

---

**REPORT 1**  
(1215/52/05/IM)

## **DEVELOPMENT CONTRIBUTIONS POLICY - AMENDMENTS**

---

### **1. Purpose of Report**

The purpose of this report is to update the subcommittee on the operation of the Development Contributions Policy (**the DC Policy**) over the last 7- 8 months, recommend changes to be made to the DC Policy as part of the 2006/07 LTCCP process, and to advise the subcommittee of the process by which the 2006/07 LTCCP capital expenditure figures will be reflected in the DC Policy.

### **2. Executive Summary**

The DC Policy was adopted by the Council in June 2005. It took effect on 1 July 2005.

The DC Policy was developed following the Council decision made, after considering the factors in s101(3) of the Local Government Act 2002 (**LGA 2002**), that it would use development contributions to fund growth related capital expenditure. When this funding decision was made the Council had not yet undertaken its community outcomes process. Now it has done so, it is recommended that the Council, as indicated in the DC Policy, affirms its funding decision in light of the new community outcomes.

To the end of January 2006, 497 assessments for development contributions have been processed. Of those assessments, 204 (41%) required development contributions to be paid.

A number of issues have been identified and it is recommended that the DC Policy is amended to improve its operation and implementation. Approval is sought for those changes, by way of a recommendation to the Strategy and Policy Committee, which will in turn recommend the changes to the Council.

It is recommended that further policy work is undertaken in 2006/07 to report on the use of development contributions for community infrastructure.

### **3. Recommendations**

It is recommended that the Subcommittee:

1. *Receive the information.*

2. *Recommend to the Strategy and Policy Committee that, after taking into consideration the community outcomes, that development contributions are confirmed as being the primary funding tool to be used for funding capital expenditure resulting from growth for water, wastewater, stormwater, roads and reserves.*
3. *Recommend to the Strategy and Policy Committee that the Development Contributions Policy is amended to address the implementation issues in this paper regarding:*
  - a. *Greenfields development/ subdivision*
  - b. *The transitional provision dealing with proposals for which the application for resource consent was lodged prior to 1 July 2005 (including the provision dealing with amendments)*
  - c. *The exercise of the power to require and assess the development contribution payable*
  - d. *Application of the financial contribution regime*
  - e. *The definition of equivalent household unit ('EHU') as it applies to residential or non-residential development*
  - f. *Minor typographical errors.*
4. *Note that the draft DC Policy, including the minor mapping improvements, will not be finalised until the Council has agreed the capital expenditure budgets to be included in the draft 2006/07 LTCCP, when the actual schedules of development contributions payable and maps will be amended to incorporate the relevant capital expenditure.*
5. *Note that the DC Policy will be included in the draft 2006/07 LTCCP, but that the Development Contributions Subcommittee will hear submissions on the DC Policy and report its deliberations and recommendations to the Strategy and Policy Committee.*
6. *Recommend to the Strategy and Policy Committee that it recommends that Council delegates the Chief Executive Officer, in consultation with the Chair of the Development Contributions Subcommittee, the authority to:*
  - a. *make any minor editorial changes that may be required to the draft policy in the LTCCP; and*
  - b. *reflect the DC Policy in the summary of information for the LTCCP.*
7. *Note that the activity review will provide the basis for further work to be undertaken on identifying the growth related capital expenditure for community infrastructure (e.g. libraries, recreational centres, community centres, etc), local purpose reserves and that as part of the activity review officers will report on the appropriate funding options and choices for those activities.*

#### **4. Background**

The LGA 2002 requires that the Council has a policy on Development Contributions or Financial Contributions in its LTCCP.

Development Contributions and Financial Contributions are two funding tools available through which new development is specifically targeted and required to contribute to the capital cost of infrastructure and community assets resulting from growth. In order to utilise development contributions as a funding tool, Council must have a policy prepared under the LGA 2002.

