BEFORE THE HEARINGS PANEL APPOINTED BY KAIPARA DISTRICT COUNCIL

IN THE MATTER OF the Resource Management Act 1991 ("RMA")

AND

IN THE MATTER OF

the hearing of submissions on Proposed Private Plan Change 78

SUPPLEMENTARY LEGAL SUBMISSIONS ON BEHALF OF KAIPARA DISTRICT COUNCIL

Dated 29 January 2021

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MAY IT PLEASE THE COMMISSIONERS:

1. INTRODUCTION

- **1.1** These supplementary legal submissions are filed on behalf of the Kaipara District Council (**Council**) in relation to two matters:
 - (a) First, whether there is scope for the Hearings Panel to consider amendments to Proposed Private Plan Change 78 (PC78) proposed by Mangawhai Central Limited (the applicant) that:
 - amend the Structure Plan Map to show a road connection from the Plan Change Area to Old Waipu Road; and
 - (ii) include provisions providing for a reticulated water supply network to service subdivision in the Residential Sub Zone 3A, and proposals for Integrated Residential Development, Visitor Accommodation and Retirement Facilities;¹ and
 - (b) Second, in response to Mr Boonham's memoranda dated 15 and 26 January 20201, whether the Hearings Panel had the power to request from the Council the further information provided in Mr Sephton's statement of evidence dated 16 December 2020. If not, whether this information should be disregarded.²
- **1.2** In relation to these matters the Council respectfully submits, for the reasons that follow, that:
 - (a) The proposed amendments to PC78 to show a road connection to Old Waipu Road on the Structure Plan are <u>not</u> within scope.

Directions of Commissioner Hill dated 27 November 2020, paragraphs 7-8.

² Memorandum - Hearing Panel's reply to Mr Boonham's email dated 15 January 2021, paragraph 11, invites the Council, the Applicant, and Mangawhai Matters to address this issue.

- (b) The proposed amendments to PC78 to refer to the provision of reticulated water supply <u>are</u> within scope.
- (c) The Hearings Panel had the power under both sections 41(4) and 41C(4) of the RMA to request from the Council the further information provided in Mr Sephton's statement of evidence.

2. SCOPE

Background

- **2.1** Following the lodgement of submissions and further submissions on PC78, the applicant amended its proposal to (amongst other matters):
 - (a) include on the Structure Plan Map a road connection from the Plan Change Area to Old Waipu Road. For ease of reference, a copy of the Structure Plan Map showing is attached to these submissions as Annexure A³; and
 - (b) include provisions providing for a reticulated water supply network to service the Residential Sub Zone 3A.
- 2.2 The proposed road connection from the Plan Change Area to Old Waipu Road:
 - (a) would, if the Council proceeds with a proposed road connection between Old Waipu Road and Cove Road (via Old Waipu Road North) provide an additional roading connection to the Plan Change Area, other than via Molesworth Drive;⁴ and
 - (b) is supported by both the transportation expert for the applicant Mr Hills, and the Council's transportation peer reviewer Mr Colins,⁵ on the basis it will "relieve pressure off

³ See "(G) Old Waipu Road Connection".

As set out in the Statement of Evidence of Mr Sephton (paragraph 5.1), while there is no funding currently in place, the connection between Molesworth Drive and Cove Road has been signaled in the Mangawhai Community Plan, and incorporated in the Mangawhai Spatial Plan. It has also been incorporated into the Draft Network Operating Framework for Mangawhai.

⁵ Statement of evidence of Mr Hills dated 6 November 2020, paragraphs 53-58, and Transportation Peer Review Report by Flow Transportation Specialists dated October 2020, paragraphs 7.1 and 8.

Molesworth Drive and provide network resilience and route choice".6

- 2.3 In relation to water supply, as the Panel will be aware:
 - (a) PC78, as notified, did not include any provisions requiring the provision of reticulated water supply; however
 - The applicant now proposes provisions providing for a (b) reticulated water supply network to service subdivision in the Residential Sub Zone 3A, and proposals for Integrated Residential Development, Visitor Accommodation and Retirement Facilities.⁷

Case law on scope

- In my respectful submission, case law provides that for the Hearings 2.4 Panel to have jurisdiction to make changes to PC78 in response to submissions:
 - The changes must be within the scope of a submission; and (a)
 - (b) The submission must be "on" PC78.
- 2.5 With respect to whether proposed changes are within the scope of a submission, the test is whether the proposed changes were "reasonably and fairly raised" in a submission on the plan change: Countdown Properties (Northlands) Limited v Dunedin City Council⁸. Case law sets out a number of key principles in relation to this:
 - (a) This will usually be a question of degree to be judged by the terms of the plan change and the content of the submissions;9

Statement of evidence of Mr Hills, paragraph 54. 6

Supplementary Evidence of Mr Tollemarche, paragraph 11. [1994] NZRMA 145 at 166. 7 8

⁹ At 166.

