations and infrastructure current and planned capacity which are fundamental considerations to support and enable this growth.

## Environmental

44. Factors that make our cities more liveable (e.g. accessible public transport, great walking and cycling opportunities, ample green spaces and housing with access to services and amenities) can also help reduce our carbon footprint, increase resilience to the effects of climate change and protect ecosystems.
45. Elected Members have agreed the vision to shape Hamilton as a green city.
46. The increases in intensification directed through the HSAA, given effect to through PC12, will place greater pressure on the city's 3-water networks which in turn will necessitate increased investment. Without commensurate levels of investment to support intensification, adverse effects on the Waikato River are likely, which in turn will breach the City's obligations under Te Ture Whaimana.
47. Increases in intensification directed through the HSAA will also lead to greater urban stormwater generation and its effects. PC14 seeks to implement a new management regime to



specifically address how new development responds to flood hazards. PC12 introduces new 'green policies' that aim to mitigate the effects of intensification with respect to urban runoff.

### **Cultural**

48. The NPS-UD and HSAA require councils to plan well for growth and ensure a well-functioning urban environment for all people, communities, and future generations. This includes ensuring urban development occurs in a way that considers the principles of the Treaty of Waitangi (te Tiriti o Waitangi) and issues of concern to hapū and iwi e.g. Te Ture Whaimana – the Vision & Strategy for the Waikato River.
49. Hamilton City Council, under the Joint Management Agreement with Waikato Tainui, has a process in place for collaborating and engaging with Waikato-Tainui in the preparation on plan changes.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

50. Having considered the Significance and Engagement Policy, staff have assessed that the report has a low significance, and no engagement is required.

### **Attachments - *Ngaa taapirihanga***

There are no attachments for this report.

# Council Report

Item 10

**Committee:** Strategic Growth and District Plan Committee

**Date:** 14 June 2023

**Author:** Greg Carstens

**Authoriser:** Blair Bowcott

**Position:** Growth, Funding & Analytics Unit Manager

**Position:** General Manager Growth

**Report Name:** 2024-34 Long-Term Plan Growth Projections

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

1. To inform the Strategic Growth and District Plan Committee of its options regarding a growth projection series to be used as a base in planning and development of the 2024-34 Long Term Plan.
2. To seek the Strategic Growth and District Plan Committee's approval to use the NIDEA High 2021 demographic projections for Hamilton for this purpose.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Strategic Growth Committee:
  - a) receives the report; and
  - b) approves use of the University of Waikato National Institute of Demographic and Economic Analysis (NIDEA) High 2021 demographic projections for Hamilton for the 2024-34 Long Term Plan (Option 1 in the Staff Report).

## Executive Summary - *Whakaraapopototanga matua*

4. Growth projections are required to enable a local authority to prepare the financial and infrastructure strategies stated in sections 101(a) and 101(b) of the LGA. Projections help councils to understand the scale, location and timing of investment to deliver to the needs of the community.
5. Council uses growth projections for several purposes including:
  - i. district planning;
  - ii. the 30-Year infrastructure strategy;
  - iii. capital investment decisions;
  - iv. community facility planning (AMPs);
  - v. calculating development contributions; and
  - vi. rates modelling.
6. Demographic projections are produced by expert demographers using Census data and economic/demographic models, which output population and household projections for a given spatial area.

7. There are only two providers that have access to the required data, technology and the expertise to produce the demographic projections that Council needs – Statistics New Zealand, and National Institute of Demographic and Economic Analysis (NIDEA) at Waikato University.
8. This report presents three options to the Committee for adopting a growth projection series to be used as a base in planning and development of the 2024-34 Long Term Plan – two from NIDEA and one from Statistics New Zealand.
9. The report sets out the key considerations for the Committee at a summary level; it is supported by a detailed technical report (**Attachment 1**). Elected Members attended a briefing on 17 May 2023, which went through this technical detail.
10. Following the analysis of options, staff have concluded that NIDEA High 2021 is the most robust projection for the Council's long-term growth planning, as well as being consistent with Future Proof partners. Staff therefore recommend NIDEA High 2021 for use in the 2024-34 Long-Term Plan.
11. Growth projections, in the context of this report, are a projection of the change in population over time and the demand for housing. Growth projections for non-residential land use are not in the scope of this report; they will be reported to the Council at a later stage.
12. If Council does not adopt a population and household projection, this could delay the long-term planning process and introduce inconsistencies across the development of the financial and infrastructure strategies.
13. Staff consider the matters in this report to have medium significance and that the recommendations comply with the Council's legal requirements.

### Background - *Koorero whaimaarama*

14. Demographic projections are produced by expert demographers such as those at Statistics New Zealand and NIDEA. They use Census data and demographic models to produce population and household projections for a given spatial area, for example territorial authority or at suburb level.
15. Council uses the projection adopted as part of the Long-Term Plan (LTP) process to plan for a growing city; for example, planning for long-term strategic infrastructure for three waters, roading networks, parks and community infrastructure. The projections inform investment decisions including the timing and prioritising of these investments.
16. The projections are also used to calculate revenue over time such as from development contributions and rates and therefore implications for LTP budgets.
17. The current uses of the Council's growth projections in the 2021-31 LTP are shown in Table 1 below.

**Table 1: Core uses of the Council's growth projections**

	Name of model or planning process	Primary growth input	Primary output
Hamilton City Council	Long-Term Plan	Population, households	LTP capital programme and financial strategy
	3-Waters Model	Population	Water consumption informing 3-waters capital programme
	Development Contributions (DC) Model	Households converted to HUEs (Household Unit Equivalents)	DC charges, DC revenue

	Name of model or planning process	Primary growth input	Primary output
	Rates Model	Households converted to SUIPs (Single Units or Inhabited Parts of a rating unit)	Rates charges, Rates revenue projections
	Asset Management Plans (AMPs)	Population, households	Detailed asset management plans
LASS (Waikato TAs) and NZTA	Waikato Regional Transport Model (WRTM)	Population, households	Trip generation informing transport capital programme
Future Proof Partners	WISE Model, NPS-UD HBA	Population, households	Households, land use, and a range of other policy outputs

18. The NIDEA projections are based on the 2018 Census (referred to as NIDEA 2021) and were published on 14 April 2021. A peer review of the projection methodology was undertaken by Auckland Council Research and Evaluation Unit (RIMU) and concluded that the projections are robust and fit-for-purpose.
19. Since being developed, NIDEA 2021 High projections have been widely adopted and used by Future Proof partner councils Waikato District, Hamilton City, Waipā District, and Matamata-Piako District.

### Discussion - *Matapaki*

20. Growth projections are used to guide planning for growth across Hamilton and to ensure that infrastructure is in place to support growth. Projections do not drive market and developer activity; rather they support Council to make decisions on long-term intergenerational investment.
21. There are two main established organisations that produce demographic projections for the Waikato – Statistics New Zealand and NIDEA at University of Waikato.
22. Several consultancy firms provide bespoke demographic projections for the Waikato and Hamilton. However, like Statistics New Zealand, none of these organisations currently provides demographic projections that specifically consider consenting activity, strategic land use planning, local or regional infrastructure development, housing supply, or spatial plans.
23. At present, Census 2018 is the most robust dataset for population projections. It is used by Statistics New Zealand and NIDEA to underpin assumptions. The 2023 Census data is expected to be available in mid to late 2024, meaning that new projections using Census 2023 will not be available in time for the 2024-34 LTP.

### Options Analysis: NIDEA 2021 High and NIDEA 2021 High Updated

24. The NIDEA 2021 High projection is produced for every territorial authority in Waikato Region. The projections include three scenarios (low, medium and high) for population, families and households, and labour force out to 2068.
25. The purpose of the NIDEA demographic projections is to provide a consistent, robust and shared datasets to support regional and local planning and decision making in the region.
26. NIDEA projections use local data and insights to derive Hamilton-centric projections that consider the city's unique experience including its strong population growth driven by internal migration and its relatively young population age structure.