The Council prepared and consulted on its DC Policy last year, at the same time as the 2005/06 draft Annual Plan. It was adopted by the Council on 28 June 2005 and took effect on 1 July 2005.

When adopting the DC Policy, the Council first decided as a matter of policy that it would use development contributions as a funding tool to fund growth related capital expenditure. It made this decision after considering the factors in section 101(3) of the LGA 2002. Specifically the Council decided that it would use development contributions to fund 100% of growth related capital expenditure, but that it retained the option of departing from that decision for any particular infrastructure or project where following consideration of the section 101(3) LGA 2002 factors there was a demonstrable case to support a variation.

Having made that funding decision, the Council then agreed that it would use development contributions for growth related capital expenditure for water, wastewater, stormwater, roads and reserves, but that at that time further work was required to deal with community infrastructure (ie libraries, pools etc).

The DC Policy was consulted on at the same time as the 2005/06 Annual Plan, along with amendments to the 2003/04 LTCCP required to amend the Revenue & Financing Policy and the 2004/05 and 2005/06 capital expenditure figures in the 2003/04 LTCCP.

Since the policy commenced, officers work has concentrated on implementation of the DC Policy. This has included assessment of 497 consents for development contributions (made up of 83 land use consents, 140 subdivision consents and 274 building consents). Of those assessments, 204 (41%) required development contributions to be paid. Of the 204 assessments, 7 developments have paid a total of \$24,015. While this is a very small percentage of the total number, it is consistent with expectations and simply reflects the timing issues associated with the implementation of a new regime. That is, under the DC Policy, development contributions cannot be enforced until the development is complete and a code compliance certificate is sought under the Building Act, or certification of a subdivision under the RMA is sought (known as a section 224(c) certificate). As most projects have a 2-5 year timeframe (ie from the time of obtaining the relevant consents through to completion), it is inevitable that there will be time delays between assessment of the development contributions payable and payment.

The DC Policy provides that remissions may be applied for, and that Council may grant them in exceptional circumstances. Since the operation of the policy, no remissions have been applied for. The policy also provides that an applicant may undertake a 'self-assessment' of a development contribution payable for non-residential development. No applications have been made for a self-assessment. Likewise, the Council can undertake its own special assessment of non-residential development. To date it has not undertaken any special assessment.

## Scope of paper

This paper therefore deals with the following matters.

1. Amendments to the policy content updating for new community outcomes - the DC Policy records that the funding decision was made in reference to community outcomes identified in the 2003/04 LTCCP, and that when Council had undertaken its community outcomes process, it would revisit its funding decision in light of the new outcomes.
2. Amendments required to ensure better operation of the policy - number of issues have been identified where it is recommended that the DC Policy is amended to improve its operation and implementation.
3. Amendment of the policy to update for 2006/07 LTCCP figures. The DC Policy only deals with capital expenditure included in the 2003/04 LTCCP (and the 10 year period to which the LTCCP related). As the Council is soon to agree its 2006/07 LTCCP which covers the 10 year period until 2017, it is appropriate that new capital expenditure with growth related components, is identified and included in the DC Policy.

## 5. Amendment to policy – funding decision

Under the LGA 2002 the Council is required to explain in its DC Policy why it has determined to use development contributions as a funding source. The Council is required to show that it has considered s101(3) of the LGA which provides that:

- (3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—
  - (a) in relation to each activity to be funded,—
    - (i) the community outcomes to which the activity primarily contributes; and
    - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
    - (iii) the period in or over which those benefits are expected to occur; and
    - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
    - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
  - (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community

It is not proposed that the Council revisit its funding decision, other than to affirm its decision, given that it has undertaken its community outcomes process.

In particular, section 3.1 of the DC Policy records that when making the funding decision last year, the Council considered the then 'proxy' community outcomes in the 2003/04 LTCCP, and determined that it was appropriate to charge new development for additional infrastructure to ensure a fair contribution to community outcomes. As the Council was required to undertake its community outcomes process during 2005/06 in anticipation of the 2006/07 LTCCP, the Policy clearly flagged that the Council would revisit its former funding decision in light of the outcomes, once identified.

