

Development Contributions Policy

General

Section 102(2) of the LGA 2002 requires, among other things, that a local authority must adopt a policy on development contributions or financial contributions. Details relating to the specific matters that must be covered in any policy on development contributions or financial contributions are specified in Section 106 and these matters are explained below.

Council considers at this stage that it will continue to rely solely on the financial contributions specified in the Westland District Plan 2002 which was prepared and made operative pursuant to the provisions of the Resource Management Act 1991. The community is accustomed to the provisions of District Plan and until that is reviewed Council does not intend to change this particular policy.

Under Section 106 (2) (c) of the LGA the Council is required to explain why it has chosen to use financial contributions (and not to use development contributions) to fund any capital expenditure needed to meet increased demand for community infrastructure. The reason is that Council expects a low amount of growth, as per the Statistics NZ medium population forecasts, and the trend in the District is for subdivision to drive that growth. Subdivisions can be charged financial contributions as per the District Plan. Some other types of growth not requiring resource consent (e.g. additional development on an existing lot) might suggest the need for development contributions, but at present this is not expected to be a significant growth component for the District.

The financial contributions regime, with its focus on environmental effects, is also well-suited for a low-growth district in comparison with the development contributions regime, which requires specific projects to be listed in a multi-year capital expenditure programme and distributed across the expected additional units of demand over time. In short, the financial contributions regime is preferable for its administrative simplicity and its suitability to the District's expected growth. Currently, the financial contributions imposed on land subdividers and developers relate only to the actual costs incurred as a result of the land development or subdivision. The provisions within the District Plan provide for financial contributions to be paid on the grant of certain subdivision and land use consents.

Financial Contributions in the District Plan: Summary

Part 7 of the District Plan specifies the rules relating to financial contributions. The provisions of the District Plan on financial contributions relate to the subdivision or development of land. The relevant part of the District Plan specifies the circumstances and purposes under which financial contributions are required and the maximum amount is also specified. Financial contributions under the District Plan broadly fit into three categories:

- Services
- Amenity
- Recreation

Financial Contributions: Services

The District Plan requires the subdivider or land developer to be responsible for funding of work within the boundary of the subdivision or development that relates to the provision of services directly required by the subdivision or development. Financial contributions adopted in the District Plan are imposed to recoup actual costs associated with the construction and installation of new services, or any required upgrades to existing services.

For example, in the case of sewerage, the maximum amount payable where no sewerage system is available is the full actual cost of a disposal system including design and investigation, land acquisition and on-site sewerage. Where a sewerage system is available (and has adequate capacity to accommodate additional connections), the maximum amount payable is the full actual cost of connecting the allotments or buildings to that sewerage system. Where, however, the design capacity of the existing system is likely to need to be upgraded as a result of the subdivision, the

contribution is limited to 50% of the cost for the upgrading of the system, to recognise potential benefits of the upgrade to other users.

Financial Contributions: Amenity

Land subdividers and developers can be required to undertake earthworks, landscaping, planting, fencing or screening as part of a subdivision or land development, to mitigate environmental effects. In some areas, particularly the Glacier region and Hokitika, off-street car parking is required to be provided. Where such car parking cannot readily be provided, a 'cash in lieu' contribution is provided for within the District Plan.

Financial Contributions: Recreation

The District Plan provides for financial contributions towards recreation facilities and also reflects the thrust of the Resource Management Act 1991 in terms of esplanade reserves. Council recognises that Westland is fortunate to have an abundance of open spaces which can be used for recreation purposes and Council considers that there is a limited need for additional recreation land. Council's policy direction in this regard is to upgrade existing recreational facilities. Contributions toward recreation facilities are detailed in the schedule of fees and charges.

Future Changes

The Westland District Plan is undergoing a complete review through the Te Tai o Poutini One District Plan, including the Financial Contributions section. If any changes are proposed, this policy will be amended through a special consultative procedure and concomitantly with the District Plan. Likewise, any change to Council's current position of not imposing development contributions will see a change to this policy through a special consultative procedure as a precursor to a development contributions regime. Notwithstanding the above, this policy will be reviewed three yearly as part of the review of the Long Term Plan when the appropriateness of the policy will be assessed and changes recommended by Council.