

Thursday, 18 April 2024

Te Hui o Te Kaunihera ā-Rohe o Heretaunga
Hastings District Council
Council Meeting

Kaupapataka

Supplementary Attachment

DRAFT 2024/25 Development Contributions Policy April 2024

Te Rā Hui:
Meeting date: **Thursday, 18 April 2024**

Te Wā:
Time: **1.00pm**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

ITEM	SUBJECT	PAGE
9.	ADOPTION OF LONG TERM PLAN 2024/34 AND DRAFT DEVELOPMENT CONTRIBUTIONS POLICY 2024/25	
	Attachment 1: DRAFT 2024/25 Development Contributions Policy April 2024	3



Summary

Development Contributions are used as a tool to fund capital expenditure required to service growth. Council's Development Contributions Policy (DC Policy), adopted under the provisions of the Local Government Act 2002, provides the policy basis for the Council to charge and collect development contributions in respect of Community Infrastructure, Network Infrastructure and Park & Reserves.

In accordance with the provisions of the Local Government Act 2002, the policy seeks to establish a transparent, consistent and equitable basis for recovering from those persons undertaking development a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

Council first adopted a DC Policy in 2007. The Policy has been regularly reviewed since that time. The last major review occurred in 2016, with minor reviews usually undertaken yearly in the intervening period.

Proposed Changes in the 2024/25 Development Contribution Policy:

The main changes to the 2023/24 policy are moving away from the phased approach to the required increase in Development Contribution (DC) charges as well and some wording changes to highlight the fact Council is able to choose the point at which development contributions are applied (either at resource consent, building consent or service connection stage) for each new development that is subject to the requirement to pay development contribution. Some wording around the invoicing and payment of DCs have been modified to make the payment points clearer and the maps showing catchment areas have also been updated.

The decision to cease the phase in of increased charges is due to the level of risk this imposes on ratepayers. The gap between the amount Council is required to invest in infrastructure and the amount likely to be received from development contributions is too great and the extra financing costs on the shortfall will impose too much extra cost on future developments. It also increases Council debt at a time that Council is facing significant challenges around debt levels are ratepayer affordability.