There were a large number of community outcomes identified. The most relevant outcomes are:

- Wellington's long-term environmental health will be protected by well-planned and well-maintained infrastructure (Environment outcome 4).
- Opportunities for active and passive recreation in Wellington will be diverse, safe, affordable, accessible and attractive (Recreation outcome 2).
- Wellington's communities will have ready access to multi-use indoor and outdoor facilities and spaces (Recreation outcome 3).
- Wellingtonians will protect and have access to public green open spaces and the coast (Urban Development outcome 5).
- Wellington's governing bodies will comply with all legislative requirements and will behave in an ethical and fair manner (Community Engagement & Governance outcome 4).

Charging new development for additional growth related infrastructure will ensure a fair contribution by those generating the growth to achieving the above community outcomes. The community outcomes affirm the Council's former funding decision that growth related capital expenditure ought to be met by development contributions.

It is therefore recommended that the Subcommittee recommends that the funding decision is affirmed, and that section 3.1 of the DC Policy is amended as shown in Appendix 1.

## **6. Amendments to the policy - implementation**

The following issues have been identified as requiring amendment to the DC Policy to assist with implementation of the policy.

- Greenfields development (reference in the development contributions schedule, definition issues)
- Transitional provision

- Assessment regime
- Application of financial contribution regime
- EHU definition
- Minor typographical corrections
- Minor mapping improvements.

For each of the above, the issue is discussed, along with the proposed resolution.

## **6.1 Greenfields development**

The DC Policy requires a contribution to be paid for reserves for Citywide reserves, the Inner City catchment, and all other catchments where the development falls within the definition of 'greenfields development'. Since the policy came into effect two issues have been identified that require clarification:

- The schedule of contributions payable in section 9.3 of the Policy requires amendment so it is clear that reserves are payable in all catchments where the development falls within the definition of 'greenfields development or subdivision'. (At present section 9.3 of the Policy indicates that the application of development contributions for greenfields reserves only applies in catchment I and J (Northern Growth Area) which was not the intention of the DC Policy and could be misleading); and
- The definition of 'greenfields development' involves an unnecessary assessment of what is an 'infill development' and therefore what essentially defaults to 'Greenfields development'.

### **Proposed resolution**

It is recommended that the first issue is addressed by simply amending schedule 9.3 of the DC Policy as shown in Appendix 1.

It is also recommended that the definition of 'greenfields development' is reworded both in the definitions and in B6.1.2 as follows:

*'greenfield development' means: a proposal that creates new residential or rural residential areas, or suburban centres, and without limiting this definition in anyway, includes residential or rural residential areas, or suburban centres on land that was zoned Rural, Open Space. It also includes land that was zoned Residential within the land areas to which Appendices 12 to 14 and 16 to 22, in the operative District Plan as at 1 July 2005<sup>1</sup>. For the avoidance of doubt, developments falling within this definition are also required to pay Citywide and catchment based (ie local) reserves.*

---

<sup>1</sup> For example, if land to be developed was zoned rural in the District Plan as of 1 July 2005 the subdivision will be treated under the Development Contributions policy as a 'Greenfield development'.

To clarity of the areas covered by Appendix 12 to 14 and 16 to 22 mention in the 'greenfield development' definition above refer to Appendix 2.

This definition removes the debate that arose under the existing definition as to whether a development was infill or not. It focuses the determination on particular land zoning in the Operative District Plan as at 1 July 2005. This will capture the areas of land where development will clearly result in new residential or rural residential areas, which need to be assessed for the contribution to catchment based (ie local) reserves (in either cash or land).