- (b) The question of scope should be approached in a realistic workable fashion rather than from the perspective of legal niceties;¹⁰
- (c) Another way of considering the issue is whether the amendment can be said to be a "foreseeable consequence" of the relief sought;¹¹
- (d) To take a legalistic view and hold that a decision-maker could only accept or reject the relief sought in any given submission would be unreal;¹² and
- (e) The whole relief package detailed in submissions should be considered when determining scope.¹³
- 2.6 The leading authority¹⁴ on whether a submission is "on" a plan change is the High Court decision in *Clearwater Resort Ltd v Christchurch City Council*,¹⁵ which sets out a two limb test:
 - (a) First, whether the submission addresses the changes to the pre-existing status quo advanced by the plan change; and
 - (b) Second, whether there is a real risk that people affected by the plan change (if modified in response to the submission), would be denied an effective opportunity to participate in the plan change process.
- 2.7 A submission can only fairly be "on" a proposed plan if it meets both these limbs. The *Clearwater* test has been adopted in a number of High Court decisions. In *Option 5 Inc v Marlborough District Council*¹⁶ the High Court stated that the first limb may not be of particular assistance in many cases, but the second limb of the test will be of vital

Royal Forest and Bird Protection Society Inc v Northland District Council [1997] NZRMA 408 (HC) at 413.
 Westfield (NZ) Ltd v Hamilton CC [2004] 10 ELRNZ (HC) 254 at [73]. This decision related to whether an

appeal provided scope for the changes made by the Environment Court.

¹² General Distributors v Waipa District Council (2008) 15 ELRNZ 59 (HC) at 72.

¹³ Shaw v Selwyn District Council [2001] 2 NZLR 277 (HC).

As confirmed by the High Court in Turners & Growers Ltd v Far North District Council [2017] NZHC 764.

¹⁵ Clearwater Resort Ltd v Christchurch City Council AP 34/02, 14 March 2013, Young J.

¹⁶ Option 5 Inc v Marlborough District Council CIV 2009-406-144 28 September 2009, HC Blenheim.

importance in many cases and may be the determining factor in some cases.¹⁷

- **2.8** The *Clearwater* test was applied by Kos J in *Palmerston North City Council v Motor Machinists*.¹⁸
- 2.9 In relation to the first limb of the Clearwater test Kos J:
 - (a) Described the first limb in the *Clearwater* test as the dominant consideration, namely whether the submission addresses the proposed plan change itself. This was said to involve two aspects: the degree of alteration to the status quo proposed by the notified plan change; and whether the submission addressed that alteration. Or, as Kos J said, to put it another way, whether the submission reasonably falls within the ambit of the plan change. ¹⁹
 - (b) In relation to the first limb (whether the submission addresses the plan change) Kos J also observed that the section 32 evaluation report in support of a plan change involves a comparative evaluation of the efficiency, effectiveness and appropriateness of options. Accordingly, for variations advanced in submission to be "on" the plan change, they should be assessed in the section 32 assessment. If a change advanced in a submission is not a matter that was addressed, or should have been addressed, in the section 32 evaluation, then in his Honour's view, the change is unlikely to be meet the first limb of the test in *Clearwater*.²⁰
- 2.10 In relation to the second limb of the *Clearwater* test Kos J in *Motor Machinists* stated:
 - (a) The second limb in *Clearwater* concerns procedural fairness.
 It is whether there is a real risk that persons directly or potentially affected by the additional changes proposed in the submission (so called "submissional side-winds") have been

¹⁷ At [29].

¹⁸ Palmerston North City Council v Motor Machinists [2013] NZHC 1290.

¹⁹ At [80] to [81].

