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Tauranga City Council

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Tauranga City Council Plan Change 27 – Flooding from intense rainfall

1. Recommendations

- 1.1 Property Council Bay of Plenty Branch (“Property Council”) welcomes the opportunity to provide feedback on the Tauranga City Council’s Plan Change 27 – Flooding from Intense Rainfall (“the Plan Change”).
- 1.2 While we support an overarching purpose of the Plan Change, there are some fundamental issues that have to be addressed. We are significantly concerned that:
 - the landform data in a number of instances is significantly inaccurate;
 - there is no information around impact of flood hazard areas on property values or insurance costs;
 - the cost analysis does not include any other potential costs while these costs apply (e.g. removal, storage and reinstatement of loose furniture and equipment; asbestos testing and removal; GST; professional fees; resource consent costs);
 - the 70% permitted activity threshold might cause unrealistic and inaccurate representations of flooding to be indicated; and
 - Tauranga City Council (“the Council”) can update the flood map layers at any time, and with no public consultation.
- 1.3 Given the above, we recommend the Council do further work to ensure accuracy of the projection model. More guidance around implications of the Plan Change for property owners and developers should also be provided through a transitional plan for mitigating the long term effects of sea level rise and climate change. Further to this, we recommend the Council defer the Plan Change to coincide with the Tauranga City Council’s Long-term Plan 2021-31.

2. Introduction

- 2.1 Property Council’s purpose is; “Together, shaping cities where communities thrive”. We believe in the creation and retention of well-designed, functional and sustainable built environments which contribute to New Zealand’s overall prosperity. We support legislation that provides a framework to enhance economic growth, development, liveability and growing communities.
- 2.2 Property Council’s Bay of Plenty Branch has 104 members. The property sector contributes \$1.6b or 14 per cent of GDP of the Bay of Plenty area and employs 8,600 people. That makes it the region’s largest economic sector.
- 2.3 This submission responds to the [Plan Change 27 key documents](#) and provides a list of recommendations for the Council to consider. In preparing our submission we sought and received feedback from a

selection of our Tauranga-based members. Comments and recommendations are provided on those issues that are relevant to Property Council and its members.

3. Purpose of the Plan Change

- 3.1 Tauranga is prone to intense rainfall causing significant amounts of surface water. Therefore, it is critical that surface water resulting from rainfall which can cause flooding of properties and houses, is properly managed to reduce the risk to property and lives. This is where the Plan Change comes in.
- 3.2 We understand that the Resource Management Act 1991 requires the Council to recognise and provide for the management of natural hazards while taking into account climate change when considering subdivision, use and development of land. The Plan Change must give effect to the Bay of Plenty Regional Policy Statement which requires the Council to reduce the risk of flooding from intense rainfall events.
- 3.3 It is critical to progress the Plan Change to ensure that the Council is not encouraging people to build higher density¹ in unsuitable locations (i.e. areas likely to be flooded in intense rainfall events).
- 3.4 We support the Council's overarching intent of managing the efforts of flooding in intense rainfall events on people, properties and infrastructure. However, there are some fundamental issues in relation to the Plan Change that must be addressed by the Council.
- 3.5 We are concerned that there is little in the way of mitigation proposed in the Plan Change. More guidance should be provided to get a true picture of what the proposed Plan Change means for property owners and developers (e.g. reduction in land values, increased insurance costs, resource consent cost; GST; professional fees) and what mitigation actions they should consider. Our recommendations are provided below to ensure the Plan Change delivers on the Council's objectives.

4. Landform and flood modelling

- 4.1 The Council has undertaken city-wide risk assessments. These included flood modelling of the likely impacts of a 1 % AEP intense rainfall event in Tauranga, taking into account recorded rainfall data and flood levels from past events, the contours of the land and the existing stormwater network. It also factored in the predicted effects of climate change on rainfall and sea level rise out to the year 2130.
- 4.2 We are seriously concerned that the landform data in several instances is significantly and worryingly inaccurate. The implications of this inaccurate modelling are significant and potentially very costly to property owners and developers. This includes many growth areas that have experienced development over the last 10 years.
- 4.3 There are significant overland flow paths that traverse through the middle of buildings or through newly created residential properties where in both instances this is not accurate or possible. For example, the map below shows significant overland flow passing "through" Bayfair Shopping Centre (see Figure 1 below).