27. In 2022, Future Proof commissioned NIDEA to test the current projections and assumptions by developing two new demographic projection scenarios. The newly developed projection model and assumptions were substantially the same as the original NIDEA 2021 High projections, but considered the following:
  - i. Scenario 1 (NIDEA Updated) updated the international migration flows assumptions to reflect the latest migration data, which showed lower migration than originally projected;
  - ii. Scenario 2 (NIDEA Plus) combines the lower international migration flows with a higher internal migration flows out of Auckland.
28. Of the two new scenarios above, NIDEA recommended that Scenario 1 is likely to be more plausible than Scenario 2, because the assumption of sustained higher out-migration from Auckland is unlikely to hold over the long-term.
29. Therefore, Scenario 2 (NIDEA Plus) has not been presented as an option.
30. Scenario 1 (NIDEA Updated) resulted in projected populations that were slightly lower than the original NIDEA High 2021 population projections for all Future Proof partners, but were materially lower for household projections in the next five years.
31. The Future Proof partners favour original NIDEA 2021 High projections as they anticipate increased demand for housing with the reopening of the border and expect that any economic slowdown will be relatively shallow and short-lived.

#### **Options Analysis: Statistics New Zealand projections**

32. In December 2022, Statistics New Zealand also published a new set of population projections based on the 2018 Census (referred to as Statistics New Zealand). Statistics New Zealand adopts a “top-down” approach to demographic projections. This means that projections are first completed at the national level and are then filtered down to regions, territorial authorities and suburbs.
33. This top-down projection approach does not consider local nuances like consenting trends and city planning. They are based on the estimated population of each area on 30 June 2018, and then incorporate the latest demographic information like births and death registrations, and international travel and migration data.
34. The projections cover the period to 2048 at five-year intervals. Staff then need to break this down to annual intervals. Council also requires projections past 2048 for planning, for example for its 30-year infrastructure strategy.
35. Statistics New Zealand published household projections in December 2021, a year earlier than the population projections. Statistics New Zealand’s household projections are not well aligned to their population projections or with their stated assumption that household size is declining and there will be an increasing number of one person households in the future.
36. Data shows that the projected number of households is increasing at a slower pace than Hamilton’s projected population increase, suggesting that Hamilton households are expected to increase in size as opposed to decreasing.
37. As a result of the misalignment, projection period and lack of local insights, Council staff concluded that the Statistics New Zealand projections are not the best growth projection option for Hamilton.
38. Hamilton’s economy has been proved to be resilient during the Covid pandemic period; the post-covid recovery in Hamilton city is expected to be stronger compared to some other territory authorities. In addition, Hamilton is one of the six high growth areas identified nationally with significant commercial and industrial growth projects in the pipeline.

## National Policy Statement – Urban Development

39. Central Government introduced The National Policy Statement – Urban Development (NPS-UD) to deliver on the objectives of well-functioning urban environments and by ensuring that planning decisions improve housing affordability by supporting competitive land and development markets.
40. The NPS-UD requires councils to analyse their housing and business land capacity and projected demand for each and that the quantum of zoned and serviced land exceeds demand by the required margin.
41. This means when the Council plans for growth, it is required to plan for the demand projection plus a 20% margin in years 1-10 and the demand projection plus 15% margin in years 10-30.
42. If a land shortage is identified (for example, if demand is predicted to be higher than supply due to higher population projections), the NPS-UD requires the Council to increase the supply of serviced and zoned land.

### Consequences of under-projecting growth

43. If Hamilton grows faster than we project, we could expect:
  - i. less zoned and serviced land is available which could result in a less competitive land market;
  - ii. the Council will receive higher than forecast development contributions (DC) revenue and new rates growth. The Council will be in a better financial position than anticipated; and
  - iii. higher than forecast DC revenue means quicker repayment of growth debt. As financing costs are recoverable through DCs, quicker repayment of growth debt means less interest is recovered through DCs and the DC charges would also drop.

### Consequences of over-projecting growth

44. If Hamilton grows slower than we project, we could expect:
  - i. more zoned and serviced land is available which could result in a more competitive land market;
  - ii. the Council will receive lower than forecast development contributions (DC) revenue and new rates growth. The Council will be in a worse financial position than anticipated; and
  - iii. lower than forecast DC revenue means slower repayment of growth debt. As financing costs are recoverable through DCs, slower repayment of growth debt means more interest is recovered through DCs and the DC charges would also rise.

### How can the Council respond if growth is higher or lower than the projections?

45. Growth is constantly monitored. Staff monitor actual consenting levels as well as annual population estimates from Statistics New Zealand. If growth is significantly different to projections, Council can:
  - i. update its projections;
  - ii. amend its capital programme through the Finance Committee;
  - iii. make changes to its Annual Plan; and
  - iv. make changes in its next LTP (2027-37).

## Future Proof alignment

46. It has been widely recognised and agreed that a consistent set of projections across the Future Proof partner councils is critical. In the 2021-31 LTP, all Future Proof partners adopted NIDEA 2020 projections. All partners have indicated their preference to use NIDEA 2021 High projections for the 2023-34 Long Term.

## Options

47. Staff have assessed that there are three reasonable and viable options for the Strategic Growth and District Plan Committee to consider, summarised in Table 2 below:

**Table 2: Growth Projection Options Assessment**

Option name	<b>Option 1 RECOMMENDED</b>	<b>Option 2</b>	<b>Option 3</b>
	<b>NIDEA 2021 High</b>	<b>NIDEA 2021 High Updated</b>	<b>Statistics New Zealand High</b>
<b>Historical accuracy</b> How have previous Hamilton projections compared to reality?	<b>Population:</b> Medium High <b>Households:</b> Medium High  Historically the number of completed homes (CCC) has been well aligned with NIDEA projections.	These projections are based on the NIDEA 2021 High projection (see previous column)	<b>Population:</b> Medium <b>Households:</b> Low  Historically the Statistics NZ High projections were much higher than actuals
<b>Broader implications for HCC</b>	In line with the current LTP and infrastructure strategies, which form a basis of the 2024-34 LTP.	Household projections for the next five years are much lower which has implications for long-term planning. Population projections are not materially different	Adopting household projections that are lower and inconsistent with actual data would lead to compromised land use planning decisions and infrastructure provision.
<b>Suitability</b> Suitable for the Council's core uses of growth projections?	Staff consider this to be the most suitable option. It remains aligned with Council's 2021-31 LTP and 30-year infrastructure strategy. Household projections continue the recent historical trends in dwelling growth.	Low short-term household projections are low and will have implications for long-term planning.	Population projections are much higher than historical actuals while household projections are well below what we expect. This misalignment will be problematic for planning.
<b>Stakeholder acceptability</b> How well known, reputable, and generally accepted is the provider? Are the projections used by other stakeholders?	<b>Medium - high</b> NIDEA is well known, widely used across the Waikato, and broadly respected. Future Proof TLA partners common projection series.	<b>Medium -Low</b> While NIDEA is widely used across Waikato, the Future Proof TLA partners have indicated a preference for NIDEA High 2021.	<b>Medium - Low</b> Statistics New Zealand are held in high regard generally, but their projections not being used by our Future Proof partners and do not take into account local insight.
<b>Transparency and interpretation</b> Are the projections easy to interpret and is the	<b>Medium</b> Information is available through published academic articles and	<b>Medium</b> Information is available through published academic articles and	<b>Medium</b> Information is available through published reports; however, the



Option name	Option 1 <b>RECOMMENDED</b>	Option 2	Option 3
	NIDEA 2021 High	NIDEA 2021 High Updated	Statistics New Zealand High
underlying model transparent to stakeholders?	reports; however, the available demographic models are complex and specialised and experts need to be relied upon.	reports; however, the available demographic models are complex and specialised and experts need to be relied upon.	available demographic models are complex and specialised and experts need to be relied upon.
<b>Internal Consistency</b> Are the projections compatible with other Council users?	<b>Yes</b>	<b>No</b>	<b>No</b>
<b>Methodology</b> How are the projections created?	Uses a “bottom-up” approach that looks at local trends including internal migration, consenting activity and spatial planning.	Uses a “bottom-up” approach that looks at local trends including internal migration, consenting activity and spatial planning. This option assumes lower international migration flows.	Uses a “top-down” approach that estimates growth for New Zealand as a whole before allocating that to regions then territorial authorities. This omits use of much of the rich data available to sharpen projections.
<b>Cost</b>	<b>Minimal</b> NIDEA is commissioned by Future Proof to provide projections and analysis in various areas for all partners. These projections are part of this wider service and not separable.	<b>Minimal</b> NIDEA is commissioned by Future Proof to provide projections and analysis in various areas for all partners. These projections are part of this wider service and not separable.	<b>Nil</b>

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48. In addition to the summary above, there is a small difference between the three population projections over the LTP period:

	Projection	Population by 2034
<b>Option 1 RECOMMENDED</b>	NIDEA 2021 High	215,300
<b>Option 2</b>	NIDEA 2021 High Updated	213,200
<b>Option 3</b>	Statistics New Zealand High	220,300

49. The difference between the three projections in the LTP period is material; over the long-term, the Statistics New Zealand projection is nearly 200 dwellings per year lower than the NIDEA projections. Over the 10 years of the LTP this equates to about 1300 fewer dwellings in Hamilton despite projecting higher levels of population growth.
50. The NIDEA 2021 High Updated projection expects a significant decline in new households in the next three to four years. Cumulatively, this adds up to nearly 500 fewer homes in the next three years.
51. Accordingly, staff recommend the original NIDEA 2021 High population projection for Hamilton to be used for the purpose of planning and the development of the 2024-34 Long Term Plan.