²⁰ At [76].

denied an opportunity to respond to those proposed changes.²¹

(b) In particular, the specific concern is whether the amendment to the plan change sought in a submission, if confirmed, would change who the Council considers to be likely to be directly affected by the proposed plan, noting that directly affected persons are required to be served with notice of the plan change under clause 5(1A)(a) of the RMA. In relation to this his Honour stated:

> "A core purpose of the statutory plan change process is to ensure that persons potentially affected, and in particular those "directly affected", by the proposed plan change are adequately informed of what is proposed. And that they may then elect to make a submission, under clauses 6 and 8, thereby enabling them to participate in the hearing process. It would be a remarkable proposition that a plan change might so morph that a person not directly affected at one stage (so as to have received notification initially under clause 5(1A)) might then find themselves directly affected but speechless at a later stage by dint of a third party submission not directly notified as it would have been had it been included in the original instrument. It is that unfairness that militates the second limb of the Clearwater test."²² (my emphasis)

The proposed roading connection to Old Waipu Road shown on the structure plan

- 2.11 In my submission, there is <u>not</u> scope to consider the applicant's proposed amendment to the Structure Plan for PC78 (in response to submissions) to show a possible future roading connection from the Plan Change Area to Old Waipu Road.
- 2.12 For the reasons that follow, while the relief is "reasonably and fairly raised" in submissions and relates to the Plan Change, the Council considers if PC78 had been notified showing the roading connection

²¹ At [83].22 Paragraph [77].

this could have affected whether owners or occupiers of properties on Old Waipu Road and Old Waipu Road North chose to submit. Accordingly, the second limb of the test in *Clearwater* is not met.

Whether the relief sought is "reasonably and fairly raised" in submissions

- 2.13 With respect to whether the change to PC78 is within the scope of a submission, the issue of a roading connection from the Plan Change Area to Old Waipu Road is, in my submission, "reasonably and fairly raised" in the following submissions:
 - (a) Submission #29: Ms Wendy Sheffield: seeks "At least a second road access on the western boundary towards Old Waipu Rd to allow for Auckland (via new Te Hana motorway extension) and Mangawhai North traffic access without having to use Molesworh Drive."23
 - Submission #149: Ms Sharon Martin: seeks "Arterial (b)Routes: I see no arterial routes have been identified in the Plan Change. With the growth anticipated & amp; the increase in volumes of traffic into Mangawhai central the most common sense approach would be to include an arterial route through Old Waipu road into Cove...One way in and one way out is not a plan for success."24
 - Submission #111: Ms Myra Squire: seeks "Traffic -(c) adequate provision to be made to provide several road outlets to Heads and Village areas, rather than the majority of traffic being funnelled into Molesworth Drive."25
 - Submission #100: Johanna Kloostenboer: refers to "Old (d) Waipu Rd connection. Far too many houses and trade , for the roads to carry ... "26

²³ Paragraphs 3,4 and 5.

²⁴ Paragraph 5.

²⁵ Paragraph 5. 26

Paragraph 3.

2.14 It is clear from the above that a number of submissions on PC78 express concerns with the sole roading connection for the Plan Change Area being onto Molesworth Drive, and seek alternative roading connections be provided. Including, onto Old Waipu Road, if a connection from Old Waipu Road to Cove Road is provided by the Council in the future.

Whether the relief sought is in a submission "on" the Plan Change

2.15 Given this, the issue then becomes whether the above submissions are "on" PC78 in terms of the two limb test set out in *Clearwater*, and confirmed in *Motor Machinists*.

The first limb of the Test in Clearwater

- 2.16 As set out above, the first limb of this test is whether the submission addresses the changes to the pre-existing status quo advanced by PC78. In my submission, the submissions (set out above) seeking that the Structure Plan for PC78 be amended to include a roading connection to Old Waipu Road <u>do</u> address changes to the status quo advanced by PC78 because:
 - (a) PC78 proposes intensification of the levels of development enabled on the Plan Change Site, with associated increases in volumes of traffic, and in particular, increased traffic on Molesworth Drive.
 - (b) The relief sought in the above submissions addresses the increases in traffic resulting from PC78 by providing an alternative roading connection to the Plan Change Site, and is supported by the traffic experts.
 - (c) Accordingly, there is a strong degree of connection between the alterations to the status quo proposed in PC78, and the relief sought in the submissions seeking the provision of an additional roading connection to the Plan Change Area.

