Council Information Session/Workshop
AGENDA

Notice of Information Session/Workshop Te Pānui o te Hui:

A Council Information Session/Workshop will be held on:

Date:	**Monday 19 May 2025**
Time:	**9.30 am**
Venue:	**Council Chambers, Civic Offices,** **53 Hereford Street, Christchurch**

Membership Ngā Mema

Chairperson	Mayor Phil Mauger
Deputy Chairperson	Deputy Mayor Pauline Cotter
Members	Councillor Kelly Barber
	Councillor Melanie Coker
	Councillor Celeste Donovan
	Councillor Tyrone Fields
	Councillor James Gough
	Councillor Tyla Harrison-Hunt
	Councillor Victoria Henstock
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Sam MacDonald
	Councillor Jake McLellan
	Councillor Andrei Moore
	Councillor Mark Peters
	Councillor Tim Scandrett
	Councillor Sara Templeton

15 May 2025

Principal Advisor
Mary Richardson
Chief Executive
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To watch the meeting live, or previous meeting recordings, go to:
http://councillive.ccc.govt.nz/live-stream

Note: This forum has no decision-making powers and is purely for information sharing.

To find upcoming meetings, watch a recording after the meeting date, or view copies of meeting Agendas and Notes, go to:

https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/

TABLE OF CONTENTS NGĀ IHIRANGI

1. Apologies Ngā Whakapāha

Apologies will be noted at the meeting.

2. Annual Plan 25/26 Workshop

Reference Te Tohutoro: 25/896261

Presenter(s) Te Kaipāhō : Peter Ryan - Head of Corporate Planning & Performance
Bede Carran - General Manager Finance, Risk & Performance / Chief Financial Officer

1. Detail Te Whakamahuki

Purpose and Origin of the Workshop	• To brief Council on the Annual Plan 25/26 process, including matters arising from the consultation and hearings process.
	• Content to cover:
	  ○ Recap of Annual Plan process
	  ○ Thematic Analysis from consultation and hearings, including analysis around each Consultation Document option
	  ○ Updated financial position
	  ○ Next Steps for Annual Plan
	  ○ Additional feedback on the draft Development Contributions Policy (separate item)
	The Workshop scheduled for Monday 19 April 2025, is for information only. Guidance for the final 2025/26 Annual Plan development will be requested at the subsequent Workshops scheduled between 22 and 27 May 2025.

Timing	This workshop is scheduled from 9.30 am to 4.30 pm, commencing with the Annual Plan component and to be followed by a workshop on response to the request for information on a decision-making transparency tool and Development Contributions Policy.
Outcome Sought	That Councillors are fully appraised of the issues raised during consultation so that they can provide guidance on the final 2025/26 Annual Plan at the Workshops scheduled between 22-27 May 2025.
ELT Consideration	ELT will consider content prior to the Workshop. The outcomes from ELT consideration will be incorporated into the presentation.
Next Steps	The following Workshop (22 May 2025) will seek guidance on: • Each of the specific Consultation Document options • Capital deliverability • Other financial issues and options
Key points / Background	In August 2024 Council directed that, in light of the recently approved LTP 2024-34, the following Annual Plan process should be a light process focused on adjustments to the LTP. The AP process has been developed and implemented accordingly.
Useful Links	N/A

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A ⇩	Presentation 19 May 2025	25/957668	7

Signatories Ngā Kaiwaitohu

Authors	Tim Ward - Senior Corporate Planning & Performance Analyst Boyd Kedzlie - Senior Corporate Planning & Performance Analyst
Approved By	Peter Ryan - Head of Corporate Planning & Performance Bede Carran - General Manager Finance, Risk & Performance / Chief Financial Officer

Annual Plan 25/26: Workshop #1

19 May 2025 - Information Only

- Recap of Process
- Thematic Analysis/CD questions
- Updated Financial situation

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Recap of Process to date

Aug-Dec
- Council direction - 'light Annual Plan' as LTP just concluded
- Development of Draft
- Multiple joint development workshops with Council to get direction/input

Dec-Feb
- Finalisation of draft content from Council direction (Dec 24)
- Development of Draft AP and Consultation Document
- Draft Adoption (Feb 25)

Mar-Apr
- Consultation with Community on specific content
- Hearings to understand Community positions

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Annual Plan processes

Annual Plan FY25/26

Annual Plan Direction

- Workshops [May 19th – 27th]
- Community feedback and thematic analysis on key CD questions
- Council Direction re CD questions
- Guidance on financials
- Guidance on capital deliverability

Amendments for Final

- Answering many questions through Q&A tool
- June 24th adoption meeting
- Amendments proposed on the day [see next slides]

Amendments process

- amendments proposed on the day
- must have a seconder
- should show clear link to consultation feedback on Draft AP
- if material change from LTP, or not consulted upon, may not progress
- if staff advice is required please ask on or before 27 May
- advice will include whether the amendment is considered within scope
- proposed amendments debated and voted on

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Thematic Analysis

What is our community telling us?

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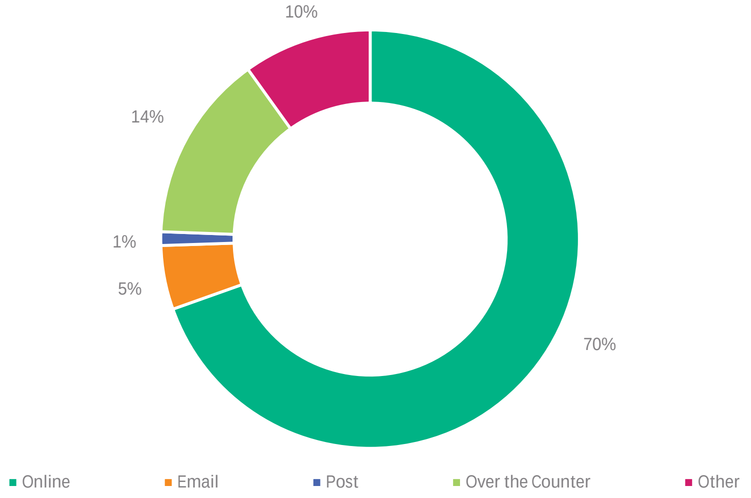
What is the thematic analysis

- Purpose is not to provide analysis on everything that submitters commented on, summary of key topics and issues that submitters provided feedback on.
- The written thematic analysis that supports this (will be circulated after this briefing) provides more detail and context.
- Based on the opinions of submitters, whether they are factually correct or not.

Who did we hear from?

- 1,048 submissions
- 7,141 individual submission points
- 94 submitters heard

Submitters	Number of Submitters	% of Submitters
Individuals	959	92%
Organisations	89	8%



15 May 2025

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Pro Forma

Vert Ramp (75 submissions)

Two different forms were used to gather feedback on funding in the draft annual plan for a vert ramp. The questions on each of these forms were slightly different.

Question	Number in Support	Total Forms
I support the proposed funding for a vert ramp	35	35
I support the Council funding to support a vert ramp	40	40

Wyon & Hulbert Streets (6 Submissions)

This form sought feedback on road and footpath improvements and maintenance for Wyon and Hulbert Streets.

‘Simple’ Submission Forms (44 Submissions)

Three other ‘simple’ submission forms were also distributed to residents in some areas. These asked for feedback on:

- Things I want Council to do
- Things I don’t want Council to do
- Things that Council can improve on

While these submission forms generally asked the same questions, they were all slightly different.

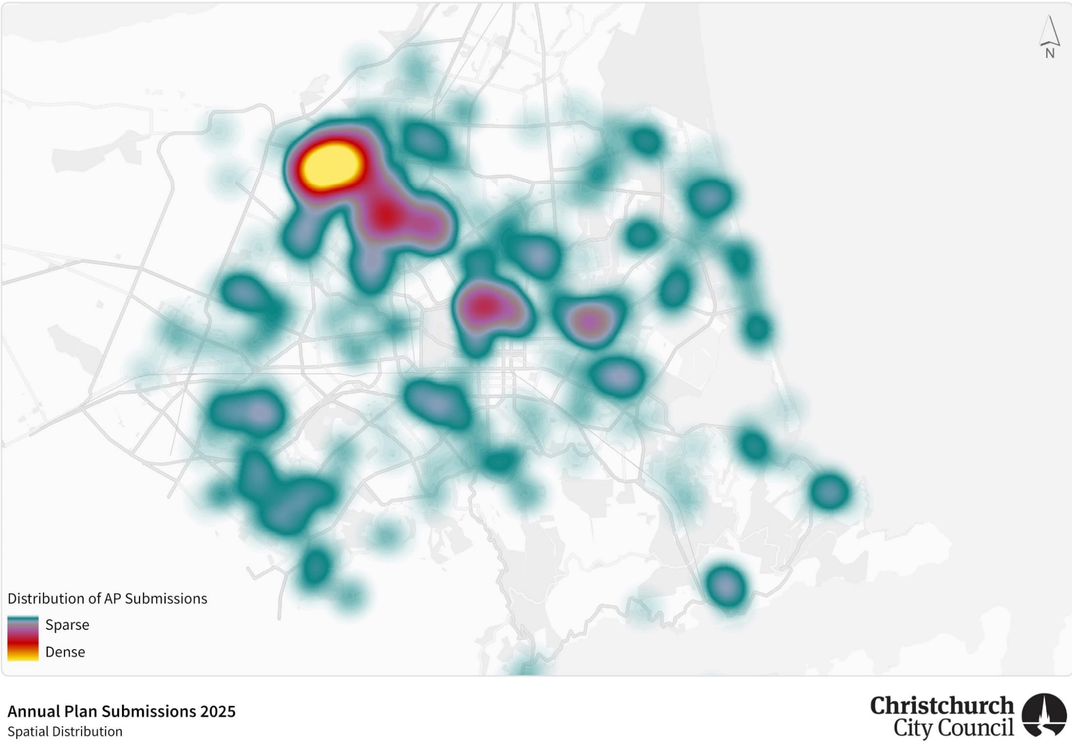
Some asked whether submitters would like to speak to the Council, while others did not. They also included a range of different contextual information.