This aligns with current trends in population estimates and aligns best with staff's assessments of expected population growth trajectory.

### **Financial Considerations - *Whaiwhakaaro Puutea***

52. There are no direct financial considerations in relation to the recommendation in this report. However, there are broad financial implication in terms of infrastructure provision and funding referred to in the prior section, particularly if a different growth projection series is adopted as opposed to the one recommended by staff.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

53. The National Policy Statement – Urban Development (NPS-UD) requires councils to assess their capacity for housing and business use in the short, medium and long term. This assessment includes analysis of demand, driven by household projections, compared with the amount of land enabled for these uses and supplied or planned with infrastructure. A 20% margin of supply above demand is required in years 1-10 and a 15% margin in years 10-30.
54. If a land/development capacity is identified (i.e. demand is predicted to be higher than supply), the NPS-UD requires the Council to increase development capacity through a plan change or other mechanisms (such as infrastructure investment) to increase the supply of land and development capacity.
55. For example, given the city's significant and ongoing financial commitments to enable greenfield residential growth in Peacocke, Rotokauri and Ruakura, a Council response (aligned with the HUGS focus on intensification) would be to allocate further infrastructure investment to enable the existing zoned capacity within infill areas of the city to ensure that enough development capacity to meet demand (plus the required buffers) is provided.
56. There are no legal considerations in relation to the recommendations in this report, therefore staff confirm that the recommendation complies with the Council's legal and policy requirement.

### **Climate Change Impact Statement**

57. There are no known climate risks or adaption opportunities associated with this option.
58. Growth projections are simply a best estimate of future growth and do not in and of themselves create climate risks. Mitigation and adaption will be addressed at the underlying land use activity level.
59. The basic or detailed emission assessment has not been undertaken for this option as the detailed framework is in development (confirmed by the Sustainability and Climate Change Senior Advisor).
60. Growth projects are simply a best estimate of future growth and do not in and of themselves create climate risks. Emission effects will be addressed at the underlying land use activity level.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

61. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').

62. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below. The recommendations set out in this report are consistent with that purpose.
63. Growth projections form the base of planning for our community.
64. Providing the right amount of infrastructure, particularly community infrastructure, is vital to the social, economic, environmental and cultural wellbeing of Hamiltonians. Providing too little can be detrimental, while providing too much could result in increased costs for residents in the form of rates and service charges.
65. Staff are confident that the NIDEA High 2021 growth projection recommended in this report is the most appropriate for planning in the 2024-34 LTP and will allow the Council to ensure that the four wellbeings are well supported.

### **Social**

66. Growth projections are demographic projections, including age/sex and the makeup of households in Hamilton over time. Growth projections assist in planning infrastructure and services in anticipation of a growing and changing city.

### **Economic**

67. The projections help the Council to plan appropriate services and development capacity for a growing and changing city. Appropriate services and development capacity help enable economic growth.

### **Environmental**

68. The growth projections are crucial to informing how the city will grow and help inform Council's ability to plan or mitigate the environmental impacts this growth might cause.

### **Cultural**

69. Cultural wellbeing is enabled by planning for city infrastructure and services to acknowledge and support their local communities' shared cultural attributes.

### **Risks - *Tuuraru***

70. If the Council were to delay its growth projection adoption now, it may introduce material risks to the timely adoption of its 2024-34 LTP due to multiple internal and external data models relying on the adoption of growth projections eg. Growth Model, Development Contribution Model, Asset Management Planning, 3 Waters Model and Transport Model etc.
71. If growth is significantly different to the projections, there are broad financial implication in terms of infrastructure provision, funding and timing.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

#### **Significance**

72. Growth projections underpin Council's long-term planning and are therefore of significance to Council's ability to perform its role and plan for investment.
73. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a medium level of significance.

### **Engagement**

74. Community views and preferences are already known to the Council through the consultation and verbal submissions in the Long-Term Plan process.
75. Given the medium level of significance determined, the engagement level is medium. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

Attachment 1 - 2024-34 LTP Growth Projections - Technical Report

# Memo

Item 10

## Growth Funding & Analytics Unit

<b>To:</b>	Strategic Growth and District Plan Committee		
<b>Title:</b>	2024-34 Long-Term Plan Growth Projections report - technical memo		
<b>From:</b>	Growth Funding & Analytics Unit, Growth Group		
<b>Author:</b>	Andy Zhao, Analytics Programme Manager		
<b>Subject:</b>	Growth projections		
<b>Date:</b>	14 June 2023	<b>File:</b>	

### 1.0 Purpose of this Memo

1. This memo outlines the technical information of the providers and methodologies used for residential growth projections which include population and dwelling projections.
2. Non-residential projections are not addressed directly in this memo despite they are driven in part by population. Non-residential projections are for jobs, labour force, and new commercial/industrial GFA which have specific uses - predominately for transport modelling and in the DC model. These will be reviewed and reported later in the LTP process through those workstreams.

### 2.0 Background

3. Growth projections are a projection of the change in population over the long time (50 years) and the demand for housing.
4. Growth projections are required to enable a local authority to prepare the financial and infrastructure strategies stated in sections 101(a) and 101(b) of the LGA. Projections help councils to understand the scale, location and timing of investment to deliver to the needs of the community.
5. Council uses the projection adopted as part of the Long-Term Plan (LTP) process to plan for a growing city, for example, planning for long-term strategic infrastructure for three waters, roading networks, parks and community infrastructure. The projections inform investment decisions including the timing and prioritising of these investments.
6. The projections are also used to calculate revenue over time such as from development contributions and rates. They therefore also have an impact on LTP budgets.
7. The accuracy of the growth projections will impact the efficiency and effectiveness of infrastructure and land use planning. However, Council has resilience and can adjust to over or under projecting growth via Annual Plan or Long Term Plan cycles.
8. The current uses of the Council's growth projections in the 2021-31 LTP are shown in Table 1 below.

Attachment 1

Table 1: Core uses of the Council's growth projections

	Name of model or planning process	Primary growth input	Primary output
Hamilton City Council	Long-Term Plan	Population, households	LTP capital programme and financial strategy
	3-Waters Model	Population	Water consumption informing 3-waters capital programme
	Development Contributions (DC) Model	Households converted to HUEs (Household Unit Equivalents)	DC charges, DC revenue
	Rates Model	Households converted to SUIPs (Single Units or Inhabited Parts of a rating unit)	Rates charges, Rates revenue projections
	Asset Management Plans (AMPs)	Population, households	Detailed asset management plans
LASS (Waikato TAs) and NZTA	Waikato Regional Transport Model (WRTM)	Population, households	Trip generation informing transport capital programme
Future Proof Partners	WISE Model, NPS-UD	Population, households	Households, land use, and a range of other policy outputs

9. This memo compares population and household projections between two main providers, being NIDEA and Statistics New Zealand.
10. Demographic projections are produced by expert demographers such as those at Statistics New Zealand and NIDEA. They use Census data and demographic models to produce population and household projections for a given spatial area, for example territorial authority or at suburb level.
11. The NIDEA projections are based on the 2018 Census (referred to as NIDEA 2021) and were published on 14 April 2021. A peer review of the projection methodology was undertaken by Auckland Council Research and Evaluation Unit (RIMU) and concluded that the projections are robust and fit-for-purpose.
12. Since being developed, NIDEA 2021 High projections have been widely adopted and used by Future Proof partner councils Waikato District, Hamilton City, Waipā District, and Matamata-Piako District.