- 2.17 As set out above, Kos J in *Motor Machinists* stated that whether an amendment advanced in a submission was addressed in the section 32 assessment could provide an indication of whether the submission was "on" the Plan Change.²⁷ His Honour's view was that if the amendment sought was not a matter that was addressed in the section 32 assessment, or was not but should have been, then it was unlikely the variation sought in the submission was "connected" to the amendment to the status quo proposed by the plan change. In relation to this:
 - (a) A possible roading connection to Old Waipu Road on the Structure Plan is not a matter that is specifically addressed in the section 32 assessment. Although the section 32 assessment does address the issue of roading connectivity more generally.²⁸
 - (b) In my submission, while whether a matter raised in submissions is addressed in the section 32 evaluation may be a useful indication in some instances, it is not definitive. Overall, the first limb of the test in *Clearwater* is still meet for the reasons set out above.

The Second Limb of the Test in Clearwater

- 2.18 In relation to the second limb of the test in *Clearwater*, a close reading of the case law indicates a very specific concern. Namely, whether the amendment to the plan change proposed in the submission would result in persons "likely to be directly affected" by the variation to the Plan Change sought in the submission being potentially "cut out" of the submission process. If so, this raises issues of potential procedural unfairness, and the second limb of the test in *Clearwater* is not met.
- 2.19 The class of persons "likely to be directly affected" by the proposed change to the Structure Plan for PC78 to show a possible future roading connection between the Plan Change Area and Old Waipu

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His Honour's view was that if the amendment sought was not a matter that was addressed in the section 32 assessment, or was not but should have been, then it was unlikely the variation sought was connected to the P
 Page 17 of the section 32 Assessment.

Road are owners or occupiers of properties on Old Waipu Road, and owners or occupiers of properties on Old Waipu Road North.

- 2.20 Attached to these submissions as Annexure B is a copy of the map used by the Council to identify parties "likely to be directly affected" by PC78.
- 2.21 Mr Waanders advises that he understands that:
 - (a) All owners and occupiers of properties on the formed portion of Old Waipu Road were served under clause 5(1A);
 - (b) All owners and occupiers of properties on the eastern (i.e. Plan Change side) of Old Waipu Road North were served under clause 5(1A);
 - (c) In relation to properties in between the termination of the formed portion of Old Waipu Road and Old Waipu Road North, the boundary in terms of land the Council considered to be "likely to be directly affected" by PC78 (as notified) follows the eastern side of the alignment the paper road that connects Old Waipu Road and Old Waipu Road North – and would be used for the connection between Old Waipu Road and Cove Road if that proceeds;
 - (d) Overall:
 - (i) 78 parties on Old Waipu Road and Old Waipu Road
 North were served with notice of PC78 under Clause
 5(1A) of the RMA; and
 - (ii) Of those 78 parties, only 3 parties elected to make submissions.²⁹
- 2.22 In my submission, the focus of the inquiry is therefore whether if PC78 had been notified with the Structure Plan showing the potential future connection from the Plan Change Area to Old Waipu Road (now proposed in response to submissions):
 - (a) This would have changed the position of the 75 owners and occupiers of properties on Old Waipu Road and Old Waipu

²⁹ All in opposition.

Road North who were served with notice of PC78 under clause 5(1A) but chose not to lodge a submission; and

(b) In respect of owners and occupiers of properties on the western side of Old Waipu Road North, and properties on the western side of the proposed paper road, whether this would have resulted in them being considered "likely to be directly affected" by PC78 and served with notice of PC78 under Clause 5(1A), and resulted in them choosing to make a submission.

2.23 In relation to this I note that:

- (a) The proposed amendment only identifies (on the Structure Plan) a possible future road connection.
- (b) Applications for resource consent are assessed for consistency with the Structure Plan. However, there is no "requirement" under PC78 that the roading connection be provided, simply by virtue of the fact that it is shown on the Structure Plan. Conversely, even if the proposed connection is not identified on the Structure Plan, this does not preclude the Applicant from providing for a possible future connection to Old Waipu Road as part of a future application for subdivision consent. The PC78 provisions in relation to traffic matters (even without the connection shown) allow for the consideration and assessment of this.
- (c) Whether or not the connection to Old Waipu Road goes ahead is also dependent on the Council proceeding with providing the connection between Old Waipu Road and Cove Road (via Old Waipu Road North). This is not yet confirmed.

2.24 In light of the above:

(a) It is possible to mount a "technical" argument that owners or occupiers of Old Waipu Road and Old Waipu Road North are not "affected" by the change to the Structure Plan Map as it only shows a possible future roading connection that may not ultimately be provided. However, in my submission, when it comes to issues of scope, it is appropriate to take a conservative approach.