Who did we hear from?

Community Board	Number of Submitters	% of Submitters
Not Stated*	218	29%
Te Pātaka o Rākaihautū Banks Peninsula	21	3%
Waitai Coastal-Burwood-Linwood	79	11%
Waipuna Halswell-Hornby-Riccarton	65	9%
Waimāero Fendalton-Waimairi-Harewood	185	25%
Waipapa Papanui-Innes-Central	127	17%
Waihoro Spreydon-Cashmere-Heathcote	49	7%
Total	744	100%

Ward	Number of Submitters	%* of Submitters
Not Stated	218	29%
Banks Peninsula	21	3%
Burwood	15	2%
Cashmere	16	2%
Central	41	6%
Coastal	28	4%
Fendalton	14	2%
Halswell	37	5%
Harewood	149	20%
Heathcote	19	3%
Hornby	19	3%
Innes	16	2%
Linwood	36	5%
Papanui	70	9%
Riccarton	9	1%
Spreydon	14	2%
Waimairi	22	3%

Who did we hear from?



Why do we collect demographic information?

- Understand who we have heard from and who we haven’t heard from
- Collected consistently across our engagement and research programmes
- Questions are consistent with info collected via the Census
- Helps us understand how representative submitters were of the wider population

Who did we hear from?

Age	Number of Submitters	% of Submitters	% of Population
Not Stated	344	33%	
Under 18 years	14	1%	20%
18 – 24 years	16	2%	11%
25 – 34 years	84	8%	16%
35 – 49 years	144	14%	19%
50 – 64 years	166	16%	18%
65 years and over	277	27%	16%

Ethnicity	Number of Submitters	% of Submitters	% of Population
NZ European	619	59%	70%
Māori	40	4%	11%
Pacific Peoples	4	0.4%	4%
Asian	14	1%	17%
Middle Eastern, Latin American & African	1	0.1%	2%
Other European	37	4%	7%
Other	42	4%	1%

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What did submitters tell us?

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Feedback on Services

We asked submitters for feedback on:

- *the services that they value the most and would not want reduced (233 submitters)*
- *the services that submitters could manage without (168 submitters)*

On average submitters provided

- 2.4 services that they value the most
- 1.3 services that they could manage without

Competing priorities, opinions and values…

One person's 'must have' is another person's 'nice to have'

Topic/Service	Value the most	Could do without	Ratio
Cycle Lanes	41	40	1 who could do without: 1 values the most
Environmental Management	12	3	1 who could do without: 4 value the most
Events	9	14	1 values the most: 2 could do without
Footpaths	23	2	1 who could do without: 12 value the most
Heritage	1	14	1 values the most: 14 could do without
Libraries	85	13	1 who could do without: 7 value the most
Parks	83	6	1 who could do without: 14 value the most
Public Transport	43	9	1 who could do without: 5 value the most
Recreation & Sport	37	8	1 who could do without: 5 value the most
Roads & Streets	51	28	1 who could do without: 2 value the most
Social Housing	4	8	1 values the most: 2 could do without
Solid Waste	65	2	1 who could do without: 33 value the most

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Item 2

Attachment A

Feedback on Services

"Just because I don't use all services regularly, doesn't mean that they should be cut or that someone else would find them valuable."

"This whole question is premised on the basis that we should cut services to cut rates. That idea is flawed and dangerous. Service Cuts should not be considered to reduce rates. They are inequitable and destructive."

"I don't think reducing services should be a way to cut rates. Any cuts should only happen if it's clear that a service isn't benefiting the community—especially those who rely on them the most."

"For me personally there a few services that I highly value, but I don't think that any services should be cut as someone does find it useful or appreciative. We provide these services through the council because it provides a community and social benefit and overall is a good use of our money in my opinion."

"While I don't use every service, I value every service that Council offers."

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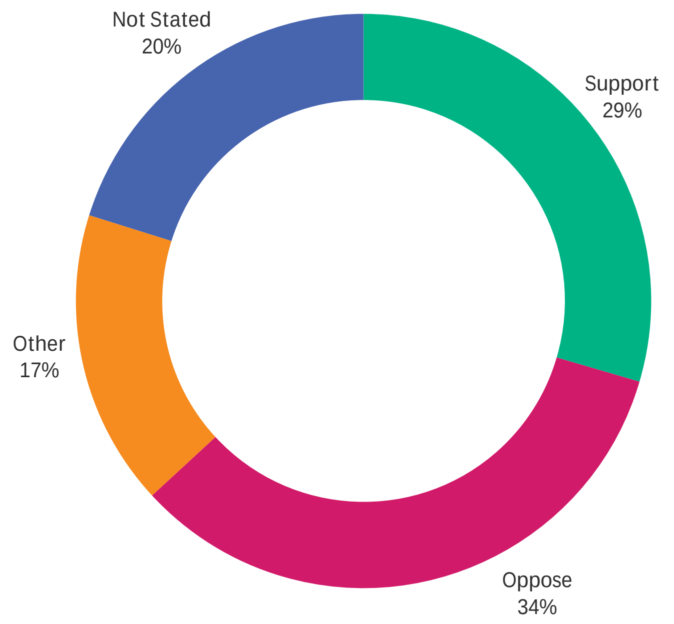
The Rates Proposal

Submitters were divided:

- Supporters generally supportive of retaining services and the effort that went into get it below the LTP projection
- Some concerned that the proposed increased was still too high
- Others concerned that measures taken to reduce rates this year were a short-term fix for a long-term problem



Competing priorities, opinions and values…

Investing in ensuring that Christchurch is a city that people want to and can continue to live in both now and in the future

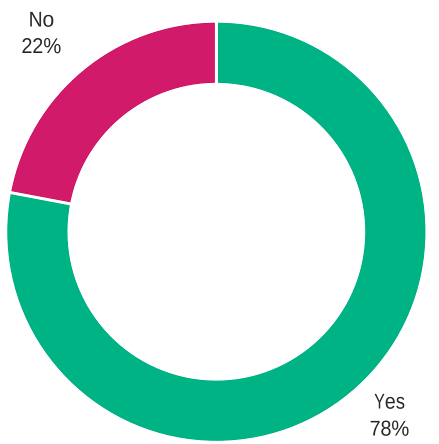
vs.

a concern about significant cost of living increases and pressure, and the affordability of living in Christchurch now.

Cathedral Targeted Rate

Should we pause the collection of the targeted rate for the Christ Church Cathedral reinstatement for the remaining three years we were due to collect it, and factor the saving into our proposed rates increase of 7.58%?

485 submitters provided feedback; 78% supported the proposal and 22% opposed



- Many expressed a view that the targeted rate should never have been introduced in the first place
- Expressed opinions that the reinstatement should be the responsibility of the Anglican Church, not ratepayers; residents should have a choice about whether they financially support the reinstatement
- Concerns about a perceived lack of public support for a project that has received significant public funding

vs.

- Symbolic importance of the Cathedral; a symbol of Christchurch, and is an important landmark in the city

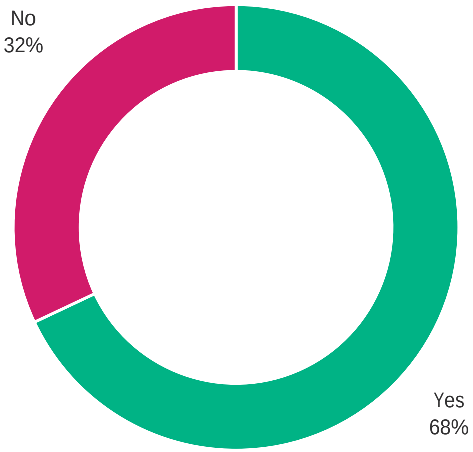
Other suggestions…

- Should the money still be collected but allocated to other projects?
- Should the money already collected be returned to ratepayers?

Increasing Rating for Renewals

Should we increase our rating for renewals by a further $2 million a year ($12 million in total over six years) in order to keep our borrowing costs lower over time?

401 submitters provided feedback; 68% supported the proposal and 32% opposed



- Importance of long term financial responsibility and intergenerational fairness
- A need for modern, reliable infrastructure, especially in the context of urban growth and aging assets
- BUT want to see improved financial transparency, clear evidence of long term benefits and/or cost savings, or an assurance that this would avoid future rates increases

vs.

- Concerns about the immediate challenges around cost of living - this proposal would further contribute to rate increases in the immediate future
- Should be budget to do this already without putting rates up further – in their view it just requires less spending on other “nice to haves”

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Wheels to Wings

369 submitters provided feedback, which highlighted competing priorities, opinions and values. Can be summarised into five key sentiments…

Strong general opposition to the cycleway entirely

I oppose the cycleway because I don't see enough cyclists to justify it, I'm worried it will worsen traffic, and I believe the money should be spent on more essential infrastructure instead.

Support the cycleway and staged approach

I support the cycleway and the staged approach because it promotes safer, more sustainable transport and a better-connected city, and I'm happy to wait for government funding if it means the full project can eventually go ahead.

Frustration over delays and desire for immediate action

I'm frustrated by the delays to the cycleway because I believe we urgently need safe cycling infrastructure, and I worry that postponing it will only increase costs—this project could ease congestion and make commuting safer, especially for students and cyclists

Mixed views on school crossing safety

I support a safe crossing near Harewood School and believe features like a raised platform are essential to protect children from fast-moving traffic.

I think the current safety measures near Harewood School are sufficient, and I'm concerned that adding traffic lights could cause unnecessary congestion.

Concerns about cost and traffic Impact

I'm concerned about the cost of the cycleway, as I believe the money could be better spent elsewhere, and I worry that reducing Harewood Road to one lane will create traffic bottlenecks.