¹ Note: [Plan Change 26 - Housing Choice](#) proposes changes to the City Plan to make it easier for people to build variety of more compact types of homes, like duplexes, terraced houses, townhouses and apartment that better suit their needs.



Figure 1. TCC Plan Change Viewer: Bayfair Shopping Centre²

- 4.4 Another example is a significant flooding and overland flow over newly created lots in the Lakes Tauranga, where an old and out-dated landform model must have been used by the Council (Figure 3).
- 4.5 The Council is overlooking the fact that the stormwater attenuation ponds that have been constructed at The Lakes have capacity to mitigate the 1% AEP now, and is now imposing extra unforeseen costs, such as installation of storm water tanks (see Figure 2 below) on new homeowners. This is despite sufficient capacity in the ponds and the average 50-years lifespan of a residential dwelling.



Figure 2. SW tanks that the Council is making builders install at The Lakes. The tanks are an eye-sore, impractical and unnecessary

² Sourced from https://gisapps.tauranga.govt.nz/plan_change/

- 4.6 These are newly created lots, and this stage is close to being built out. New home buyers are expected to front unforeseen costs which currently are not necessary. This is concerning, given that the city is already facing a land shortage for housing. There is an expected shortfall of 600 homes within the next one to three years and 3,500 homes in the next four to 10 years.³



Figure 3. TCC Plan Change Viewer: The Lakes Tauranga

- 4.7 Given the above, the Council should not proceed with the Plan Change until it has got up-to-date and accurate ground level and building data. We recommend the Council do further work to ensure accuracy of the data to model flooding projections.

5. Insurance costs

- 5.1 The Plan Change will potentially have immediate and significant costs on land owners in terms of additional insurance costs as insurance companies look at a range of information when making decisions around flood risk. This includes information from LIMs and district plans. If a property is located within a flood hazard area, getting insurance will become more complicated and the cost will be higher. Dependent on the hazard identified, it is common for insurers to apply a higher excess or premium to the property.
- 5.2 It is concerning that the Council does not provide much information around the impact of flood hazard areas on property insurance costs. Further work should be done in this space. For example, back in August 2014, Wellington Regional Council released '[Flood Hazard Areas and Insurance Fact Sheet](#)'. This provides general advice in terms of what information should be provided to insurance company, if

³ Tauranga City Council Policy Committee (2020). 'Item 7.2: impact of a housing shortage: Assessing the effects for Tauranga City, NZIER, 2020. In Minutes of Policy Committee Meeting 4 March 2020. Tauranga City Council

property or business is identified as being affected by a flood hazard; what information the insurance companies look at when making decisions around flood risk.⁴

- 5.3 Another example is a report prepared for the Taupō District Council on effect of flood hazard notation on property value which provides short comment on specific property issues, including the availability of insurance and finance.⁵ The purpose of this report is to provide opinion and information on what the impact of placing a low, medium, or high flood hazard classification will be on the value of the affected properties both in the short and long term as proposed by Plan Change 34 to the Taupō District Plan. Tauranga City Council should follow suit.
- 5.4 Given the above, we recommend the Council review and report on insurance implications and provide these to affected land owners. Further to this, we recommend the Council consider costs with the wider assessment of the Plan Change, particularly as part of the economic analysis (see section 6 below).