### 3.0 Limitations of Projections

13. Projections are not predictions or forecasts. Projections are designed to meet both short-term and long-term planning needs but are not designed to be exact forecasts or to predict specific annual variations. Demographic Projections are based on assumptions made about future fertility, mortality, migration, and living arrangement type patterns of the population. Although assumptions are carefully formulated to represent future trends, they are subject to uncertainty. Therefore, the projections should be used as informed assumptions and an indication of likely future trends, rather than as exact forecasts.



*"All models are wrong, some are less wrong than others".* George E. P. Box, British mathematician.

#### 4.0 Options Analysis

##### Providers of demographic projections

14. There are two main reputable organisations that produce demographic projections for the Waikato – Statistics New Zealand and NIDEA at University of Waikato.
15. A number of consultancy firms also provide bespoke demographic projections for the Waikato and Hamilton, including Deloitte and Informetric.
16. These organisations all provide demographic projections that are based on assumptions relating to demographic trends, migration, births/deaths, etc; none specifically consider consenting activity, strategic land use planning including local or regional infrastructure development, housing supply, spatial plans, or economic factors (with the exception of Infometrics, who include regional employment forecasts to inform net migration projections).
17. At present, Census 2018 is the most robust dataset for population projections. It is used by Statistics New Zealand and NIDEA to underpin assumptions. The 2023 Census data is expected to be available in mid to late 2024. The timing of data availability means that new projections using Census 2023 will not be available in time for the 2024-34 LTP.

##### Key components of demographic projections

18. Academically, there are three key components included in producing demographic projections which are Nature Increase, Regional (Internal) Migration, and Net International Migration.
19. Nature increase assess the fertility (birth) rate and mortality (death) rate on existing population based on Census information. The method of projecting nature increase is often consistent among different demographic research agencies.
20. Regional migration reflects the inter-regional flow of the existing population in the country. It is normally measured by comparing the results of consecutive Census release. Agencies could employ different approaches to project the future movement such as the top-down method used by Statistics New Zealand and bottom-up method used by NIDEA.
21. It is commonly recognised that the projection of net international migration has the most difficulty due to the high level of uncertainty on future government policy intervention. Different assumptions are often made by different research agencies.
22. The assessment of the demographic projections should consider all three components above.

##### NIDEA 2021 High and NIDEA 2021 High Updated

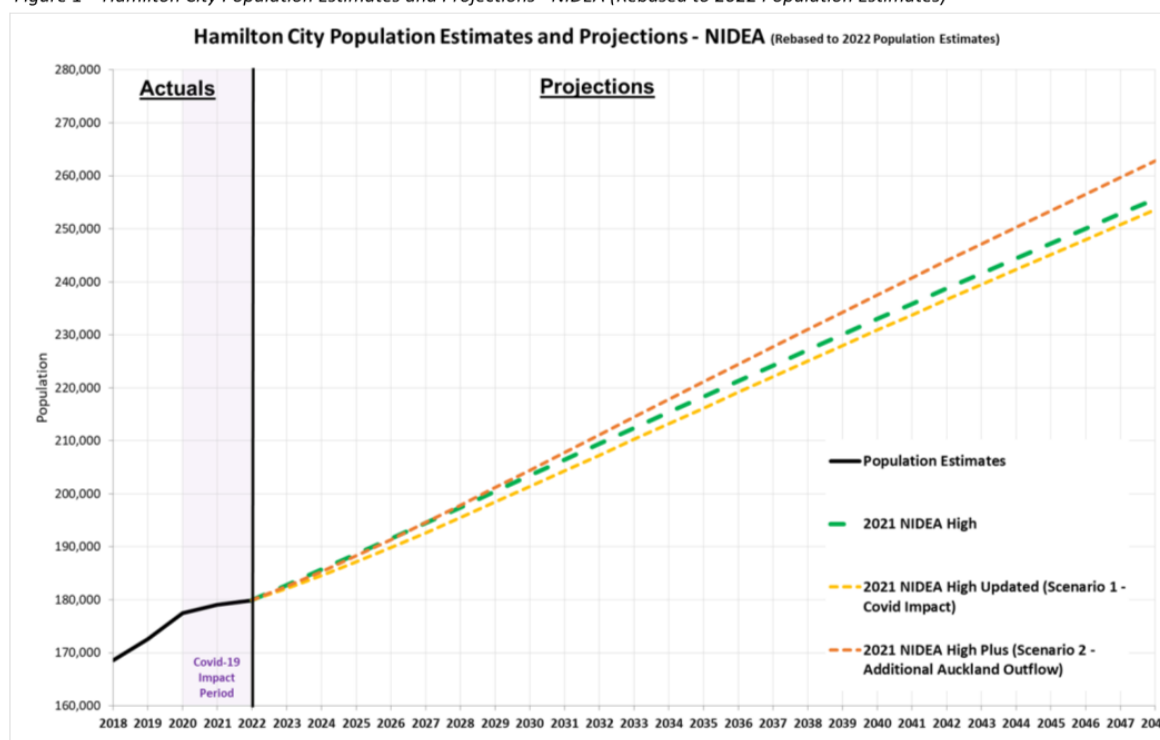
23. Initial work on of NIDEA projection approach was started in 2015 and created the first set of consistent projections for the Waikato based on the 2013 census data.
24. The purpose of the NIDEA demographic projections is to provide a consistent, robust and shared datasets to support regional and local planning and decision making in the Waikato region.
25. The NIDEA 2021 projections provide demographic projections (based on the 2018 Census) for the whole of the Waikato Region and all the territorial authorities that are wholly or substantively contained within the region. The demographic projections include three

scenarios (low, medium and high) for each of population, family and household, and labour force, to a projection horizon of 2068.

26. The projection was completed by applying a newly developed Multi-regional Cohort Component Model that covers the whole of New Zealand (except the Chatham Islands Territory) and incorporates separate components of population change for internal migration flows (based on a gravity model) and international migration flows (immigration and emigration).
27. Cohort Component Model is the most common methodology used to generate population projections in the last one hundred years.
28. The nature increase was projected by examining the fertility (birth) rate and mortality (death) rate on existing population based on 2018 Census information.
29. The regional migration incorporated separate components of population change using 2013 and 2018 Census data for internal migration flows (based on a gravity model) on each pair of TAs.
30. International migration flows represent the most challenging component of population change to project, due to the extensive uncertainty over their future trajectory. NIDEA concluded the use of ARIMA model (simple exponential smoothing) over the period from 1990-2020.
31. Overall, NIDEA model is a bottom-up model, which gives the consideration of local growth and insights.
32. The NIDEA projections and the methodologies including the newly developed multi-regional cohort component model was thoroughly peer reviewed by the Research and Evaluation Unit (RIMU) at Auckland Council.
33. The peer review received by the council at their meeting on 20th May 2021 concluded that – in the context of demographic projections where the future cannot be known with certainty and without having access to more detailed data – it is considered that the NIDEA 2021 demographic projections are reasonable, and the methodology used is robust.
34. Since developed, NIDEA 2021 High demographic projections have been widely accepted and adopted by Future Proof partner councils including Waikato District, Hamilton City, Waipā District, and Matamata-Piako District.
35. The TAs are projected to have slightly different trajectories, with different mechanisms underlying their patterns of growth and decline. Waikato, Matamata-Piako, Waipā, and Taupō Districts are projected to experience population growth driven by internal migration along with an ageing population. Hamilton is projected to experience strong population growth driven by internal migration along with maintaining a relatively young population age structure.
36. Overall, the number of households is projected to closely follow the trajectory of the population for each territorial authority but made up of fewer couples with children and two-parent families, and more one-parent families and one-person households.
37. The overall picture in the demographic projections is one of regional population growth throughout the projection period. However, that growth is projected to be slower for most territorial authorities (TAs) than their recent experience. For the most part, that can be attributed to a 'reset' in net international migration because of the Covid-19 pandemic and associated border closures. Covid-19 has caused a substantial shift in population trajectory for the Waikato Region and its territorial authorities.