Lincoln Road Public Transport Project

76 submitters provided feedback:

- 43% opposed the proposed delay
- 37% supported it
- the remaining 20% either provided other suggestions or general feedback

Submitters from the areas most affected (Addington, Halswell, Hillmorton, Wigram) by delaying the project were more likely to oppose (69%) it than those who were less likely to be affected (37%).

- Need to complete to project as planned to ensure a continuous, efficient bus route, reduce traffic congestion
- Proceeding as planned supports the city's long term transport strategy; congestion will continue to cause PT delays
- Halswell area is growing rapidly, and the infrastructure needs to keep pace with this growth
- Delaying the project will only exacerbate existing transport challenges, making it more expensive to address them in the future

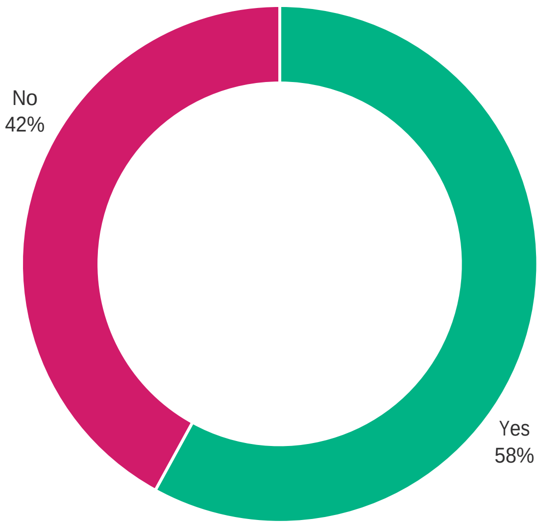
vs.

- Delaying is a financially responsible decision
- Allows for better planning
- Minimises disruption with further road works
- Aligns with broader government policies on transport investment
- Sensible to wait for government funding

Central City Shuttle

Should we allocate up to $200,000 for a scoping study for a central city shuttle service?

477 submitters provided feedback; 58% supported the proposal and 42% opposed



- Fond memories of the shuttle service pre-earthquake
- Improved accessibility within the central city; easier for residents and visitors to get around
- Increased foot traffic in the central city would be good for business

vs.

- Unnecessary given existing public transport options
- Concerns about utilisation
- There are more pressing priorities

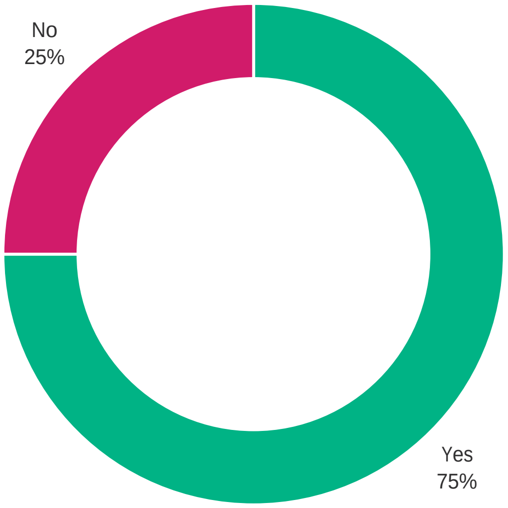
Questions

- Do we really need to spend $200,000 on a scoping study?
- Can we leverage off existing data and experience?
- Why not just bring it back as a trial?

Air Force Museum

Should we proceed with our proposal to grant the Air Force Museum $5 million towards an extension of its site?

629 submitters provided feedback; 75% supported the proposal and 25% opposed



… "Herc Yes"

- The museum is historically, culturally, and economically significant for the city
- Important for preserving the history of the RNZAF, and the Orion and Hercules aircraft
- Would attract additional local and international visitors to the city

vs.

- Concerned about the financial implications
- The museum should seek funding from other sources - the NZDF or central government, entrance fees or private donations
- Now is not the time to be adding an additional $5 million dollars in costs

Other Suggestions

- Are there more pressing needs that the Council should be focusing on?
- Should this funding be going to other causes or projects?
- Could this funding be provided as a loan instead of a grant?

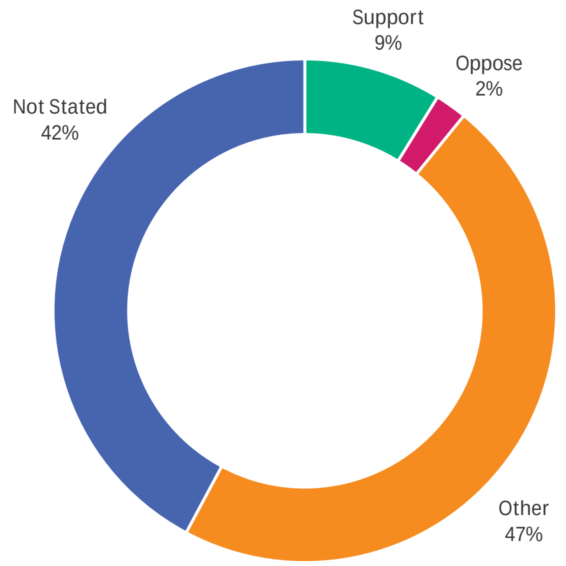
Climate Fund Policy

- Questions about the necessity of the fund
- Many felt that there are more immediate needs for the money
- Concerns about the governance and transparency of the fund
- Calls for clear guidelines and independent oversight to ensure it is used properly
- Those who supported the proposed policy reiterated their support for the fund, and the Council prioritising climate action and adaptation.

Questions

- Is there the ability to make it accessible in the case of a major climate related disaster?
- Could part of the fund be used to support emissions reduction initiatives?

147 submitters provided feedback; 89% provided were general feedback or other suggestions



Opportunities for Savings

We asked submitters whether there were any areas where they thought that we could find additional savings or efficiencies. 154 submitters provided feedback.

- In many instances submitters told us that our spending was wasteful, that we need to cut our costs, focus on the basics and find ways to reduce costs, but few were able to pinpoint specific examples of where savings could be made.

- Where submitters did provide feedback on specific areas, they often overlapped with projects, programmes, funding or services that other submitters had told us they value the most, again reinforcing that one person's 'must have' is another person's 'nice to have'.

- Specific examples mentioned by submitters included:
    - reducing or removing community grants and funding
    - reviewing staff salaries
    - managing contractors and consultants more effectively
    - reconsidering various aspects of transport spending (e.g., road resurfacing and maintenance, traffic calming, and speed management)
    - Events
    - Access to recreation and sport centres

What does it all mean?

Diverse Perspectives
Feedback reflects a wide range of competing priorities, opinions, and values across our communities.

Strong Community Engagement
Residents continue to show deep care for their future and the future of the city.

Clear Expectations
The community wants an Annual Plan that is both:

- Affordable, and
- Responsive to their core needs, concerns, and values – not overlooking what matters most to them.

Balancing Act
Crafting the final Annual Plan requires careful consideration to balance these varied viewpoints, needs and priorities

Rates impact of key questions

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Item 2

Attachment A

Feedback from Consultation

Consultation Question	Feedback from Consultation				Rates Impact if Implemented		
	Yes		No		2025/26	2026/27	2027/28
Christchurch Cathedral – Should we pause the collection of the targeted rate for the Christchurch Cathedral reinstatement for the remaining three years we were due to collect it?	379	78%	106	22%	Pause of the targeted rate included in the Draft AP.		
	• Views that the targeted rate should never have been introduced in the first place, and that funding the reinstatement should not be the responsibility of ratepayers. • Concerns the perceived lack of public support for a project that has received significant public funding. • Symbolic importance of the Cathedral; a symbol of Christchurch, and is an important landmark in the city.				If the pause of the targeted rate was reversed:		
					+ 0.14%	+ 0.00%	+ 0.00%

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Item 2

Attachment A

Feedback from Consultation

Consultation Question	Feedback from Consultation				Rates Impact if Implemented		
	Yes		No		2025/26	2026/27	2027/28
Airforce Museum – Should the Airforce Museum receive a $5.0m capital grant towards an extension of their site?	472	75%	157	25%	0.00%	+0.01%	+0.03%
	• Historically, culturally, and economically significant for the city; need to preserve the history of the RNZAF and the Orion and Hercules aircraft. • Would attract additional local and international tourism • Concerns about financial implications; feel funding should be sought from other sources (NZDF, Central Government, entry fees or private donations) • Now is not the time to be adding an additional $5m in costs to rates bills.						

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Item 2

Attachment A

Feedback from Consultation

Consultation Question	Feedback from Consultation				Rates Impact if Implemented		
	Yes		No		2025/26	2026/27	2027/28
Central City Shuttle – Should we allocate $0.2m for a scoping study for a central city shuttle service?	276	58%	201	42%	+0.03%	-0.03%	0.00%
	• Fond memories of the shuttle service. • Improved accessibility for both residents and visitors, which would in turn be good for central city business. • Concerns about the price tag for the scoping study; can we leverage off existing knowledge and experience? • Is it necessary given existing public transport option in the central city? • Are there more pressing priorities?						

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Feedback from Consultation

Consultation Question	Feedback from Consultation				Rates Impact if Implemented		
	Yes		No		2025/26	2026/27	2027/28
Increasing Rating for Renewals – Should we increase our rating for renewals by $2.0m per year to keep borrowing costs lower over time?	272	68%	129	32%	+0.25%	-0.04%	-0.03%
	• Importance of long-term financial responsibility and intergenerational fairness. Needed to support modern, reliable infrastructure. • Support, but want assurances that this will avoid future rates increases, improved transparency, and clear evidence of long term benefits and/or cost savings. • Concerns about immediate challenges with the cost of living. • Should already be capacity in the budget to do this, just requires less spending on "nice to haves".						

