

**STATEMENT OF
PROPOSAL –
WAIROA
DEVELOPMENT
CONTRIBUTIONS
POLICY**



WAIROA
DISTRICT COUNCIL

PROPOSED WAIROA DISTRICT DEVELOPMENT CONTRIBUTIONS POLICY

Proposal: Wairoa District Council proposes introducing a Development Contributions Policy to be adopted for the new financial year (2025/2026).

This statement of proposal is prepared in line with section 83, 83AA and 87 of the Local Government Act 2002 (LGA 2002). This document contains:

- A summary of information
- Background information
- Legislative requirements
- A description of the problem and the options to address these problems
- A draft of the proposed policy

SUMMARY OF INFORMATION

Wairoa District Council (WDC) is proposing to introduce a development contributions policy under the LGA 2002 as a means of funding expected growth related infrastructure throughout the district.

Wairoa District Council is undertaking a special consultative procedure (s83) to seek feedback on this proposed policy.

While recognising the benefits that development brings to the district, Council has a responsibility to ensure that an expected level of service is maintained and that a balance is found in funding growth related infrastructure throughout the district. Council aims to find this balance by supporting growth through investment and operating with financial prudence.

Have your say: Before making any final decisions, Council would like to have your input. You can make a submission:

- Online: www.wairoadc.govt.nz search development contributions
- By post: Proposed Development Contributions Policy c/o Wairoa District Council Governance Team, 97 Queen Street WAIROA.
- By emailing: feedback@wairoadc.govt.nz
- Or deliver your submission in person to the Wairoa District Office, Coronation Square, WAIROA.

Timeline:

Consultation period begins: Monday 24th February 2025

Closing date for submissions: Monday 24th March 2025

Public hearing and deliberations: Tuesday 8th April 2025

BACKGROUND INFORMATION

Wairoa District Council (WDC) plays a significant role in facilitating and co-ordinating development and providing infrastructure in a timely and affordable manner.

The purpose of local government is to promote community wellbeing. This means that local authorities are responsible for considering the social, economic, environmental, and cultural interests of its people and communities to meet the reasonably foreseeable needs of future generations.

Sustainable growth and development is encouraged within the Wairoa District. However, this often requires WDC to incur capital expenditure to provide new or additional network or community infrastructure to support growth.

The Wairoa District is experiencing levels of growth that it has not seen in decades, this is consistent with high levels of development occurring throughout the Hawke's Bay and more generally throughout New Zealand.

This growth is welcomed but requires consideration of the higher demand placed on Council infrastructure networks. This will require significant capital investment to fund new infrastructure or grow capacity of existing infrastructure to maintain our current levels of service.

PROBLEMS CAUSED BY GROWTH

Wairoa District Council recognises the benefits of a growing district, however, must balance this with the increase in required infrastructure and therefore the increase in capital expenditure to be incurred.

Wairoa District Council intends to realise over \$130 million dollars' worth of capital expenditure (CAPEX) for Water, Stormwater, Wastewater, Waste Management, Transport and Community Facilities within the next ten years as part of the current Long-Term Plan. An additional \$260 million is forecast for operational expenditure. Looking further ahead for the thirty years 2021-2051 operational expenditure is forecast to be \$466 million and capital expenditure of \$302 million (the higher proportion of CAPEX indicative of replacement investment for ageing infrastructure).

At it presently stands funding for CAPEX is sourced through rates, reserves, borrowing and through central government grants (E.g., NZTA), with bulk being funded through rates.

A development contributions policy seeks to ease the burden of growth costs from Wairoa ratepayers and shift that cost to those that benefit from growth related infrastructure.

SUMMARY OF WHAT IS PROPOSED

The full proposed policy is attached.

This policy would be brand new to Wairoa District Council and outlines what the proposed development contributions for new developments in the district would be.

Development contributions are the fees payable to Council for capital expenditure planned to be provided, or already constructed, for additional community assets (such as new piping, roads, reserves and public facilities) required to service growth. These contributions may be required on

resource consents (subdivision and land use) and/or building consents or service connections in situations where the development will have additional impact on infrastructure.

This policy applies when you subdivide land, build, alter, or expand a non-residential building, or may apply when you change the use of an existing building. The extent of the development contribution required will depend on the type, size, and location of the development.

Under sections 198 and 199 of the LGA Council will apply a development contribution, including GST, for developments generating increased reserves, network or community infrastructure demands upon the granting of:

1. A resource consent,
2. A building consent,
3. An authorisation for a service connection.

As a rule, Development Contributions will be assessed, and any requirement for payment of contributions advised, at the earliest opportunity.

The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with another development. A DCP also enables Council to require a contribution that is used to pay, in full or in part, for capital expenditure already incurred by the Council to provide infrastructure to service expected growth

This development contribution policy is set out in eight sections:

- Section 1 introduces this development contributions policy.
- Section 2 sets out the overview of the DCP and the process.
- Section 3 sets out the vision, strategy of Council, the key assumptions, and how this relates to Council goals and other policies.
- Section 4 sets out how the charges are calculated and the categories of land use development, the administration procedures and the process for objections and reconsiderations.
- Section 5 sets out how the charges have been developed and the methodology behind the allocation of costs to each type of development.
- Section 6 covers how the policy is reviewed and the schedule of charges is carried out.
- Section 7 is the glossary with key definitions of terms in this policy.

Additionally, the appendices to the policy contain further detail about the development and implementation of the policy. This includes development contribution rates and development contribution area maps. It also lists the assets/programme of work that development contributions fund and a range of development contribution calculation examples.

LEGISLATIVE FRAMEWORK

The following describes our legislative requirements under this proposal.

Local Government Act 2002

Under the Local Government Act 2002, if a plan or policy or similar document is proposed to be adopted, it must follow a special consultative process as per sections 83, 83AA and 87 of the Local Government Act 2002. The Council must be able to show that this policy is the most appropriate and proportionate way of dealing with the perceived problem, and that the bylaw is not inconsistent with the New Zealand Bill of Rights 1990.