- (b) A proposed change to PC78 from showing all access as being off Molesworth Drive, to showing access also being provided from the Plan Change Area (an area potentially accommodating up to 1,000 dwellings, and other development) onto Old Waipu Road is something which would be likely to be of interest to owners and occupiers of properties on Old Waipu Road and Old Waipu Road North who, in the absence of this change to PC78, appear to have largely regarding PC78 as not affecting them.³⁰ Overall, it is not unreasonable to assume that if PC78 had been notified showing this roading connection this could have affected whether owners or occupiers of properties on Old Waipu Road and Old Waipu Road North chose to submit.
- (c) This being the case, the second limb of the test in *Clearwater* is not met.
- 2.25 In light of the above, in my respectful submission, there is not scope to consider the Applicant's proposed amendment to the Structure Plan for PC78 (in response to submissions) to show a possible future roading connection from the Plan Change Area to Old Waipu.

2.26 Changes to PC78 requiring reticulated water supply

Whether the relief sought is "reasonably and fairly raised" in submissions

2.27 With respect to whether the proposed changes to PC78 to provide for a reticulated water supply network to service the entire Residential Sub Zone 3A, and proposals for IRD and Retirement Villages are "reasonably and fairly raised" in submissions, in my submission, the answer is "yes". A large number of submitters raise issues relating to

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Of the 78 owners or occupiers on Old Waipu Road and Old Waipu Road North served with notice of the PC78 as notified (i.e. without the proposed roading connection on the Structure Plan) only 3 chose to submit.

water supply and the impact of PC78 on water supply. Specific examples include:

- (a) Submission #67: Ms Allana Pendleton: seeks "This Plan Change must not go ahead unless Mangawhai Central includes and totally pays for their own water supply and waste water disposal systems."
- (b) Submission #182: Mangawhai Central: "the provisions relating to water supply are not considered to adequately enable a water storage facility to provide water supply to development anticipated by the Estuary Estates Zone";
- (c) Submission #7: Jo Lee: "Infrastructure cannot handle such intensive development. More work needed on infrastructure particularly water provision, roading, green spaces, septic."
- (d) Submission #53: Ray Crocker: "The water, sewage, and general infrastructure of Mangawhai is not up to an increase in residential homes to this magnitude."
- (e) Submission #65: David Grant: expresses concerns in relation to the impact increased population will have on "schooling, water supply, wastewater and stormwater."
- 2.28 It is clear from the above that a number of submissions raise concerns in relation to water supply to the Plan Change Area. Submissions 67 and 182 explicitly seek that reticulated water supply be provided. A number of other submissions express concerns regarding the impact PC78 will have on existing infrastructure. The provision of reticulated water supply is, arguably, a "foreseeable consequence" of the relief sought in those submissions.
- **2.29** Accordingly, in my submission, the changes proposed in relation to reticulated water supply are within the scope of submissions.

Whether the relief sought is in a submission "on" the Plan Change

- 2.30 The issue then becomes whether the above submissions seeking reticulated water supply are "on" PC78 in terms of the two limb test set out in *Clearwater*, and confirmed in *Motor Machinists*.
- 2.31 In terms of the first limb of the test, whether the submission addresses the changes to the pre-existing status quo advanced by PC78, in my submission, the submissions (set out above) seeking the provision of a reticulated water supply <u>do</u> address changes to the status quo advanced by PC78 because:
 - (a) As already set out above, PC78 proposes intensification of the levels of development enabled on the Plan Change Site. This will result in increased demand for water within Mangawhai, compared to under the level of development authorised by the existing plan provisions. In particular, PC78 proposes changes to the existing provisions to enable more intensive development than is currently enabled in the Residential 3A Area, and in the Intensive Residential Development Area. This proposed changes mean those areas are less able to be served by rainwater tanks.
 - (b) The proposed changes to the provisions to require reticulated water supply in the Residential 3A Area, and in the Intensive Residential Development Area address these changes to the status quo (intensification of development and reduced ability to service the development from rainwater tanks), by requiring water be provided from a reticulated supply.
- 2.32 In terms of the second limb of the test in *Clearwater*:
 - (a) the proposed amendments requiring reticulated water supply
 (unlike the proposed change to show a roading connection to
 Old Waipu Road) do not result in adverse effects on any
 particular parties and would not have resulted in any changes
 to the parties considered "likely to be directly affected" by the
 Plan Change under clause 5(1A); and

- (b) the second limb of the test in *Clearwater* is met.
- **2.33** Accordingly, in my submission the proposed amendments relating to reticulated water supply <u>are</u> within scope as:
 - (a) They are "reasonably and fairly raised" in submissions; and
 - (b) The submissions are "on" the Plan Change.