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Updated Financial picture

- Rates updated position
- Further considerations

Rates - Current Position

	2025/26	2026/27	2027/28
Original LTP 2024-34	8.48%	5.80%	5.88%
Changes between the LTP and Draft Annual Plan	(0.90%)	4.58%	2.74%
Draft Annual Plan	7.58%	10.38%	8.62%
Post Draft Changes	(0.15%)	0.00%	0.22%
Post Draft Annual Plan (Current Position)	7.43%	10.38%	8.84%
Represented as:			
Base	5.68%	9.9%	9.2%
Te Kaha	1.75%	0.5%	(0.4%)

Item 2

Attachment A

Rates – Post Draft work in progress

	2025/26 ($)	2025/26	2026/27	2027/28
Draft Annual Plan		7.58%	10.38%	8.62%
Staff time capitalisation reduction (mainly Parks)	$3.59m	0.47%	(0.03%)	(0.06%)
Hagley Park parking revenue reassessment	$1.41m	0.18%	(0.01%)	(0.01%)
Insurance – updated for asset revaluations	$1.30m	0.17%	0.03%	0.07%
Living Wage provision (2.5% -> 4.2%)	$1.01m	0.13%	0.00%	0.00%
Interest rate change (credit rating –ve outlook)	$0.36m	0.04%	0.01%	(0.01%)
Electricity (new contract pricing update)	($2.17m)	(0.28%)	0.08%	0.08%
Rates base growth (1.1% -> 1.4% CV growth)	($2.24m)	(0.31%)	0.00%	0.00%
Resource Recovery recycling fee & collection cost reductions & volume rebate	($3.88m)	(0.51%)	(0.05%)	0.06%
Other minor adjustments		(0.04%)	(0.03%)	0.09%
Post Draft changes		(0.15%)	0.00%	0.22%
Post Draft Annual Plan (current position)		7.43%	10.38%	8.84%

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24/25 Surplus – Changes Reflected in the Annual Plan

24/25 Surplus driver	24/25 Forecast Surplus	Updates to the 25/26 Annual Plan
Resource Recovery and Waste Managment operating costs and recoveries.	10.3m	Resource recovery operating costs, for waste collection, recycling fees, organics processing and landfills have been reviewed and updated to align with current market rates and updated volumes. Revenue projections have also been updated to include volume rebates. The resource recovery and waste management budgets have been reduced by $5.9m from the LTP projection for 25/26.
Insurance costs	7.5m	Insurance costs have been updated based on revised pricing received from the Council's Insurance Brokers, considering new Council assets, and revaluations of existing Council assets. Insurance budgets are $6.4m lower than the LTP projection for 25/26.
Subvention receipts	5.0m	Subvention receipts for 25/26 in the Draft Annual Plan were increased by $6.0m on the LTP projection for 25/26, based on updated Group tax projections.

24/25 Surplus – Changes Reflected in the Annual Plan

24/25 Surplus Driver	24/25 Forecast Surplus	Updates to the 25/26 Annual Plan
Electricity costs	3.7m	Electricity costs have been updated based on revised contract rates from suppliers and analysis of usage across the Council network. The budget has been reduced by $3.0m from the LTP projection for 25/26.
Net Interest cost	2.2m	Interest projections have been reset based on revised forecast borrowing, interest rates and hedging.
Recreation & Sports pools and fitness centres	1.7m	Revenue projections have been updated for 25/26 including the planned opening of the Parakiore Recreation and Sports Centre.
Excess Water charges	(0.8m)	Excess water revenue budget has not been reduced in the 25/26 Annual Plan.
Hagley Park parking fees	(1.6m)	Expected revenue in 25/26 have been decreased $1.4m, reflecting updated projections of likely revenue based on current usage

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24/25 Surplus – Changes Reflected in the Annual Plan

24/25 Surplus Driver	24/25 Forecast Surplus	Updates to the 25/26 Annual Plan
Three Waters – capitalisation	(1.0m)	Annual Plan has been updated to reflect 24/25 work trends re the cost split between OPEX and CAPEX. Planned 25/26 capitalisation has been reduced by $1.5m in line with the 24/25 actuals.
Parks – capitalisation	(2.4m)	Annual Plan has been updated to reflect 24/25 work trends re the cost split between OPEX and CAPEX. Planned 25/26 capitalisation has been reduced by $2.7m in line with the 24/25 actuals.

Rates – further considerations

Councillors providing guidance 22 May 2025:

Potential Consultation outcomes	2025/26	2026/27	2027/28
Cathedral – reinstate targeted rate	0.14%	-	-
Rating for renewals	0.25%	(0.04%)	(0.03%)
Airforce Museum	-	0.01%	0.03%
Central City Shuttle	0.03%	(0.03%)	-

Capital Programme deliverability review

Capital Programme borrowing	(0.20%)	(0.51%)	0.09%

Rates – further considerations

To be discussed with Councillors on 22 May 2025:

- Options and calls on 24/25 additional forecast surplus
- Financial risk from Apr/May weather event
- Development Contribution rebates

Accounting treatment change – Software development

- Council outside best practice
- The move to "Software as a Service" over recent years involving annual licensing rather than ownership means Council doesn't have sufficient control over software to capitalise spend should be treated as opex
- Need to derecognise existing digital software assets and treat future spend as opex
- Further information in F&P Report of 28 May
- Future funding impacts to be provided on 22 May

Christchurch City Council

Next Steps

Next steps

- Remaining workshops:
  - 22 May [guidance on CD questions, capital deliverability, financials]
  - 26/27 May
- 6 Jun - Final AP documentation due. All changes incorporated.
- 9 Jun – ARMC sign-offs
- 13 Jun – ARMC Meeting
- 18 Jun – Council Report sign-off
- 24 June - Adoption Meeting

Development Contributions Implications

Development Contributions are a cost recovery mechanism for growth infrastructure in the capital programme. Mandated by legislation.

Cost of growth component of projects has increased from $730M (2021 LTP) to $923M (2024 LTP).

- → Over the next 10 years we plan to spend between $42M - $67M per annum on capital to support growth based on the 2024 capital programme
- → Over the same period, we are currently projecting to collect between $23M - $28M per annum from development contributions based on the current policy (2021)
- → Anything that is not recovered from developers is funded by rate payers

Development contributions is used to pay down debt that occurs as a result of providing growth infrastructure.

Development Contributions Implications

- Projected loss of revenue between current and draft policies (based on modelling)

Year	2025/26	2026/27	2027/28	2028/29	2029/30
Current DCP	$30,963,664	$28,690,454	$24,786,373	$29,072,947	$21,356,666
Draft DCP	$58,918,178	$40,243,284	$39,142,443	$40,663,082	$38,231,768
Difference	$27,954,514	$11,552,830	$14,356,070	$11,590,135	$16,875,102

Year	2030/31	2031/32	2032/33	2033/34	2034/35
Current DCP	$21,349,078	$20,849,949	$21,483,668	$21,384,593	$17,933,912
Draft DCP	$38,077,593	$37,987,301	$37,923,683	$38,666,255	$33,868,221
Difference	$16,728,515	$17,137,352	$16,440,015	$17,281,662	$15,934,309

Christchurch City Council

3. Update on establishing a searchable decision-making transparency tool

Reference Te Tohutoro: 25/937268

Presenter(s) Te Kaipāhō : Matt Boult – Team Leader Governance Process
Cath Parr – Manager Digital Solutions

1. Detail Te Whakamahuki

Purpose and Origin	• At the 2025/2026 Draft Annual Plan adoption meeting on 12 February 2025, the Council requested the following: **A9. Report request - Decision-making tool** **Council Resolved CAPL/2025/00014** That the Council: A9. Requests staff provide advice on establishing a searchable decision-making transparency tool in time for the final adoption of the 2025/26 Annual Plan. Councillor Templeton/Councillor Harrison-Hunt **Carried** • This session is to update the Council on the findings from staff investigations to date and seek direction on next steps.
Timing	This information session is expected to last for 60 minutes.
Outcome Sought	Councillor feedback on the options presented to determine what further staff work is required.
ELT Consideration	ELT direction will be sought on potential changes to systems and processes before formal reporting back for decision.
Next Steps	Based on the guidance received in this workshop, staff will scope the work for any change that is required and complete the necessary project steps, including: • an RFP (if needed), • sourcing of funding • Assessment of required resources and what work may need to be stopped or deferred to deliver changes • The development of a timeline for the implementation of changes.
Key points / Background	The Christchurch City Council is required to have decision-making information available to citizens. For example: • S46(A) of LGOIMA

	• Local Government Act 2002 No 84 (as at 05 April 2025), Public Act 14 Principles relating to local authorities – New Zealand Legislation Christchurch currently meets all statutory obligations around the availability of decision-making information. The initiative presents an opportunity to enhance the quality of available information and increase citizen engagement with the process.
Useful Links	• Meetings, agendas and minutes : Christchurch City Council – the current CCC governance landing page • Meetings - Wellington City Council – the Wellington City Council governance landing page • Meetings - Auckland City Council – the Auckland City Council governance landing page

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A ⇩	Transparency Options Presentation	25/954536	53

Signatories Ngā Kaiwaitohu

Authors	Matt Boult - Team Leader Governance Process Cath Parr - Manager Digital Solutions
Approved By	Megan Pearce - Manager Democratic Services

Update on Establishing a Searchable Decision-Making Transparency Tool

Annual Plan Resolution (Draft Annual Plan)

The Council at the 12/02/25 Draft Annual Plan adoption meeting resolved:

A9. Report request - Decision-making tool

Council Resolved CAPL/2025/00014

That the Council:

A9. Requests staff provide advice on establishing a searchable decision-making transparency tool in time for the final adoption of the 2025/26 Annual Plan.