## **6.2 Transitional provision**

During the development of the DC Policy, Councillors will recall that the Council considered the date at which it would commence application of the DC Policy, and stop imposing financial contributions under the RMA. As the DC Policy was adopted on 28 June 2005, it was elected that the DC Policy would commence operation on 1 July 2005. This is recorded in paragraph 7.2.1 of the DC Policy which provides that any resource consent, building consent, or application for service connection received by the Council on or after 1 July 2005 will be required to pay the development contribution payable under the DC Policy.

As the DC Policy provided for the requirement and assessment of development contributions on any application sought (resource consent, building consent, or service connection), consideration was given to those developments that had commenced the application process prior to 1 July 2005. An example of this would be where a resource consent had been applied for (and perhaps even granted prior to 1 July 2005) but further Council approvals were required (such as the building consent and/or service connection application) which would be lodged after 1 July 2005.

As a result, the Council included a transitional provision in the DC Policy, at paragraph 7.2.3. In summary, the transitional provision provides that the DC Policy will not be applied to such subsequent approvals if 3 factors can be demonstrated:

- First, a resource consent application must have been received prior to 1 July 2005 'for the same development' as is now the subject of the application to the Council.
- Second, one of the following must apply:
  - it must be shown that no financial contribution was required when the resource consent application lodged prior to 1 July 2005 was granted; or
  - if a financial contribution was required as a condition of resource consent, the condition must have been met (which usually means it needs to have been paid).

- Third, the subsequent application (which may be for building consent, resource consent, or service connection) must have been received within 5 years of the date that the original resource consent was received.

Two issues of interpretation have arisen. The first is the ambit of 'same development'. Some applicants have endeavoured to argue that this simply means that a resource consent has been applied for on the same site prior to 1 July 2005. While such arguments have not been accepted, and development contributions have been imposed on the subsequent application(s), it is recommended that the transitional provision is clarified to avoid such further arguments.

The second issue relates to the requirement, that in order for the transitional provision to apply, it must be shown that no financial contribution was required when the application lodged prior to 1 July 2005 was granted. It is unclear whether this means 'required' as a condition of resource consent, or 'required' under the provisions of the Council's District Plan.

The intention of the Council in providing a transitional provision was only to exempt those developments from the payment of development contributions under the DC Policy (when subsequent applications were applied for) if financial contributions payable under the District Plan had been both imposed and paid.

Some developments have been amended since acceptance of consent application or since issue of consent for applications received prior to the 1 July 2005. These amended developments are currently being assessed using the transitional provision. This has created some misunderstandings about whether the amendments are treated under the DC Policy.

### **Proposed resolution**

To better give effect to this intention, it is recommended that the DC Policy is amended so that:

- It must be shown that either there was no jurisdiction to impose a financial contribution under the District Plan when the resource consent application lodged prior to 1 July 2005 was granted; or
- If there was jurisdiction to impose a financial contribution under the District Plan when the resource consent application lodged prior to 1 July 2005 was granted, there is a specific decision of Council not to impose a financial contribution; or
- If a financial contribution was imposed as a condition of resource consent, the condition must have been complied with.
- Subsequent amendments to consents application lodged prior to 1 July 2005 will clearly come under the DC Policy.

It is recommended that the DC Policy wording changes above and shown in Appendix 1 be made to better reflect this intention.



### 6.3 Assessment regime

The Policy sets out the assessment and payment regime, which is summarised as follows:

- Development contributions will be required and will be **assessed** on all applications for building consent, land use (resource) consent, subdivision (resource) consent, and service connection. The assessment is to record that if the amount of the development contribution is not paid within 12 months from the date of the assessment, that Council can reassess the amount assessed so that the development contribution reflects any amendments to the policy.
- The assessment will be made at the time that the first application is lodged for a development, and will be reviewed on application for every subsequent consent to ensure that the development has not been amended in a way that changes the EHU's previously assessed
- Payment can be made at anytime, but will be required prior to the s224(c) certificate (on a subdivision consent), or prior to the issue of a CCC, or before a service connection is provided.