6. Technical Report on Cost Analysis

- 6.1 We note in the Council's [*Economic Assessment for Flooding from Intense Rainfall*](#) that the cost analysis does not consider other potential costs, such as removal, storage and reinstatement of loose furniture and equipment, asbestos testing and removal, GST, professional fees, and any associated resource consent costs, while these costs apply. For example, a resource consent will be required for new residential, industrial or business activities within a floodplain; earthworks above 10m³ and 300mm; obstruction of an overland flowpath, including building a fence or wall.⁶ This will require additional costs for property owners and developers. Further to this, the analysis does not consider the NPV cost of raising a building, to a level that is based on flood levels in 110 years time.
- 6.2 This is concerning, given that economic assessment of potential costs is required by s32 of the Resource Management Act. The economic effects of the Plan Change will be far reaching, well beyond what is contemplated in the report, or other documentation provided by the Council. It appears that this Plan Change has been rushed through without any proper examination by the Council of its own documentation. Therefore, we recommend the Council consider these other potential costs to ensure a proper cost analysis is undertaken.

7. Choice of percentage threshold

- 7.1 There is currently no limit on impervious in the Tauranga City Plan. The maximum building coverage limits in the suburban residential zone are generally 55 % on small sites under 500sqm and 45 % on sites above 500sqm.
- 7.2 The Plan Change sets an impervious limit of 70 % for residential sites unless consent is granted, so that cumulative development effects do not further increase flood risk (Appendix 5 of the Plan Change Key Documents). The new rule has an immediate and significant impact on the supply of housing in

⁴ Note: This information is of a general nature only and does not relate to specific insurance company policy. Referenced from <http://www.gw.govt.nz/assets/floodprotection/Insurance-and-Flood-Hazard-Areas-Fact-Sheet.pdf>

⁵ Plan Change 34: Update on Flood Hazard Areas Lake Taupo and its major tributaries. September 2015. Retrieved from <https://www.taupodc.govt.nz/repository/libraries/id:25026fn3317q9slqygym/hierarchy/our-council/consultation/documents/flood-hazard-consultation/Effect-of-Flood-Hazard-notation-on-property-valuers-report.pdf>

⁶ Note: Sourced from the Technical Report on Impervious Surfaces (Appendix 5). Retrieved from https://www.tauranga.govt.nz/Portals/0/data/council/city_plan/plan_changes/pc27-appendix5-technical-report-impervious-surfaces.pdf

Tauranga. This is particularly so for infill and medium density housing along with the affordable and social housing spectrum of housing.

- 7.3 There is a significant land supply constraint for new housing in Tauranga, which requires more efficient use of the land and support for infill housing. However, the proposed limit of 70% will make it near impossible. For example, the proposed changes are ruling out people in Tauranga having functional outdoor areas, swimming pools, patios, a space to park their campervan or jet ski, or put a covered pergola over their outdoor area for shade. And this is just one example of how the proposed change will affect new developments.
- 7.4 We are also concerned that the proposed changes will slow new housing supply as this is going to cause a large number of consents, red tape and compliance. It will also add costs which will have a flow-on effect on home owners. Further to this, it will make it impossible to meet new requirements for the new types of housing, as proposed in the Plan Change 26 – Housing Choice (e.g. duplexes, townhouses, terraced houses, etc).
- 7.5 Below are examples of a number of developments built in Tauranga under the current City Plan’s provisions (i.e. with no impervious limit). If the Council’s ultimate goal is to make a more efficient use of the land, given a significant land shortage for new developments in Tauranga, these types of housing have to be encouraged. Given the above, we recommend the Council remove the threshold and continue with the current rule framework, or to increase the threshold to ensure a better use of the land.