Councillor Templeton/Councillor Harrison-Hunt **Carried**

Information Session Purpose

- Discuss the findings from investigations by staff
- Get guidance from the Council on next steps

Note

Open session. Specific financial/commercially sensitive information not included can be circulated separately (or discussed in a closed session)

Need for Transparency in Decision-Making

Required in legislation, plans, policies, etc

- S46(A) of LGOIMA – agendas and reports must be publicly available before the meeting
- Local Government Act 2002 No 84 s14 Principles relating to local authorities – Local authorities must operate in an open, transparent, and democratically accountable manner.
- Local Government Act 2002 No 84 s39 Governance principles - requires governance structures and processes to be "effective, open, and transparent," and to provide for clear roles, decision-making, and accountability to communities
- Governance Statement 2022 - 2025 – includes the commitment to open government and clear processes for community input
- Strategic Priorities - Build trust and confidence in the Council
- Long Term Plan 2024 – 2034 Governance and Decision-Making Levels of Service

Christchurch City Council

What is Currently Online (CCC)?

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This page has agendas and minutes for Council, Committee, Community Board and Hearings Panel meetings from 1 July 2013 onwards. You can also:

- Watch live streams or on-demand videos of past Council and Committee or Community Board meetings
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Agendas are published at least two clear working days before a meeting.

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To find previously Public excluded (confidential) documents, go to the *Meeting dropdown* and select *Released Public Excluded Documents.*

The Not Released list also shows Public Excluded reports that have been recently reviewed but not released yet, or will not be, released.

Meeting: [All] | Year: 2025 | Month: All Months | VIEW

Meeting Date	Meeting	Agenda (HTML/PDF)	Attachments (HTML/PDF)	Minutes (HTML/PDF)	Attachments (HTML/PDF)
12 May 2025 4.30 pm	Waitai Coastal-Burwood-Linwood Community Board Boardroom, Corner Beresford and Union Streets, New Brighton	Agenda HTML Agenda PDF (6.9MB)	Attachments HTML Attachments PDF (5.6MB)		
12 May 2025 4.30 pm	Waimāero Fendalton-Waimairi-Harewood Community Board Boardroom, Fendalton Service Centre, Corner Jeffreys and Clyde Roads, Fendalton	Agenda HTML Agenda PDF (3.0MB)			
12 May 2025 3.30 pm	Information Session/Workshop - Waitai Coastal-Burwood-Linwood Community Board Boardroom, Corner Beresford and Union Streets, New Brighton	Agenda HTML Agenda PDF (199.7KB)			
12 May 2025	Te Pātaka o Rākaihautū Banks Peninsula Community Board	Agenda HTML			

Christchurch City Council

Comparison – Wellington City Council

Ngā Hui
Meetings

Wellington City Council makes decisions that affect people across the city. We're committed to doing this in a manner that is open, transparent, and facilitates accountability and public participation.

Meetings calendar
Use this meetings calendar to see Council and the committee meeting dates, agendas and minutes.

Reports
Search and view all the reports considered by Council and committees including final decisions, progress on implementation, and associated information.

Council meeting decision register
View all decisions made by Council and committees in a table format including progress on implementation.

Council and Committees
Find out about meetings held by the full Council and different committees, community boards and advisory groups.

Attending and speaking at meetings
Find out how to participate at committee meetings and advisory group meetings.

Workshops and briefings
View the workshops and briefings our mayor, councillors, and appointed members are given to prepare for meetings, including schedules, topics and live stream links.

Advisory Groups
Wellington City Council's advisory groups provide advice to Councillors and officers within their area of expertise.

Comparison – Wellington City Council Continued

Proposed disposal - 64 Tasman Street, Mt Cook

A report to Kōrau Mātinitini | Social, Cultural, and Economic Committee
on the 17 April, 2025

This report to Kōrau Mātinitini | Social, Cultural, and Economic Committee asks the Committee to recommend to Council that it approve the disposal of 64 Tasman Street, Mt Cook (the Land). Refer to Attachment 1 for Aerial Plan.

Full report within the meeting agenda

1 Recommendations — 2 Initial motion — 3 Amendments — 4 **Final vote** — 5 Final decisions

What is a final vote?
The final vote includes the initial motion and incorporates all amendments that received a majority vote. The clauses that receive a majority vote in this final vote stage become the 'final decisions' for this report. Recommendations, motions, and amendments are not Council policy until they are successfully voted for in this step.

Final vote

Councillor Rogers moved and Councillor Matthews seconded that Kōrau Mātinitini | Social, Cultural, and Economic Committee:

Clause	Vote
1. Receive the information.	Carried For: 11 — DC, RM, IP, GR, TR, NY, LK, RC, TW, TO, TB Against: 3 — NA, LF, NWN

15 May 2025

CCC Current State vs WCC – Online Information

Option	WCC	CCC
Meeting calendar	✓	✓
Meeting Papers	✓	✓
Released PX Papers	✓	✓
Searchability	✓	Limited
Decision Register	✓	✗
Voting Record	✓	✗
Decision Lifecycle	✓	✗

CCC Current State vs WCC – Supporting Systems

Detail	WCC	CCC
Administration	Infocouncil	Infocouncil
Access Info (Public)	Website (WCC hosted)	Website (CCC/Infocouncil)
Access Info (Elected Mbrs)	Diligent	Bigtincan Hub
Voting	EZ Vote (via voting devices)	Manual (Divisions)
Website updating	All info added manually (no automation)	Papers published via Infocouncil. Ad hoc changes done by Digital

15 May 2025

CCC Aspirational State (best practice)

Required Meeting Information

- Meeting calendar
- Meeting papers
- Released PX documents

Decision Lifecycle Presented

- Decision register
- Voting record
- Action status
- Meeting videos

Functionality

- Fully searchable
- Automated admin
- Simple interface
- Accessible content

IMPROVED TRANSPARENCY AND PARTICIPATION

Options to Achieve the Aspirational State

Option 1 Enhance the current state

- Retain the current systems but work with the vendor to enhance the system to implement the desired capability

Option 2 Replace the current state

- Replace the current applications with a single system that can deliver the desired capability

Option 3 Hybrid Option (with immediate voting capability)

- Implement a standalone e-voting system and adopt Option 1 or 2 as a long-term strategic solution or maintain status quo.

Option 4 Maintain Status Quo

- Make no changes but revisit in the future

15 May 2025

Christchurch City Council

Issues with Implementing Change

- Not currently an organisation priority.
- Funding for any change (Opex/Capex) not planned/on budget.
- Internal costs not fully scoped.
- Option 2 involves large change management
  - Impact **800** staff.
  - Migrating large numbers of files (30K reports plus thousands of meeting papers)
  - Additional costs to decommission the existing system.
- The different options require differing levels of support for implementation and administration:
  - This work is unplanned, so other work would need to be stopped or deferred.
  - Digital resources are committed to other critical work (e.g. the Cloud Transformation Programme)

Option 1 – Enhance the Current State

- Incumbent software set-up since 2015. Market leader in Australasia.
- The native voting client is not compatible with the CCC environment and required functionality (remote attendance). The vendor has indicated that the desired functionality can be delivered.
- Limited ability to change/publish the decision-making life cycle information.
- At least one other Council has expressed an interest in cost-sharing the required enhancement.
- Vendor estimated delivery timeframe is six months (but dependent on CCC resource availability).
- Vendor costs known, Digital costs unknown and more information needed to understand required internal effort.

Option 2 – Replace the current state

- 3 RFI respondents offering SaaS end-to-end systems (administration, document repository, voting).
- Two respondents are used by other NZ Councils, one is unproven.
- Annual license costs range from one-third to 3x the incumbent.
- The timeframe to implement is estimated by the RFI respondents from 3 months to 12 months and internal Council resources & effort unknown
- Implementation is dependant on CCC resources being available (requires other work to be stopped/deferred).
- Fits the Digital strategy best of all options.

Option 3 – Hybrid Option (with immediate voting capability)

- This option is a tactical solution, implementing a SaaS voting system (with minimal configuration) in the short term until the strategic solution is implemented.
- Once the incumbent software has active voting or a replacement is implemented, this option would be discontinued.
- Any tactical solution would need to be compliant with security, not integrated, and require manual admin

Option 4 – Maintain the Status Quo

- Not progress but revisit in the next 1 – 2 years, considering the current market and if better options are in the market (or existing ones are more mature).

- Move to Cloud completes over next eighteen months , which provides opportunities to look at the ecosystem that supports governance

- If Option 4 (the status quo) is followed, the tactical voting solution could be added but would stay until a strategic option is pursued.

Timelines to Implement Change

Option	Vendor Timeframe	CCC Timeframe	Notes
1	6 months from approval to proceed	Dependant on resources and how sourced	Dependency on CCC resources already committed will extend the timeframe
2	3 – 12 months from approval to proceed	Dependant on resources and how sourced	A SaaS solution should be quick to stand up but any CCC integrations and change management will extend the timeframe
3	1 – 2 months from approval to proceed	In line with the vendor estimate	Assuming no integrations and minimal/no customisation and manual admin tasks
4	N/A	N/A	N/A

Costs to Implement Change

Option	Vendor Costs	CCC Costs	Notes
1	Known one-off cost to develop	Unknown CCC Digital costs	CCC Digital costs to be scoped, other work impacted
2	Varying one-off implementation cost	Unknown CCC Digital costs	Year 1 would see a crossover in license costs for the incumbent and the replacement and then a reduced annual licensing cost CCC Digital costs to be scoped, other work impacted
3	One-off set-up and monthly license costs	Unknown CCC Digital costs	CCC Digital costs to be scoped, other work impacted, additional admin effort (Governance)
4	N/A	N/A	N/A (if only voting added, then the impact is as per Option 3)

Impact on Rates (Vendor Costs Only)

Overall, minimal impact on rates. For implementation (in the next financial year):

- Option 1 – estimated **0.012 – 0.032%** impact on rates
- Option 2 - estimated **0.012 – 0.065%** impact on rates
- Option 3 – estimated **0.003%** impact on rates (in addition to the Option 1 and 2 cost but will cease once the option is implemented)
- Option 4 – no impact

Ongoing: Option 2 would see a reduction of **0.008 – 0.002%** of continuing license costs from Y2 after implementation

Internal costs not fully scoped (to be discussed during session)

15 May 2025

Christchurch City Council

Options Comparison Summary

	Option 1: Enhance Existing	Option 2: New Solution	Option 3: Hybrid	Option 4: Status Quo
Meets aspirations	✓	✓✓	✓	N/A
Impact on staff (Change Management)	✓	✓✓	✓	N/A
SaaS (Meets Digital Roadmap)		✓✓		N/A
Implementation Time	6 – 9 months	3 – 12 months	1 – 2 months	N/A
Organisational Priority	No	No	No	No
Capacity to deliver	TBC	TBC	✓	N/A
Impact on Rates (Vendor Costs only)	**0.012 – 0.032%**	**0.012 – 0.065%**	**Option 1,2 or 3 + 0.003%**	**No impact**

Summary and Next Steps

- Option two is the preferred long-term solution but has a large change management component.
- Any change is not an organisational priority currently.
- There is no budget for any change.
- There is no capacity to deliver change before the election.
- Would need to be baked into a future Annual Plan or next LTP.