Now that the Policy is operational, this regime is proving to be demanding on resources due to the number of assessments being required for the same development. Each consent application is currently assessed;

- **on receipt of application:** This is to help inform the developer of Development Contributions fees that their development will incur,
- **then 12 months later:** If not paid within 12 month of original assessment. This allows for changes in the Development Contribution policy to be reflected.
- **at any change in the development:** As the 12 month payment criteria applies, the Council officers have to assess at every change in the development to ensure the assessment is accurate. This may happen during each staged of the building consent relating to the overall development. With large projects, the final development can be different to the original proposal.
- **application for certification:** Once the developer has completed or given effect to their consent the Council officers re-assess the development to ensure its accuracy before invoicing.
- **upon payment of assessment:** When payment is received, the re-assessment of any further consents is required to acknowledge the payment made as a credit.
- **any replacement consents:** As developers develop their projects they evolve, therefore, some seek new consents. These then required Development Contributions assessment again.

There are few developments that are assessed once and then invoiced and paid promptly. The Committee will recall that for GST reasons, Council's processes have been tailored to only invoice once, and to ensure that the invoice is issued as close as possible to the time of payment. The timeframes for issuing invoices vary depending on the sort of application and will be up to 2-5 years from the grant of the original approval on which a development contribution was assessed. For example:

- Building Consent: upon application of code compliance certificate, which may be 2 years from consent being granted;
- Land use resource consent: consent is given effect (up to 5 years from consent being granted);
- Subdivision resource consent: upon application for 224(c) compliance, up to 5 year from consent being granted.

As a result officers have considered how best to implement the policy. Matters considered are:

- how to reduce the duplication currently in the process
- at what stage of the application process will all of the information required to assess the EHU's be before the Council (at a point where it is least likely to be subject to amendment and change)
- how best to ensure that the development contributions paid, reflect the amount payable under the policy at the time (in particular how to ensure that development contributions not paid until some years after assessment can be reassessed to capture any new fees payable, particularly as there is no provision to charge interest on assessed but unpaid contributions)
- how to manage the 'accounting' issues that have been faced by some local authorities. (Some Council's have issued invoices at the time the development contribution is 'required' , which has then required the Council to recognise the revenue and pay GST on the total sum, yet despite the 'requirement' to pay a contribution, the sum may not be paid for a significant period and in some cases not at all)
- how to ensure that developers are fully aware of the charges payable, and the fact that the policy will change over time
- how to ensure that Council collects all of the contributions which ought to be paid
- how to meet the issues raised by developers during consultation last year, regarding cash flow and timing issues for developments
- the flexibility under the LGA 2002, to vary the process so that the actual assessment (ie determination of a precise amount payable) is deferred until the time that either a CCC or s224 (c ) is issued.

## Proposed resolution

It is proposed that the regime in the DC Policy is amended to provide for a less onerous process of requiring a development contribution under the DC Policy and assessment under the policy. There are two phases that need to be improved and refined to ensure that the process is less repetitive. One is the need for the Council to exercise its power to impose a development contribution. The second is the assessment of a consent application (the development) under the policy.

The first phase requires the application to be assessed to determine if the development will create any additional demand (EHU) compared to the existing situation. If an increase in EHU is the result of the development the applicant will be informed that a development contribution will be payable, and that it must be paid before a Code Compliance Certificate (for building consent) or a 224(c) (for subdivision consent) will be issued.

The Development Contribution Summary Guideline will be provided to allow the applicant to calculate the expected contribution. At any stage the applicant can request the Council to provide an estimate of the development contribution that will be payable.

The final phase will be the assessment of a development once the developer applies for certification. This will occur near the completion of the development not throughout the process as under the current DC Policy. This will ensure that the final development configuration is assessed based on the latest and final information.