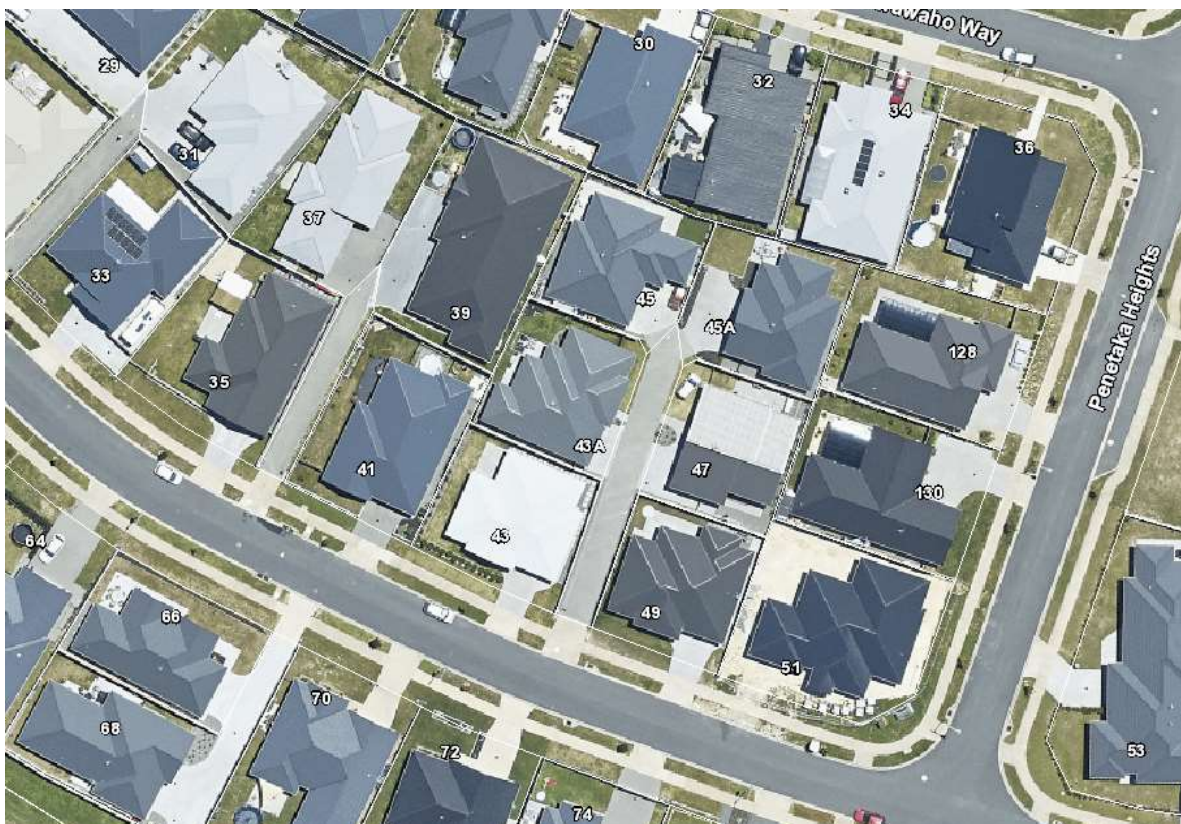


Figure 4. TCC Plan Change Viewer: Penetaka Heights

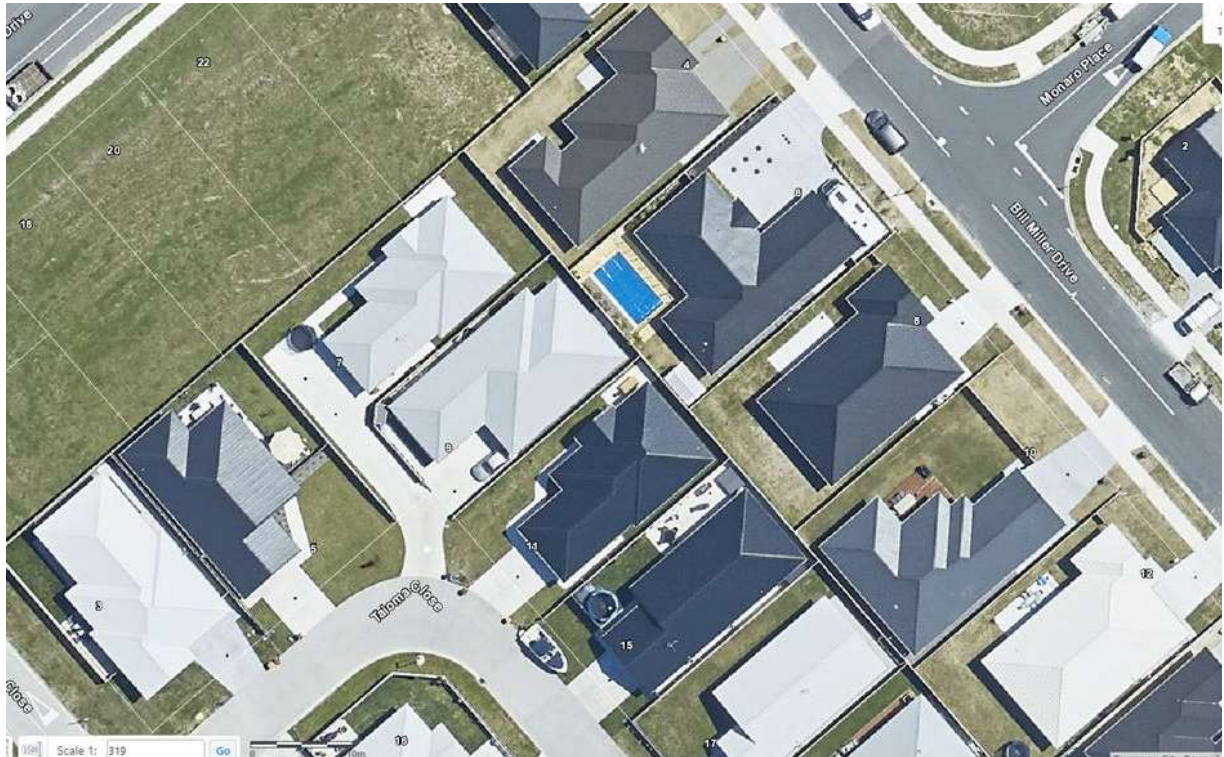


Figure 5. TCC Plan Change Viewer: Bill Miller Drive

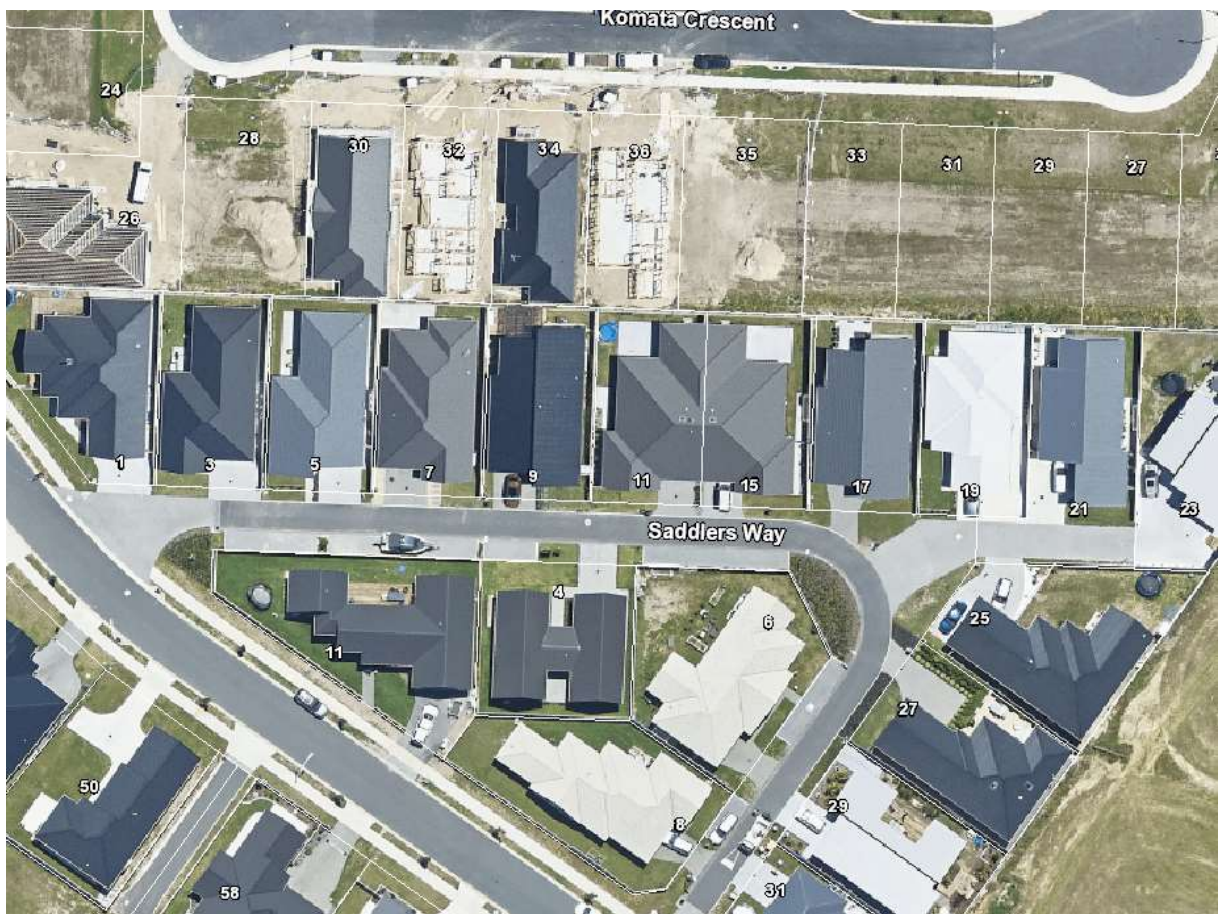


Figure 6. TCC Plan Change Viewer: Saddlers Way



Figure 7. TCC Plan Change Viewer: Coast Boulevard/ Maria Tini Drive

8. Technical report on mapping

- 8.1 We are concerned with the process of mapping predicted flooding from intense rainfall in Tauranga (Appendix 7 of the Plan Change Key Documents) as the Council can update the flood map layers at any time, and with no public consultation. Even if there is no flooding in a particular area now, it could be included anytime there is an update. Any change in the model which considers rain frequency and volume could prevent from developing the property.