Questions and Discussion

4. Development Contributions Policy - workshop on submissions and post-consultation changes

Reference Te Tohutoro: 25/687944

Presenter(s) Te Kaipāhō : Ellen Cavanagh, Senior Policy Analyst
Hannah Ballantyne, Senior Engagement Advisor

1. Detail Te Whakamahuki

Purpose and Origin of the Workshop	• The purpose of this workshop is to provide elected members with information and analysis of submissions made on the draft Development Contributions Policy (policy). This advice is intended to inform decision making with respect to the final policy. • Under the Local Government Act 2002 (LGA) the Council is required to have a policy on development contributions (s102(2)(d)) and to review it every three years (s106(6)). The current policy was adopted in July 2021 and is due for review.
Timing	This workshop is expected to last for 90 minutes.
Outcome Sought	Elected members will be informed on matters related to consultation, feedback from submitters on the draft policy and resulting staff advice. Elected members will discuss the feedback received on the draft and the staff advice and provide feedback to staff as to preferred policy positions. This is also an opportunity for elected members to ask questions and seek clarification on the policy and associated issues.
ELT Consideration	The Development Contributions Steering Group maintains oversight of the policy review and development contributions functions. The Steering Group is chaired by the General Manager Strategy, Planning & Regulatory Services.
Next Steps	Based on the guidance received at this workshop, staff will make the required changes to the final draft policy. A report will be presented to Council in June 2025 for the final policy to be adopted.
Key points / Background	• The Council is legislatively required to have a policy on development contributions and to review that policy at least every three years. • The review of the policy began in mid-2023. The Council has received nine information sessions/workshops as part of this policy review (18 July and 28 November 2023, 30 April, 13 August, 29 October and 29 November 2024, 4 February, 18 March and 6 May 2025). • At its meeting on Wednesday 19 February 2025 the Council resolved[1] to undertake consultation on the draft policy, in accordance with section 82 of the LGA. • Public consultation started on 25 February and ran until 26 March. Forty-four submissions were received on the draft policy.

[1] CNCL/2025/00152

	• Submitters were heard in April as part of the Annual Plan hearings process.
Useful Links	• Development Contributions Policy : Christchurch City Council

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A ⇩	Memo - summary of submissions	25/957832	79

Signatories Ngā Kaiwaitohu

Author	Ellen Cavanagh - Senior Policy Analyst
Approved By	David Griffiths - Head of Strategic Policy & Resilience John Higgins - General Manager Strategy, Planning & Regulatory Services

Memo

Date:	14 May 2025
From:	Ellen Cavanagh, Senior Policy Analyst
To:	Mayor and Councillors
Cc:	Executive Leadership Team
Reference:	25/688413

Development Contributions Policy Review - Summary of Submissions

1. Purpose of this Memo Te take o tēnei Pānui

1.1 The purpose of this report is to provide a summary of consultation and analysis of submissions made on the draft Development Contributions Policy (policy) 2025. This advice is intended to inform elected members deliberations regarding the policy review.

2. Executive Summary

Policy changes reflect principle of averages

2.1 Many of the key policy changes are to ensure the development contribution assessment provisions are aligned with the overarching principle of averaging.

2.2 The Local Government Act 2002 (LGA) provides for averaging or grouping of different development types. The policy is built on assumed average demand for a range of development types and for most developments this averaging will be sufficient to determine a development contribution requirement.

2.3 The policy should only look to adjust when actual demand is either half or double assumed demand. However, the current (2021) policy provides several discounts when this threshold has not been met. The policy does not do the same for developments where actual demand is slightly higher than the averages. This approach has caused revenue leakages because the Council is reducing the development contribution requirements within the averages built into the policy. This means ratepayers are currently subsidising the cost of growth.

Growth projections and charges reflect a return to 'normal'

2.4 Another change between the current and draft policies is the per-HUE development contributions charges. Development contribution charges are calculated by dividing cost to deliver the growth component of an asset by the number of new or additional households.

2.5 Overall, the charges in the draft policy have increased compared to the 2021 policy, however the 2021 charges were unusually low primarily due to a high rate of growth projected due to post-earthquake population shifts and changes in the district. The growth modelling that underpins the draft policy reflects a 'return to normal' growth patterns in the district. Consequently, the draft charges reflect a return to more normal development contributions charges and are in line with the pre-2021 charges.

Clear split in opinions between developers and non-developers

2.6 Forty-four submissions were received on the policy, most from developers or those associated with the development sector. With respect to the policy changes, there is a clear split in views between those submitters who have (developers) and those who have not (non-developers) paid development contributions before. This reflects the choice that Council must make in deciding whether or not ratepayers should subsidise growth development or growth should pay for growth.

3. Development Contributions Policy

3.1 Under the LGA the Council is required to have a policy on development contributions (s102(2)(d)) and to review it every three years (s106(6)). The current policy was adopted in July 2021 and is due for review.

3.2 Development contributions enable the Council to recover a fair share of the cost of providing infrastructure to service growth development from those who benefit from the provision of that investment.

3.3 Development contributions are a cost recovery tool for the growth component of projects agreed to in the capital programme. If the Council did not recover these costs from development contributions, the costs would be recovered from rates.

3.4 The policy details the methodology used to establish development contribution charges per household unit equivalent (HUE), the resulting cost of those charges, the methodology used to assess a development for the level of development contributions required and various process requirements associated with operating a fair and consistent development contributions process.

4. Policy review process

4.1 Development contribution charges are derived directly from the cost the Council incurs to provide infrastructure to service growth development. The revenue is used to pay down debt taken out to initially fund the investment in growth infrastructure.

4.2 The policy has many discrete inputs, all of which must be reviewed as part of any policy review process. These include residential growth model, business growth model, transport growth model, capital expenditure programmes related to growth, interest and inflation rate forecasts and reviews of the numerous methodologies used as the basis for the calculation and assessment of development contributions.

4.3 In addition, this review process has included reviewing the use of catchments to calculate and assess development contributions. This review has also been an opportunity to review the content and structure of the policy to improve clarity and legibility.

4.4 The review has been overseen by a Steering Group and undertaken by a Working Group comprised of relevant staff from across the Council.

4.5 The following related information session/workshops have taken place for the members of the meeting:

Date	Subject
18 July 2023	Development Contributions Policy Review
28 November 2023	Development Contributions Policy Workshop
30 April 2024	Development Contributions Policy Workshop
13 August 2024	Council's Growth Model: Ōtautahi Christchurch Planning Programme, Parks Network Planning, and Development Contributions

29 October 2024	Development Contributions Policy
26 November 2024	Draft Development Contributions Policy – Draft Charges
4 February 2025	Draft Development Contributions - Catchments
18 March 2025	Changes to infrastructure funding and financing tools
6 May 2025	Development Contributions Rebates

4.6 At its meeting on Wednesday 19 February 2025 the Council resolved[1] to undertake consultation, in accordance with section 82 of the LGA.

5. Community Views and Preferences

5.1 In June 2024, early conversations with Halswell Residents Association were had at their Councillor's request. This particularly concerned how catchments work and growth components within transport projects.

5.2 Later that month, staff presented to the Property Council New Zealand South Island Regional Committee on all main policy changes. This was to give them a chance to ask questions face-to-face prior to public consultation opening.

5.3 Staff presented on or discussed the draft Policy at several Developers Forums (as well as sending emails about consultation delays) from mid-2024 until consultation opened. At these meetings there was clear concern about the increase in Development Contribution costs.

5.4 Public consultation started on 25 February and ran until 26 March 2025.

5.5 Consultation details, including links to the project information shared on the Kōrero mai | Let's talk webpage were advertised via:

- An email sent to over 420 identified stakeholders, including residents' associations, developers, interest-groups, and Kōrero mai subscribers who requested to be notified when projects like this opened for feedback. A follow-up email one week before consultation closed was also sent to these stakeholders.
- A Newsline story was published, receiving 469 views. This was shared to Council's Facebook page, where 10,741 accounts were reached and 1,153 users interacted (commented, interacted, clicked etc.).
- Consultation documents were available at all libraries and service centres.

5.6 The Kōrero mai | Let's talk page had 1, 504 views throughout the consultation period.

5.7 Staff hosted a webinar on the consultation that was attended by 10 people at the time and has been viewed 112 times since.