38. Therefore, the Waikato Regional Council (WRC), on behalf of the Future Proof partner councils (Waikato District, Hamilton City, Waipā District, and Matamata-Piako District), approached NIDEA to develop two new demographic projection scenarios.
39. The NIDEA newly developed projection model and assumptions are substantially the same as the original NIDEA 2021 High projections from an earlier set of demographic projections. However, the two new scenarios differ in the following ways:
40. Scenario 1 (NIDEA Updated) updates the international migration flows assumptions to account for new data available since the previous projections (as the actual data show lower than projected international migration).
41. Scenario 2 (NIDEA Plus) combines the lower international migration flows with a higher assumed net internal migration outward from Auckland.
42. Figure 1 shows a comparison of population projections on the original 2021 NIDEA High, 2021 NIDEA High Updated and 2021 NIDEA High Plus.

Figure 1 – Hamilton City Population Estimates and Projections - NIDEA (Rebased to 2022 Population Estimates)



43. Out of the two new scenarios above, NIDEA recommended that Scenario 1 is likely to be more plausible than Scenario 2, because the assumption of sustained higher out-migration from Auckland is unlikely to hold over the long term.
44. However, Scenario 1 results in projected populations that are lower than the original NIDEA High 2021 projections for all FutureProof partner TAs.
45. The Future Proof partners favours NIDEA 2021 High demographic projection as higher demographic growth is anticipated in the short and medium term following the recovery of economy and boarder opening post Covid.

46. The 2018-based Waikato land use, population, household, employment and economic projections will be updated following the 2023 Census, at regional, district and local areas (SA2) level. Results expected in late 2024.

#### Statistics New Zealand 2021 Projections

47. In December 2022, Statistics New Zealand also published a new set of population projections based on the 2018 Census (referred to as Stats NZ 2022).
48. Stats NZ 2022 population projections are based on the estimated resident population of each area on 30 June 2018, and then incorporate the latest demographic information including national population projections released on 27 July 2022, subnational population estimates, births and death registrations, and international travel and migration data.
49. Like NIDEA, Cohort Component Model was adopted by Statistics New Zealand to produce the population projections.
50. The nature increase was projected by examining the fertility (birth) rate and mortality (death) rate on existing population based on 2018 Census information.
51. The regional migration followed the top-down approach projects the population at the national level first, using a national-level model, then projects each sub-national area either separately or as part of a multi-regional model. The sub-national projections in a top-down approach are constrained to sum to the previously determined national projection.
52. The component of projecting international migration has been simplified by Statistics New Zealand. In the short term, median annual net migration is assumed to be -2,000 in the year ended June 2023, gradually rising to the long-term median net migration of 25,000 in 2026 and beyond.
53. Overall, Statistics New Zealand's top-down approach means that projections are first completed at the national level; these subsequently serve as a constraint for projections for territorial authority areas.
54. The advantages of the top-down approach include publishing higher geographic area estimates/projections more quickly and avoiding implausible estimates/projections at higher geographic levels. However, the accuracy of subnational population estimates/projections is affected by the accuracy of those at the national level.
55. In addition, a top-down projection approach unfortunately could potentially miss the opportunities to address the most recent development pattern and the future growth insights at a local level.
56. The released Statistics New Zealand projections cover the period to 2048 however only at five-year intervals, which means that the end user will have to identify their own methodology to interpolate the years within the intervals
57. Stats NZ published household projections on 15 December 2021, a year earlier than the population projections. Therefore, the household projections did not have the opportunity to be aligned with Stats NZ 2022 population projections. The household projections were based on 2018 Census and derived from the projections of family and non-family living-arrangement types, along with assumptions about the average number of families per household and the average number of people in other multi-person households. The result was produced for five-yearly intervals.

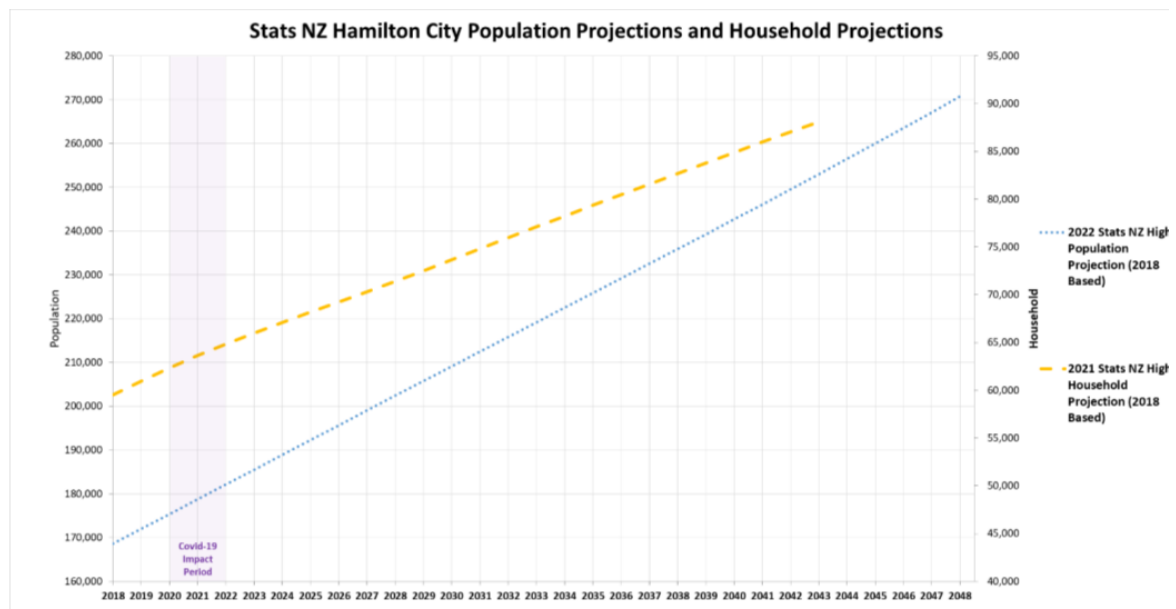


58. The published Stats NZ household projections only covers the period to 2043 at five-year intervals, which was 5 years short to the population projection period. The year within the intervals also needs to be interpolated by the end user.
59. There is a clear disparity between Stats NZ's population projection and household projection. Figure 2 shows a clear trend that the projected household increase is at a slower pace than the projected population increase over the projection period for Hamilton, which means the household formation rate (the density of a household) is expected to increase overtime. However, this contradicts to the following facts highlighted by Stats NZ.

*"Average household size is projected to slowly decrease between 2018 and 2043, from 2.7 to 2.6 people per household. Declining average household size is projected for all regions, and most TAs and ALBs. This reflects either an increasing proportion of one-person households or a decrease in the average size of family households for each area, or both."*

60. Council staff concluded that the Stats NZ 2022 population projections and 2021 household projections are not a viable alternative.

Figure 2 – Hamilton City Population Estimates and Projections, Household Projections –Statistics NZ