- 8.2 Further to this, as the information is subject to change at any time, it does not provide certainty for properties located on the border of an area susceptible to flooding. We believe that, if the Council had confidence in the flood modelling and assumptions within the model, the maps would be a statutory document.
- 8.3 It is expected that over time, development and redevelopment will reduce the flood risk to properties and people, as stated in the report. This needs to be reflected by the maps and in the modelling assumptions.

9. Conclusion

- 9.1 The Plan Change introduces a new rule frameworks to the Tauranga City Plan to manage the effects of flooding from intense rainfall on people, properties and infrastructure. While we support the Council's overarching intent to manage the effects of flooding from intense rainfall, there are some fundamental issues with the proposal that have to be addressed, particularly around accuracy of the data and modelling.
- 9.2 More guidance should also be provided around implications of the Plan Change for property owners and developers to get a true picture of what the proposed Plan Change means in practice. Given the sensitive nature of this plan change and the careful transitional process that should be applied, we recommend the Council defer the Plan Change to coincide with the Tauranga City Council's Long-term Plan 2021-31 review.
- 9.3 Property Council would like to thank the Council for the opportunity to provide feedback on the Plan Change as it gives our members a chance to have their say on future development of Tauranga. We also wish to be heard in support of our submission.
- 9.4 Any further queries do not hesitate to contact Natalia Tropicova, Senior Advocacy Advisor, via email: natalia@propertynz.co.nz or cell: 021863015.

Yours sincerely,



Scott Adams

Bay of Plenty Regional Chair
Property Council New Zealand