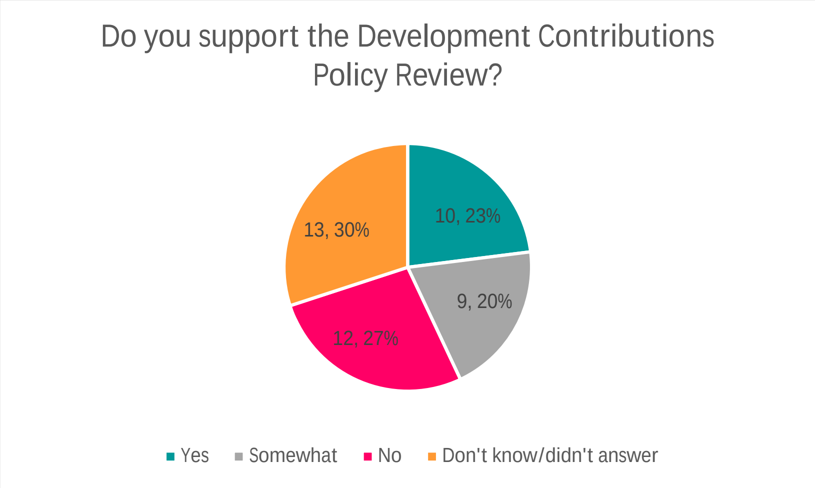
Overview of submissions

5.8 Submissions were made by 11 recognised organisations, 18 businesses and 15 individuals. All submissions will be available on the Kōrero mai webpage.

5.9 Of the 44 submitters, 24 (55%) have previously paid Development Contributions or anticipate paying them within the next three years. 20 (45%) haven't paid them and don't expect to.

5.10 Overall, when asked whether submitters supported the Development Contributions Policy Review, 23% (10) said yes, 20% (9) somewhat, 27% (12) said no, and the remaining 30% (13) didn't know or didn't answer this question.

[1] CNCL/2025/00152



5.11 Submitters who have never paid Development Contributions and don't anticipate doing so were nearly twice as likely to support the policy review. Specifically, 30% of these submitters (6 out of 20) expressed support, compared to 17% of those who have paid (4 out of 24).

5.12 The key themes discussed in submitter feedback have been broken down and responded to in the sections below.

6. Principles of Setting and Calculating Development Contributions

Background - principles of averaging

6.1 The LGA allows for the use of averaging by development types. This means developments within a development type category will be assessed as having the same level of demand, regardless of individual variations. The Department of Internal Affairs, in its *Guide to developing and operating development contributions policies under the Local Government Act 2002* states:

> "Any geographic catchment, or development type category will include winners and losers within it; for example, developments or areas that require less or more of the assets in the DCP schedule of assets, or developments that generate lower or higher demand than the average/typical property within the relevant development type."[2]

6.2 A HUE is a unit of demand used in the policy to calculate development contributions charges and determine the development contributions requirement for each development.

6.3 A HUE represents the average demand a household places on Council infrastructure and it is assumed that all single households place this level of demand on Council infrastructure. This is an efficient method of assessing development contributions for residential development. Non-residential developments are assessed as a proportion of the HUE.

6.4 The policy assumes the average household contains 2.6 people, which is consistent with the growth modelling used the Long-Term Plan (LTP) 2024-34.

[2] https://www.dia.govt.nz/diawebsite.nsf/Files/Development-contributions-policies-guide/$file/Development-contributions-policies-guide-v2.pdf

6.5 The base unit measures for the HUE are outlined in clause 3.2.1 of the draft policy and are summarised below. The base units are updated as part of each policy review to ensure an accurate reflection of average household demand.

Activity	Demand per HUE
Water supply	644.30 litres per day
Wastewater	572 litres per day
Stormwater and Flood Protection	367 m^2 impervious surface area (ISA)
Transport	6.35 vehicle trips per day

Background - Special assessments

6.6 The policy is based on average demand for a range of development types. Development contributions required for non-residential development are calculated as a multiple of the HUE. For the transport, water supply and wastewater activities the development contribution requirement is calculated according to the average demand on infrastructure per square metre of gross floor area (GFA) by business type. For stormwater and flood protection the development contribution is calculated according to the impervious surface area (ISA) of the development. The non-residential HUE equivalences (HUE multipliers) are detailed in Part 8 of the draft policy.

6.7 For most developments, the use of the HUE equivalences will be appropriate to determine a development contribution requirement. There will be some developments, however, where actual demand is significantly different to the demand assumptions built into the policy. In these instances, the Council will undertake a special assessment or an actual demand assessment.

6.8 The threshold for a special assessment is when actual demand is half or double what is built into the policy. This threshold aligns with the *Ryman Healthcare v Auckland Council* objection decision. In this decision, the Commissioner accepted that that a 50% threshold was appropriate for demonstrating a substantial reduction in demand.

6.9 Staff do not propose to remove the special assessment provision from the policy. Some submitters appeared to confuse special assessments and remissions, but these are quite different issues in the policy. Issues related to remissions are detailed below.

7. Submission Feedback

Residential unit adjustments

7.1 The policy states that each residential unit will be assessed at a base rate of 1 HUE. However, as mentioned above, there will be circumstances where actual demand is half or double assumed demand and therefore it is appropriate to provide a residential unit adjustment.

7.2 Providing some kind of adjustment for small and/or large residential units is common across development contributions policies. Councils across New Zealand have taken a range of approaches to providing these adjustments.

7.3 The Council has used GFA to make small residential unit adjustments since 2007. However, there is no data that correlates the GFA of a residential unit with number of usual residents or with demand on infrastructure. In 2024, 45% of building consents were for homes less than 100m^2, 24% less than 80m^2 and 6% less than 60m^2. This means the Council is providing a discount for close to half of all new homes, which is not what the policy is intended to do.

7.4 Census data shows that the greater the number of bedrooms in a residential unit the more people are likely living in it. The more usual residents in a residential unit, the greater level of demand on Council services.

Average number of usual residents per dwelling type as at Census 2023

Dwelling type	One bedroom	Two bedrooms	Three bedrooms	Four bedrooms	Five bedrooms	Six bedrooms	Seven bedrooms	Eight bedrooms
Average residents	1.36	1.82	2.56	3.19	3.83	4.80	5.07	5.10

7.5 The draft policy proposes to move to bedroom-based adjustments as a result. The policy uses the term habitable room, as this matches the Christchurch District Plan. Under the policy is a habitable room is defined as:

An area of a residential unit that is capable of being used as a bedroom, including any ancillary rooms, but excluding the following rooms or spaces:

- *Kitchen or pantry*
- *Bathroom or toilet*
- *Laundry*
- *Corridor, hallway or lobby*
- *Garage (but including any portion of a garage used as a sleep-out)*
- *A room smaller than 6m^2*

One living or dining space in a residential unit, whether open plan with the kitchen or not, will be assessed as a living space. Any additional living or dining spaces capable of being partitioned or closed for privacy will be assessed as a habitable room.

Small residential unit adjustment

7.5.1 Proposal: The draft policy proposed moving to a residential unit adjustment based on bedrooms and keeping a small unit adjustment for one-bedroom homes only. This will ensure that the Council only adjusts for developments that fall outside the assumptions built into the policy.

7.5.2 Feedback: There were mixed views on change to small unit adjustment. Five submitters supported the change, eight were opposed and three expressed mixed views. Several submitters also requested the Council introduce an adjustment for two-bedroom units. Two submitters asked that the small unit adjustment just be applied developments in the central city.

7.5.3 Staff advice: 2023 Census data shows that the average one-bedroom residential unit in Christchurch has 1.36 usual residents living in it. As an average household is 2.6 people, this dwelling type is assumed to put half the average demand on Council infrastructure.

7.5.4 With respect to a two-bedroom adjustment, 2023 Census data confirms that the average two-bedroom residential unit in Christchurch has 1.82 people, which does not meet the threshold for a special assessment under the policy. If a change were to be made, the large residential unit adjustment would need to come down, either to four or five bedrooms, to reflect than an adjustment has been made within the averages and ensure the Council continues to recover the cost of growth from new development. This would increase the administrative complexity of the policy and staff do not recommend making this change.

7.5.5 There is no data that would support having a one-bedroom adjustment just for central city developments.

Large residential unit adjustment

7.5.6 Proposed: The draft policy introduced a large residential unit adjustment for dwelling types of seven or more bedrooms assessed at 1.4 HUE. This was intended to ensure the development contribution charge better reflects the usually higher demand on infrastructure from larger homes.

7.5.7 Feedback: There were mixed views on the change to large unit adjustment with two supporting, four opposed and three expressing mixed views. Some submitters questioned whether the threshold should be lower or whether the adjustment should increase with each additional bedroom.

7.5.8 Staff advice: 2023 Census data shows that the average seven-bedroom residential unit in Christchurch has 5.07 usual residents living in it. As an average household is 2.6 people, this dwelling type is assumed to put double the average demand on Council infrastructure.

7.5.9 Some submitters also asked whether the adjustment could be for 0.4 per additional room. 0.4 HUE is effectively the equivalent of one person so the Council could add 0.4 per additional room for seven bedrooms and over. However, census data does not support this change; eight-bedroom homes have only a slightly higher number of residents compared to seven-bedroom homes. The overall impact of a change like this is likely to be minimal given the small number of dwellings of this size in the district. Therefore, staff do not recommend this change.

Stormwater discounts

7.6 The Council currently provides two reductions for the stormwater activity. Both are out of alignment with the special assessment threshold in the policy and the draft proposes changes to bring the assessment of the stormwater activity back into line with the rest of the policy.

Developer provided infrastructure

7.6.1 Proposed: The draft policy has been amended so that stormwater reductions in instances where developers provide on-site stormwater mitigation are only provided when the resulting demand on Council infrastructure is less than half of the average assumed demand as detailed in the policy. This would see relatively minor adjustments (such as for the installation of a rainwater tank) cease.

7.6.2 Feedback: There were mixed views on the proposal to bring stormwater adjustments for developer provided infrastructure into line with the special assessment provisions of the policy. Four submitters supported the change, six were opposed and two expressed mixed views

7.6.3 Staff advice: The change is intended to bring stormwater adjustments into line with the rest of the policy. The Council will still undertake a special assessment if the development exerts a level of demand on infrastructure that will be significantly different from the level of assumed demand in the policy for that type of development.