3. WHETHER THE HEARINGS PANEL HAD THE POWER TO REQUEST THE COUNCIL PROVIDE THE ADDITIONAL INFORMATION PROVIDED IN THE EVIDENCE OF MR SEPHTON

- 3.1 As set above, the other issue addressed in these supplementary legal submissions is whether the Hearings Panel had the power to direct the Council provide the additional information provided in the evidence of Mr Sephton dated 16 December 2020.
- 3.2 The Council agrees with the Hearings Panel that it had the power to direct this additional information be provided under both section 41(4) and 41C of the RMA.³¹
- 3.3 In counsel's submission:
 - It is common practice for Council officers at hearings to be asked to provide further information, in response to matters that have arisen during the course of the hearing.
 - (b) A narrow interpretation of the Commissioner's powers under sections 41(4) and 41C would be undesirable from a policy perspective, as it would potentially limit the ability of Hearings Panels to address matters that arise during the course of a hearing.
 - (c) However, even if they are not formally directed to do, Council officers may (subject only to procedural fairness) voluntarily

³¹ As set out in the Hearing Panel's Reply to Mr Boonham's Memorandum.

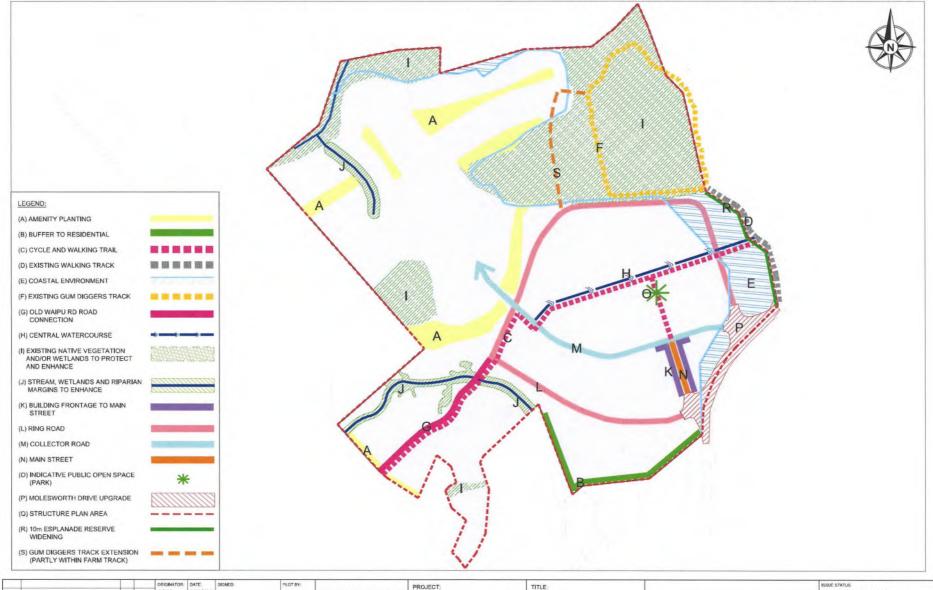
provide additional information to the Hearings Panel in response to issues that have arisen during the course of the hearing. For example, when they are asked to comment on any issues that have arisen during the course of the hearing, and confirm whether there has been any change to the recommendation in the section 42A Report.

(d) Accordingly, while counsel agrees that the Commissioners had the power under sections 41(4) and 41C to issue the directions that they did, to the extent that there is any doubt, the authors of the section 42A provide this information voluntarily, as part of their presentation.

Warren Bangma Counsel for the Kaipara District Council 29 January 2021

Annexure A: PC78 Structure Plan Map

ANNEXURE 8 - PC78 STRUCTURE PLAN MAP



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		-		DRAWN. JKLM CHECKED:	DATE 22/05/19 DATE	SIGNED.	PLOT DATE.		MANGAWHAI CENTRAL LIMITED 83 MOLESWORTH DRIVE MANGAWHAI	PLAN CHANGE PC78 STRUCTURE PLAN MAP	MCKENZIE&CO		SCALES: 1:3,333 @ A1	A1
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Annexure B: PC78 Map showing persons considered by KDC to be affected by PC78 (as notified)