In summary the proposed regime will assess:

- **on receipt of application:** This is a quick review for increased demand/ EHU's. If increased demand is expected the Council will exercise its power to require a development contribution.
- **upon request by developer:** If the applicant requests an assessment the Council will provide an estimate of the contribution expected to be paid.
- **at application for certification:** This is the only full assessment. This assessment occurs near the completion of the development.

It is recommended that the Council accepts the changes to the policy (see appendix A) to enable the above assessment regime above to be adopted.

## 6.4 Application of financial contribution regime

Section 1.4 of the DC Policy outlines the relationship of the DC Policy with the financial contribution provisions in the Operative District Plan. It records that the DC Policy is distinct from and in addition to the provisions of the District Plan that provide the Council the discretion to impose conditions of consent requiring financial contributions to be paid under the RMA. It records specifically that it is the Council's Policy to:

- use the DC Policy where a development contribution is payable for a particular purpose within a catchment, and for all Citywide contributions.
- to retain the power to impose a condition of resource consent imposing a financial contribution condition where the development results in Council incurring capital expenditure that is not included in the Council's budgeted capital expenditure in its relevant LTCCP and where section 3.4.5 of the District Plan applies.

Since introducing the DC Policy it has become clear that the Crown is not subject to the development contribution regime under the LGA 2002. As a result, development contributions cannot be imposed on 'the Crown'. There is some debate as to what comprises the Crown in the context of the LGA 2002, as it is not defined. Further, at a policy level, local government is endeavouring to have this issue raised as a part of the funding review work jointly being undertaken by central and local government. In the meantime under the current policy financial contributions under the RMA Act can be taken.

### **Proposed resolution**

It is recommended that section 4.1 of the DC Policy is amended to make it clear that while it is the position at law that the Crown does not pay development contributions under the LGA 2002 that Council will continue to apply the financial contribution regime in its District Plan to any developments undertaken by the Crown.

## **6.5 EHU definition**

Section 2.2 of the DC Policy sets out the Council's basis for determining the unit of demand under the DC Policy to which development contributions will be assessed and attributed. The Subcommittee will recall that the DC Policy estimates a number of equivalent household units for both residential and non-residential uses. Residential development is defined in the DC Policy and non-residential development (whilst being likewise defined) essentially means all development not falling within the definition of residential development.

The DC Policy then goes on to define equivalent household unit (EHU) and the basis upon which it will be assessed for each type of development. On application of the DC Policy some confusion has arisen around the table in paragraph 2.2.6 of the DC Policy and in section 10 (definitions).

### **Proposed resolution**

It is proposed that the table is amended to clarify the basis of assessment as is shown in Appendix 1.

## **6.6 Minor typographical corrections**

There are several minor typographical errors that have been found during the last 6-7 months of implementation. All these errors have had no effect on the

interpretation of the policy to date. The reason to include these now is to improve the accuracy of the policy and to better reflect the real situation.

The errors are as follows:

- Currently 'transport' is listed with 'roading' as part of the network infrastructure that is provided for by Development Contributions. This is not the case as Development Contribution is being collected on roading but not 'transport'.
- As part of the assessment guideline the 'Usage Measure per EHU' is showing 780 litres per day for water supply. The 780 litres relates to the daily consumption and the required storage volume. The daily consumption portion is 390 litres. This needs to be reflected in the wastewater 'Usage Measure per EHU' as the remainder, storage, do not enter the wastewater system.
- Currently the EHU column of the Citywide table in clause B2.1.1 shows '\$' along with the figure. This column is to show number of EHU not dollars.

### **Proposed resolution**

It is recommended to;

- Remove 'Transport' from clause 2.2.7.2
- Include 'including storage' to clause 2.2.7.3
- Replace '780' with '390' litres per day for wastewater for clause 2.2.7.3
- Remove '\$' from the EHU figure in clause B2.1.1 table.