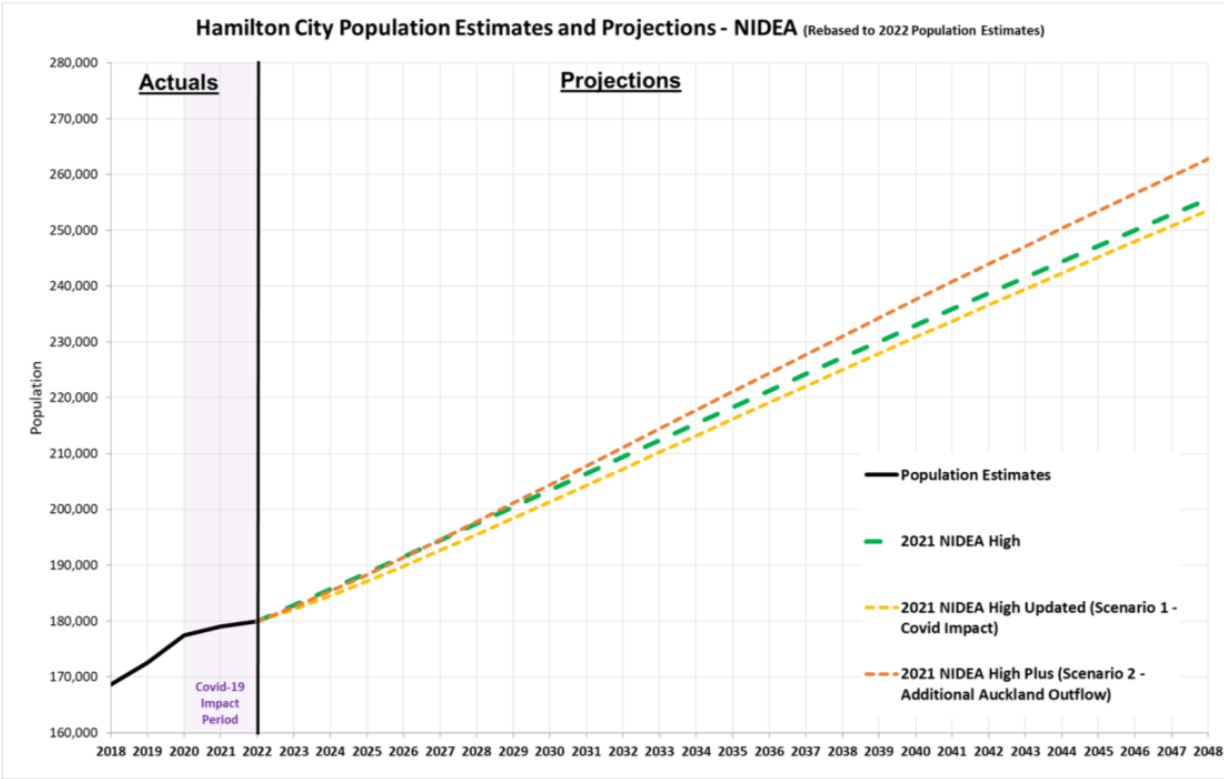
### Population Projections

61. In particular, the NIDEA model is a bottom-up model, projecting all TA populations in New Zealand, from which a national total population projection can be derived. In comparison, SNZ uses a top-down approach, where a national projection is created first, and then TA-level projections are produced later, conforming to an adding-up constraint that their sum must match the national projection.
62. The Waikato model also differs in disaggregating internal and international migration flows, using a gravity model based approach to determine the internal migration flows. This represents a substantial improvement in projections methods from the standard approach of projecting net migration.
63. Statistics New Zealand releases subnational population estimates for each TA as of June every year in October. Subnational population estimates give the best available measure of

the population by 67 territorial authority areas. The latest subnational population estimates of June 2022 was released on 25th October 2022.

- 64. According to Statistics New Zealand, the net international migration gain in the year to March 2023 was 65,440, which was more than two times of Statistics New Zealand’s international migration assumption (25,000).
- 65. In the meantime, the net international migration assumption of 2021 NIDEA High is 41,000 which is more aligned with the long run average of 39,397 between 2013 to 2023.
- 66. Figure 3 below illustrates and compares the projections of 2021 NIDEA High, 2021 NIDEA High Updated (Revised 1), 2021 NIDEA High Plus (Revised 2), which have all been rebased to the 2022 Population Estimates for Hamilton city.

Figure 3 – Hamilton City Population Estimates and Projections – NIDEA & Statistics NZ - Rebased to 2022 Population Estimates



- 67. Table 2 below illustrates the annual (fiscal year) difference in population projections between the NIDEA 2021 High (2022-23 AP and 2023-24 AP adopted), NIDEA 2021 High Updated and NIDEA 2021 High Plus scenarios across the 2024-34 LTP 10-year timeframe. NIDEA 2021 High Updated scenario shows 2,157 fewer people where NIDEA 2021 High Plus scenarios shows 2,428 more people at the end 10-year timeframe in 2034.

Table 2 – Annual (Fiscal Year) Hamilton City Population Projections – Rebased to 2022 Population Estimates



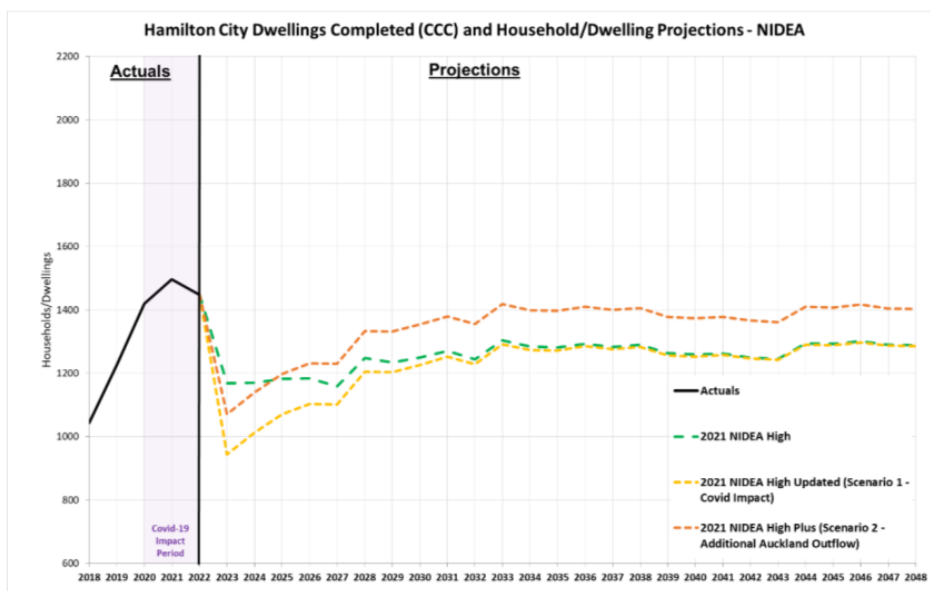
Cumulative Population Projections (2022 PE Rebased)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
2021 NIDEA High (Rebased PE 2022)	182,818	185,697	188,604	191,538	194,495	197,471	200,454	203,441	206,431	209,419	212,404	215,379
2021 NIDEA High Updated (Scenario 1 - Rebased PE 2022)	182,133	184,542	187,125	189,837	192,642	195,513	198,424	201,362	204,318	207,284	210,255	213,223
Variance against 2021 NIDEA High	-685	-1,155	-1,478	-1,700	-1,853	-1,958	-2,030	-2,080	-2,113	-2,135	-2,149	-2,157
2021 NIDEA High Plus (Scenario 2 - Rebased PE 2022)	182,528	185,328	188,300	191,399	194,589	197,844	201,138	204,455	207,789	211,130	214,473	217,807
Variance against 2021 NIDEA High	-290	-369	-303	-138	95	373	683	1,014	1,358	1,711	2,068	2,428

68. For Scenario 2, the methods and assumptions used to convert the population projections into family and household projections, and labour force projections, are the same as for the original demographic projections. Thus, Scenario 2 projections simply incorporate the changes in net internal migration and net international migration flows applied at the level of the population projections. Scenario 2 projected 15.2% more internal migration flows from Auckland to Hamilton compared to the original 2021 NIDEA High projections.
69. As a result, Scenario 2 projected 12,292 more people at the end of the full projection period in 2068, which is implausible.
70. Despite NIDEA recommended that Scenario 1 is likely to be slightly more plausible than Scenario 2, however, Scenario 1 results in projected populations are lower than the original NIDEA High 2021 projections by only 1,595 people for the full projection period in 2068.
71. Hamilton's economy has been proved to be resilient during the Covid pandemic period, the post-covid recovery in Hamilton city is expected to be stronger compared to some other Territory Authorities. In addition, Hamilton is one of the six high growth areas identified nationally with significant commercial and industrial growth projects in the pipeline.
72. Accordingly, staff recommend the original NIDEA 2021 High population projection for Hamilton to be used for the purpose of planning and the development of the 2024-34 Long Term Plan. This aligns with current trends in population estimates and aligns best with staff's expected population growth trajectory.

### Household Projections

73. Household/dwelling growth drives the Councils' growth planning and capital investment, yield/uptake analysis and revenue.
74. Household projections are an output of a demographic model, which considers population cohorts and household living arrangement types to determine and project the number of households per year. Councils use growth in household projections as a proxy for the number new dwellings that are expected to be built in any given year.
75. Household projections are infrequently updated/generated, often only once or twice between every 5-year Census period or on demand.
76. Figure 4 below illustrates and compares the projections of 2021 NIDEA High, 2021 NIDEA High Updated (Revised 1), 2021 NIDEA High Plus (Revised 2), which are projected net additional dwellings completed every year.

