

Council Briefing Agenda

Date: Thursday, 2 July, 2020

Time: 9:00 am

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)

Cr Gavin Benney

Cr Vince Cocurullo

Cr Nicholas Connop

Cr Ken Couper

Cr Tricia Cutforth

Cr Shelley Deeming

Cr Jayne Golightly

Cr Phil Halse

Cr Greg Innes

Cr Greg Martin

Cr Anna Murphy

Cr Carol Peters

Cr Simon Reid

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

1. Apologies

2. Reports

2.1 LTP - Development Contributions

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3. Closure of Meeting

2.1 LTP Activity Briefing – Development Contributions

Meeting: Council Briefing
Date of meeting: 2 July 2020
Reporting officer: Lynne Dahl (Development Contributions Team Leader)

1 Purpose

To provide elected members with an overview of the Development Contributions Policy (Policy) and begin the process required to review the current Policy

2 Background

Development contributions are a funding source available to Councils under the Local Government Act 2002. On average approximately 4% of Whangarei District Councils annual revenue stream is from development contributions. Council has operated a Development Contributions Policy since 2005.

Council is required to review the Development Contributions Policy every three years. This will be the eighth policy review. This is a scheduled review and will be done in conjunction with the Long Term Plan process.

Development contributions fund growth related infrastructure – this is a mix of past projects with residual capacity and future projects – these projects, or more commonly programmes of work, are identified in the Long Term Plan as works that will be undertaken in the next 10 years.

Development contributions, by legislation, can only be used to fund the growth-related portion of projects/programmes of capital works.

As part of the Policy review process development contribution charges are calculated from schedules of growth-related projects. The schedules are the justification for the charges. The Policy clearly explains the ‘when, how much and why?’ charges are required.

3 Discussion

3.1 What we do

Assessments and administration

Every building consent, resource consent and public utility application is assessed for its impact on the need for Council to provide additional infrastructure. If there is additional impact on Councils need to provide services, an assessment is made, and contributions required.

Development contributions generally have a high level of visibility to our stakeholders and are an integral part of project management processes.

Our intention is that applicants should be made aware of any possible requirement as early in the development process as possible. Customer Services, Resource Consent Planners and

many other staff make this possible. Pre – lodgement meetings are an opportunity to discuss infrastructure requirements and development contribution charges.

There are reconsideration and objection processes available in the Policy. As a team we routinely advise on Policy and assessment matters, working through issues with applicants. Our aim is to have applicants understand the value that they are receiving and that there are costs to accessing Councils infrastructure.

Policy Review

A financial policy must be reviewed at least every three years.

The Policy review will include:

- legal compliance
- any changes to catchment areas
- activities which development contributions are collected for
- inputs from the growth model,
- interest costs
- and the wording of the Policy.
- overall effect of the charges on the community wellbeing
- external reviews

Elected members will make decisions through the Long Term Plan process about the capital expenditure programme for 2021 – 31. As part of the Policy review, schedules of growth-related capital expenditure works will be used to calculate the development contribution charges.

These charges will be presented to Council as part of the Policy review. Council can then consider the whole community in deciding whether the charges are appropriate. There is an option to consider equity and fairness, consideration can be given to capping some charges, as has been done in previous reviews. The effect of capping is that ratepayers subsidize the cost, this can have overall benefits for the community including environmental and health outcomes.

3.2 Key issues for the next 3 Years and Covid 19

The uncertainty of the economic effects of Covid 19 mean that there is an added uncertainty about growth levels. As this is a key input into the charge calculation for development contributions getting the growth modelling as accurate as possible is important.

Development contribution revenue is likely to be impacted by the effects of any economic downturn.

Assist developers by developing payment arrangements that assist but provide certainty of payment for Council.

Looking at the next Policy review there is likely to be additional investment in stormwater infrastructure. This could be an activity that we will partially fund from development contributions. This will only be for any growth component of projects, in the short term it is likely that most work will be historical and funded by the ratepayer.

In conjunction with the Long Term Plan process we will ask Council for input, through subsequent briefings, in order to review the draft Policy and charges.