## **6.7 Minor mapping improvements**

As the asset management plans and final Capital expenditure budgets are approved and updated some of the catchment boundaries will need to reflect the Capital expenditure projects accepted by the Council. Most catchment boundaries currently reflect the extent of the current infrastructure coverage. They do not reflect the proposed areas that the future Capital expenditure projects will cover. Once the projects have been confirmed by the Council the boundaries will need to reflect any minor changes to represent the final coverage.

In additional to the Capital expenditure budgets not being confirmed, the current boundaries have been defined by parcel boundaries and not the topography. As a consequence, there are areas that have been isolated by topography and the extent of infrastructure coverage. These needs to be rationalised to represent practical catchment boundaries relating to the infrastructure service provided. This can not be completed until the final infrastructure coverage is confirmed.

## **Proposed resolution**

It is recommended that the DC Policy is amended to reflect the minor catchment boundary amendments that are made to represent a practical boundary between topography and infrastructure coverage once the final Capital expenditure budgets are considered by the Strategy and Policy Committee.

## **7. Further work**

The LGA allows the Council to fund the growth related component of capital expenditure on 'community infrastructure' through development contributions. This includes activities such as:

Recreation centres and swimming pools

Community centres and halls

Libraries

Suburban centre development

Galleries and museums

Local purpose reserves.

This work is currently being undertaken as part of the activity reviews. The scoping of service levels for each will first be completed. Second, these reviews will include long-term (10- 15 year) investment strategies. The need for new infrastructure and the funding of that expenditure will be considered by the Council once this work is completed. Once the decisions are made the activities will be assessed to determine the impact of growth and define the capital expenditure being driven by this growth. The final outcomes of the reviews will then be being reflected in the policy for 2007/08.

## **8. Process**

The LGA 2002 requires the Council to have a policy on Development Contributions or Financial Contributions in its LTCCP. The policy (as proposed to be amended) will be consulted on as part of the 2006/07 LTCCP. The consultation material will focus on the amendments, however as the whole of the LTCCP is open for submission, submissions cannot be restricted or limited to the changes only.

The Policy will need to be updated for the capital expenditure figures for the 10 year period in the LTCCP. As this cannot occur until the draft capital expenditure budgets are approved, it is proposed that the final schedule of contributions payable are dealt with at the Strategy and Policy meeting on 1-3 March.

It is proposed that consultation on the Council's proposed DC Policy be considered at the same time as consultation on the LTCCP, and that submissions on the policy are heard by the Subcommittee, which will in turn deliberate and make recommendations to the Strategy and Policy Committee.

## **8. Conclusion**

The proposed changes to the DC Policy will assist with implementation, and remove some of the uncertainty surrounding the current DC Policy assessment regime. It is recommended that the changes are included in the draft DC Policy, and consultation undertaken.

Contact Officer: *Phil Stroud, Development Contributions Officer*

## **Supporting Information**

### **1) Strategic Fit / Strategic Outcome**

*The policy supports Council's infrastructure-related activities, but ensuring those responsible for increased demand through growth contribute to the cost of services.*

### **2) LTCCP/Annual Plan reference and long term financial impact**

*The policy has implications for the LTCCP and financial impacts where the cost of the growth related portion of infrastructure development is paid for by those generating the additional demand.*

### **3) Treaty of Waitangi considerations**

*The Policy has no direct impact on iwi, but mana whenua will be included in the consultation process.*

### **4) Decision-Making**

*This is not a significant decision, as the recommendations are for amendments to an existing policy. No major policy changes are recommended.*

### **5) Consultation**

#### **a) General Consultation**

*Affected parties will be identified based on the consultation process undertaken for the policy development in 2005. The consultation process will run alongside the LTCCP consultation process.*

#### **b) Consultation with Maori**

*Mana whenua will be provided with a draft of the policy during the consultation process.*

### **6) Legal Implications**

*Council's lawyers have been consulted during the development of this report.*

### **7) Consistency with existing policy**

*There are no inconsistencies with other existing WCC policies.*