Figure 4 – Hamilton City Dwellings Completed (CCC) and Household/Dwelling Projections - NIDEA



77. Table 3 below illustrates the annual (fiscal year) difference in the household/dwelling projections between the NIDEA 2021 High (the 2021-31 LTP, 2022-23 AP and 2023-24 AP adopted), NIDEA 2021 High Updated and NIDEA 2021 High Plus scenarios across the 2024-34 LTP 10-year timeframe. NIDEA 2021 High Updated scenario shows 784 fewer dwellings/households completed where NIDEA 2021 High Plus scenarios shows 743 more dwellings/households completed at the end 10-year timeframe in 2034.

Table 3 – Annual (Fiscal Year) Hamilton City Additive Household/Dwelling Projections

Household/Dwelling Projections	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
2021 NIDEA High (Rebased PE 2022)	1,168	1,170	1,183	1,183	1,159	1,248	1,235	1,250	1,270	1,244	1,303	1,284	14,691
2021 NIDEA High Updated (Scenario 1 - Rebased PE 2022)	943	1,012	1,070	1,103	1,101	1,205	1,204	1,226	1,252	1,229	1,291	1,274	13,911
Variance against 2021 NIDEA High	-225	-158	-112	-80	-58	-42	-31	-23	-18	-14	-12	-11	-784
2021 NIDEA High Plus (Scenario 2 - Rebased PE 2022)	1,070	1,139	1,198	1,231	1,229	1,334	1,332	1,354	1,379	1,356	1,418	1,399	15,434
Variance against 2021 NIDEA High	-98	-31	15	48	70	86	97	104	109	113	114	115	743

78. Same as population projections above, Scenario 2 projected 4,487 more dwellings/households than NIDEA 2021 High at the end of the full projection period in 2068, which is implausible.
79. Despite NIDEA recommended that Scenario 1 is likely to be slightly more plausible than Scenario 2, however, for the same full projection period ends 2068, Scenario 1 projected 811 fewer dwellings/households compared to NIDEA 2021 High. However, 784 or 97% of the total variance was projected between 2023 and 2034 which covers the next LTP period.
80. Although Hamilton's housing is heading to a downturn following the cooling down of macro economy and RBNZ's battle against high inflation, due to the location and affordability comparing to Auckland, the housing demand in Hamilton is expected to rise in the medium to long term.
81. Accordingly, staff recommend the NIDEA 2021 High scenario for Hamilton to be used as a base input in planning and development of the 2024-34 Long Term Plan. This aligns with the above trends of population projections and aligns best with staff's expected dwelling/household growth trajectory.

#### Future Proof

82. The NIDEA 2021 projections has been adopted by all Future Proof partners in 2021-31 Long Term Plan, and it has been indicated as the most favourite option for 2023-34 Long Term Plan by all partners again.
83. It has been widely recognised and agreed that a consistent set of projections across the Future Proof partner councils is critical.
84. When the Future Proof Strategy 2022 was approved by the Future Proof Implementation Committee in June 2022, the Committee resolved that further work should be undertaken to test the existing population and employment projections to specifically include a scenario which tested more rapid growth, particularly increased outwards migration from Auckland than has previously been considered.
85. A brief of work was prepared for the University of Waikato to undertake the work required for the FPIC resolution. This brief was reviewed by Future Proof Policy and Planning Working Group. The brief sought a projection which addresses the current negative level of international migration (with an assumption that this will 'decay' back to assumed projections over time) (Scenario 1), and a higher projection based on an assumption of more growth coming from Auckland (Scenario 2). For Scenario 2, the higher projection was based solely on this higher assumed internal migration component.
86. At their 9th of September 2022 meeting, Senior Managers Steering Group provided feedback on whether the TA partners are still intending to use the 'high' projection for their planning purposes as currently agreed. At this stage the intention is that the partners will continue to use the 'high' projection. The alternative projections will provide the ability to sensitivity test our existing assumptions in line with the Future Proof Implementation Committee resolution.

# Council Report

**Committee:** Strategic Growth and District Plan Committee  
**Date:** 14 June 2023  
**Author:** Hannah Windle  
**Authoriser:** Blair Bowcott  
**Position:** Special Projects Manager  
**Position:** General Manager Growth  
**Report Name:** General Updates

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

- To inform the Strategic Growth and District Plan Committee of general updates and matters that staff want to bring to Members' attention, but that do not require discussion. The report is taken as having been read.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

- That the Strategic Growth and District Plan Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

- This report provides general updates to Strategic Growth and District Plan Committee Members on activities, actions or projects for which this Committee and the relevant General Managers have responsibility.
- Topics are grouped under themes as follows:

Theme	Topic
Strategic infrastructure	<i>See the Strategic Issues report for an update on items including the Southern Wastewater Treatment Plant</i>
Housing	31 May 2023 Housing briefing Waikato Community Lands Trust
Funding / financing	<i>See the Strategic Issues report for an update on Infrastructure Funding &amp; Financing (IFF) Loan/Levy</i>
Collaborative relationships	Regional round-up
Others	DC refund update

- Elected Members and staff continue to participate in several collaborative forums across the sub-region, region and at a national level.
- These meetings are underway for the new triennium, with the early focus on the impacts of central government reform, opportunities for shared work programmes (related to the upcoming LTP), and information sharing.

7. A briefing scheduled for 31 May 2023 for key stakeholders in the Waikato with an interest in affordable housing outcomes will aim to clarify the role and function of each group within the housing ecosystem and gain alignment on key actions/initiatives that each group is taking.
8. Staff consider the decisions in this report have low significance and that the recommendations comply with Council's legal requirements.

## Discussion - *Matapaki*

### Housing

9. Following the independent review of Council's role in housing, staff have implemented structural and operational changes to give effect to several of the recommendations identified in the report, and to ensure that Council is appropriately resourced and set up to deliver on the wider outcomes Council is seeking for housing.
10. On 31 May 2023, Council is facilitating a meeting between key stakeholders in the Waikato with an interest in affordable housing outcomes. These include the Waikato Housing Initiative, Waikato Community Housing Lands Trust, Kainga Ora, Ministry of Social Development and WISE Group. The aim of this meeting will be to gain clarity on the role and function of each group within the ecosystem and to gain alignment on key actions/initiatives which each group is taking.
11. For Hamilton City Council, the key areas of focus to facilitate affordable housing outcomes fall in the areas noted below. Once the new resourcing is in place, staff will be reporting back to this Committee regarding the core initiatives and related work programme. Staff are already committed, under previous resolutions, to develop a plan change to implement inclusionary zoning. This work will re-commence following PC12 hearings in September with a target of notifying a plan change mid-2024 (subject to funding).
  - i. **Regulatory Tools and Levers** including:
    1. Inclusionary Zoning
    2. Development Bonuses
    3. District Plans rules and Development Controls
    4. Consenting Processes
    5. A Sub-regional Response
  - ii. **Financial Tools and Levers** including:
    1. Infrastructure Investment
    2. Development Contributions
    3. An Affordable Housing Fund
  - iii. **'Direct' Action** including:
    1. Exemplar Projects
    2. City Centre revitalisation/IAF
    3. Strategic Land Acquisitions
    4. Effective Partnerships
    5. Grow Council Capability and Knowledge of Development
  - iv. **Fairfield-Enderly** including:
    1. Redevelopment vs Regeneration
    2. An Effective HCC KO Partnership
    3. Council LTP and Resource Alignment.

### **Waikato Community Lands Trust (WCLT)**

12. The WCLT is in the process of entering into an MOU with Habitat for Humanity (Central Region) to provide property management and operational support to the Trust.
13. WCLT has committed to the purchase of 4 units in Firth Street, Hamilton, within a block of 8. Settlement is scheduled for 26 May 2023. Habitat's assistance will obviously be useful to progressing further arrangements in terms of affordable housing, including potentially leasehold/secure home arrangements.

### **Collaborative relationships**

14. Elected Members and staff continue to participate in several collaborative forums across the sub-region, region and at a national level.
15. These meetings are underway for the new triennium, with the early focus on the impacts of central government reform, opportunities for shared work programmes (related to the upcoming LTP), and information sharing.
16. The groups that Council participates in include:
  - i. Waikato Mayoral Forum
  - ii. Future Proof Implementation Committee
  - iii. Waikato Plan
  - iv. Upper North Island Strategic Alliance (UNISA)
  - v. Zone 2
  - vi. Metro Sector
  - vii. Cross-boundary discussions with Waikato District Council, Waipa District Council and Waikato Regional Council.

### **Regional relationships**

#### ***Waikato Mayoral Forum***

17. The last Waikato Mayoral Forum was held on 22 May 2023.
18. This meeting discussed the potential Mayoral Forum work programme for the triennium that will complement the triennial agreement.
19. The Waikato Housing Initiative Chief Executive, Aksel Bech, attended to present on their work programme and priorities to work towards delivering affordable housing.

#### ***Future Proof Implementation Committee (FPIC)***

20. The last FPIC meeting was held on 9 March 2023.
21. The next meeting is scheduled for 23 June 2023.

#### ***Waikato Plan***

22. The future of the Waikato Plan is currently being considered.
23. A proposal for whether the Plan will continue in its current form will be considered at the 14 June meeting of the Waikato Regional Council.

#### ***UNISA***

24. There have been ongoing discussions between UNISA partners on the scope of the forward work programme.
25. Hamilton City Council staff have been providing guidance to the secretariat on pieces of collaborative work that would add value and are of an Upper North Island scale.



**Zone 2**

26. The last Zone 2 meeting was held on 13 May 2023.
27. Several speakers attended the meeting including:
  - i. Te Whatu Ora – Health New Zealand speaking about localities and engagement with local government;
  - ii. Local Government NZ – Provided an opportunity to hear from the LGNZ national representatives on any updates, work and current issues;
  - iii. The NZ Infrastructure Commission, Te Waihangā – Provided an opportunity to discuss infrastructure planning considerations with Ross Copland (CEO), and receive and update on the work the Commission does;
  - iv. DIA – An update from GM Policy and Operations Richard Ward on latest news and central government direction.

**Metro Sector**

28. The last combined Sector Meeting was held on 24/25 May 2023.
29. The meeting focused on the latest report from the Future for Local Government Review Panel, with a presentation from the Minister of Local Government.
30. The report will be released on 21 June 2023.
31. National Party Minister Nicola Willis also presented on [“Going for Housing Growth – National’s plan to unlock land for housing, build infrastructure, and share the benefits of growth”](#).

**Cross-council governance meetings**

32. The Waipa District Council and HCC governance meeting scheduled for 31 March 2023 was cancelled. The next scheduled meeting is on 23 June 2023. Communication between the two councils’ staff will continue in the interim to ensure both councils can share information and are aware of matters which have cross-boundary impacts.
33. The last Waikato Regional Council and HCC meeting was held on 26 April 2023. Discussions at the meeting covered:
  - i. Long-term plan processes and sub-regional opportunities;
  - ii. Hamilton Metro Prospectus;
  - iii. Central Government Reform Updates;
  - iv. Catchment Management;
  - v. Public Transport.
34. The last Waikato District Council and Hamilton City Council governance meeting was held on 24 March 2023, and the next meeting is scheduled for 4 July 2023.
35. Staff from all councils continue to liaise on matters of mutual interest, including development on and around the city boundary, LTP development and opportunities for sharing information.

## **Other**

### **Development Contributions interest rate refund**

36. On 10 August 2020, Council was served with judicial review proceedings in respect of its Development Contributions regime – the case being AGPAC Limited & others vs Hamilton City Council – which was heard in the High Court on 20-22 April 2021.
37. Judge Ian Gault announced in his decision on 27 August 2021 that the case for judicial review was dismissed, finding in favour of Council in all 17 claims that the applicants took forward to trial. The Judge provided no relief to the applicants in relation to their claims.
38. However, Council acknowledged, as part of its pleaded case, an administrative error in interest rates for three historical years (2016, 2017, 2018) input into the development contributions model, which in turn calculates development contribution charges. The only DC Policies affected by these erroneous interest rates were the 2018/19 and 2019/20 Policies. Growth Funding and Analytics Unit staff, in collaboration with the Finance Unit, have undertaken detailed work to calculate the extent of the interest rate error, and how much and to whom refunds should apply.
39. Based on advice from PWC and the Finance Unit – and as reported previously to the Council – staff updated the interest rates input into the development contributions model and updated the schedule of charges within the calculation tool effective 24 January 2022, such that the DC Policy and any DC assessment since that point in time no longer carried the error.
40. Staff provided an update on the interest rate refunds to the Strategic Growth Committee on [2 December 2021](#), where it was resolved that the refunds would be executed under staff delegations.
41. Staff have now completed all required refunds, being 944 refunds totalling \$390,241.08 (incl. GST).
42. The final piece of work was investigating whether any individuals were under-charged due to the error. The corrected interest rates were lower than the original interest rates, causing debt to accrue less interest, lowering the overall costs to be reclaimed and therefore decreasing the corrected DC charge. This meant that the corrected charges were lower than historic charges, meaning there was no under-recovery of charges.
43. The refund process and methodology have been reviewed by Council's barrister.
44. The refund process is now complete.

### **Financial Considerations - *Whaiwhakaaro Puutea***

45. Other than the interest rate refund detailed above, there are no financial implications in relation to the updates provided in this report.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

46. Staff confirm that this matter complies with Council's legal and policy requirements.
47. Staff have considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.
48. The DCs interest rate refund process and methodology have been reviewed by Council's barrister.

## Climate Change Impact Statement

49. Staff have assessed this option and determined that no adaptation assessment is required for the matters in this report.

## Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

50. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
51. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report. The recommendations set out in this report are consistent with that purpose.

### Social

52. DCs help to fund city infrastructure such as roads and reserves, which help to link whanau and communities and provide places for them to connect.
53. The Housing Strategy and Action Plan aim to deliver more affordable housing in Hamilton which delivers significant positive benefits for individuals and communities.
54. Collaborative relationships between councils and other groups enable the sharing of ideas, work programmes and the identification of opportunities to deliver better outcomes for communities.

### Economic

55. DCs support investment in critical infrastructure for both residential and non-residential development activity. Once a growth cell, or existing areas in the city, are enabled through infrastructure, economic benefits can be realised. New development creates jobs and wealth both now and, in the future, supporting our communities' economic wellbeing.
56. Collaborative relationships between councils and other groups can identify opportunities for shared services or work programmes which save the local government sector, and therefore ratepayers, money.
57. Delivering affordable housing options allows people to live and thrive in areas where they work, provides a stable workforce for Hamilton, and wealth creation opportunities for individuals.

### Environmental

58. DCs help to fund reserves as well as certain environmentally friendly infrastructure, particularly stormwater and wastewater. These help to protect our waterways and ecosystems, while also providing spaces where people can enjoy their local environment.
59. Providing affordable housing options allows people choice in where they live, potentially limiting the distance needed to travel to access jobs, recreation and services which reduces environmental impacts of transport.
60. Collaboration between councils and other groups allows for cross-boundary and sub-regional discussions regarding big-picture issues such as inter-regional transport, water quality and allocation and emissions reduction.

## **Cultural**

61. Cultural wellbeing is enabled by projects that acknowledge and support their local communities' shared cultural attributes. DCs also help to fund projects such as those that enhance the wellbeing of the Waikato River and support Te Ture Whaimana o Te Awa o Waikato.
62. Providing affordable housing options allows Iwi more opportunities to live in their rohe.

## **Risks - *Tuuraru***

63. There are no known risks associated with the matter contained in this report.

## **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

64. Having considered the Significance and Engagement Policy, staff have assessed that the report has a low significance, and no engagement is required.

## **Attachments - *Ngaa taapirihanga***

There are no attachments for this report.

## Resolution to Exclude the Public

### Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Strategic Growth and District Plan Committee Public Excluded Minutes 20 April 2023	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Strategic Issues (Public Excluded)	)	
C3. Scoping Studies		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (f) (ii) Section 7 (2) (g) Section 7 (2) (h)
	to maintain legal professional privilege	Section 7 (2) (i)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (j)
	to enable Council to carry out negotiations	
	to prevent the disclosure or use of official information for improper gain or improper advantage	
Item C3.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h) Section 7 (2) (i)
	to enable Council to carry out negotiations	Section 7 (2) (j)
	to prevent the disclosure or use of official information for improper gain or improper advantage	