7.6.1 Staff follow a set methodology to determine degree to which demand on the Council's network has been mitigated by the developer provided infrastructure. Each relevant development is reviewed using this methodology.

7.6.2 Staff note that on occasion, developer-provided infrastructure is vested with the Council, but the assessment receives a stormwater discount of less than 50% due to the level of mitigation provided. Council may consider it fair to include a provision for these sites to still receive a stormwater adjustment due to the asset being vested.

Stormwater discount for attached multi-unit developments

7.6.3 Proposed: The draft policy has ceased providing stormwater discount for developments with at least two attached multi-units on this basis that the ISA averages built into the policy already takes into account smaller residential units and changing development patterns.

7.6.4 Feedback: Ten submitters commented on the proposal to remove the multi-unit adjustment for stormwater. Submitters presented mixed views - two supported the change, five opposed it and three expressed mixed views

7.6.5 Staff advice: As stated above, all base unit demand assumptions have been updated as part of this review. Average ISA per site (parcel) has been reduced from 427m^2 to 367m^2 as a result. This reflects the changing development patterns and increased intensification.

7.6.6 A special assessment would still be triggered if the threshold is met in line with the special assessment provisions of the policy.

Remissions

7.7 Proposed: The current policy includes a clause that provides for the Council to remit some or all development contribution charges for a development in “unique and compelling circumstance”. The original intent of this clause was to allow for the Council to address a matter directly associated with the development contributions charge. The clause is being used more widely with developers appealing to the Council to remit development contributions charges for a range of reasons including that the organisation applying provides services to the community.

7.8 The remission provision was removed from the draft policy and replaced with a statement that the policy does not provide for remissions. The Council could still have opted to make decisions in certain circumstances that are inconsistent with the Council’s policy, under section 80 of the LGA.

7.9 An alternative remission provision was also drafted and included in the consultation material. The alternative clause clarified that it is the development itself (not the developer or future occupier of the site) that must be unique, and that the development must be sufficiently distinct from other developments that remitting a development contribution requirement does not create a new precedent.

7.10 Feedback: Thirteen submitters commented on the removal of the remissions provision. There were mixed views on removing remission clause with some submitters confusing remissions and special assessments, and some confusing remissions and rebates. Submitters did not express a preference for one remission clause over the other.

7.11 Staff advice: The term ‘remission’ is used differently by different councils in their development contributions policies. The Council's policy uses the term ‘remission’ to refer to the Council intervening on a development contributions assessment when there is something about the development that has not been considered in drafting the policy and therefore the Council considers it necessary to address an aspect of the assessment via a remission.

7.12 However, many councils use the term 'remission' to refer to an actual demand remission - where demand is materially different to the assumed demand built into the policy. The Council's policy refers to this as a special assessment.

7.13 There is no proposal to remove the ability for developers to seek a special assessment (or actual demand assessment) provided that the threshold is met (of actual demand being half assumed demand).

7.14 Staff consider this confusion indicates there could be value in renaming special assessments 'actual demand remissions' which better aligns with other councils' development contributions policies, if the Council wishes to do so.

7.15 Noting the feedback received on remissions, more generally, staff suggest the Council adopt the inclusion of the alternative remission clause:

> *The Council considers that there may be a development that is so unique it has not been anticipated by the policy, so much so that the Council considers the full development contribution assessment to be unfair and unable to be remedied under the provision of a special assessment.*
>
> *The development, itself, must be sufficiently distinct from other developments that remitting a development contribution requirement would not create a new precedent in terms of the Council's current interpretation and application of the policy.*
>
> *In these cases, the Council may, at its sole discretion, consider and grant a full or partial remission of development contributions in cases where it is satisfied this threshold has been met.*
>
> *The developer must write to the Chief Executive seeking a remission and explaining how the development has met this threshold and why the Council should grant a full or partial remission in the interest of fairness. The explanation must be specific to the development (not the developer or intended future occupier) and the features of the development that make it unique.*

Life of existing demand credits

7.16 Proposed: The Council position has been to limit the life of existing use credits to ten years from when the site last exerted demand on Council infrastructure. Many credits have expired in the last four years on buildings and sites of former buildings damaged in the 2010/11 earthquakes – particularly in the Christchurch CBD where over 1000 buildings were demolished or too damaged to use. This issue was reconsidered as part of this review and the policy retained the ten-year life of existing demand credits.

7.17 Feedback: Ten submitters commented on the life of existing demand credits. Eight submitters asked that the life of credits clause be extended either to 20 years or indefinitely. Two submitters supported retention of the current provision.

7.18 Staff advice: There is no explicit requirement under the LGA to provide existing demand credits. The purpose of existing demand credits is to recognise that development may not result in additional demand on infrastructure. Therefore, only net additional demand attracts a development contribution requirement.

7.19 The Council provides credits to assess for net additional demand, promote equity and encourage timely redevelopment.

7.20 The LGA requires the Council to manage its infrastructure assets in a way that promotes prudent stewardship and efficient and effective use of assets. Providing existing demand credits requires the Council to effectively "reserve" infrastructure capacity and guarantee infrastructure capacity for the life of the credits. This creates increased risk for Council the longer the credit is in place but unused.

7.21 Managing that risk would require the Council to operate its infrastructure in such a way as to always carry capacity sufficient to honour the credits. This means infrastructure would need to have a high level of unused capacity sitting waiting for redevelopment to again take up capacity once used at some point in the past. This is not an efficient or prudent way to manage infrastructure and will result in other ratepayers carrying the cost of having that capacity available.

7.22 The current policy setting, where existing demand credits expire after ten years strikes a balance between managing infrastructure capacity wisely, being fair to ratepayers in that a liability to provide infrastructure to service these lots is not in place forever and being fair to developers in recognising that development has occurred on a site previously.

Fee for development contributions assessments

7.23 Proposed: The draft policy included a provision for the Council to charge fee for development contributions assessment.

7.24 Feedback: Submitters presented mixed views on the Council charging a fee for development contributions assessments. Seven submitters were opposed, although several submitters appear to be mistaking the fee for the Development Contributions Team to complete an assessment with development contributions charges. Six were supportive of the proposal.

7.25 Staff advice: The proposed fee for development contributions assessments is a one-off, flat fee charged at invoicing. It was included in the draft Annual Plan 2025/26 fees and charges and is $100 including GST.

7.26 The fee remains the same regardless of how many times a developer or their agent contacts the Development Contributions Team or whether the assessment is amended or revised. The Development Contributions Team time is not charged for as part of a building and/or resource consent application; it is currently paid for by rates only.

7.27 It is fair that the cost of preparing a development contributions assessment is funded by the developer because they both benefit from the assessment of their development and cause the assessment to be required through submitting their development for consent.

HUE equivalences/multipliers

7.28 Proposed: A range of changes have been made to the HUE equivalences or HUE multipliers, most notably the policy reverts to using a land or activity-based methodology for transport activities.

7.29 Feedback: Three submitters opposed the changes to the HUE equivalences for residential units and care suites in retirement villages. One submitter opposed the changes to activity-based HUE multipliers. Another submitter requested all non-residential assessments be conducted as actual demand assessments.

7.30 Staff advice: The retirement village HUE equivalences are based on stated average occupancy of 1.3 in a unit in an objection to the Council in addition to the *Ryman* objection decision. Staff have previously completed a survey of all retirement villages and confirmed the average water use was accurate and are therefore comfortable with this HUE equivalence.

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7.31 It is also noted the retirement village community facilities are not assessed for development contributions and these facilities are assessed as ancillary to the residential spaces.

Catchments

7.32 One submitter requested the public transport catchment be amended to include Marshland Road. The catchment has been amended to reflect this.

7.33 One submitter requested that Templeton be included in the active travel catchment. The catchment has been amended to include Templeton, and all of Harewood and Halswell – as possible within the meshblock restrictions.

7.34 One submitter felt that Lyttleton should be excluded from active travel. As active travel includes footpaths and cycleways, so it is fair Lyttleton is included in this catchment.

Development contributions charges

7.35 Some developers submitted that the increase in charges may impact the viability of developments and affordability of new homes.

7.36 Development contributions is a cost recovery tool for the growth component of projects that are in the Council's capital programme. Development contribution charges are calculated by dividing cost to the growth component of an asset by projected growth.

7.37 The overall capital programme increased from $5.78B in 2021 to $6.51B in 2024. The cost of the growth component of those projects also increased – from $730M in 2021 to $923M in 2024.

7.38 The 2024 growth forecast has a slower rate of growth in all aspects compared to 2021 (an average 0.52% per annum over 30 years compared to 2.06% in 2021). Growth projections that informed the 2021 policy were significantly higher than in the previous policies due to post-earthquake population shifts and changes in the district. Statistics New Zealand's projections that have informed the 2025 policy reflect the 'return to normal' growth patterns in the district.

7.39 The increase in growth capex, combined with slower growth projections compared to the 2021 LTP, has resulted in development contributions charges that are higher than in the 2021 policy. These charges are, however, in line with pre-2021 charges.

7.40 While the charges in the 2025 policy have increased compared to the 2021 policy, the 2021 charges were unusually low.

Pause review

7.41 A number of submitters suggested the Council pause the review the of the Development Contributions with some submitters stating development levies would be coming in in September 2025 and implying the draft policy, if adopted, would only be in effect for a few months. This is not correct. The Government has indicated legislation will be introduced in September 2025 and will be enacted by mid-2026. Levies will come into effect from 1 July 2027.

7.42 Until new legislation is enacted, councils have a legislative requirement to have a policy on development contributions and to review it every three years. The Council's current Development Contributions Policy was adopted in July 2021, and it is due for review.

7.43 The current policy does not reflect the Council's actual costs to deliver growth infrastructure. Developers are currently paying development contributions based on significantly outdated costs and are not contributing towards additional projects approved in the 2024 LTP. As development contributions are a one-off payment and councils cannot require other developers to pay for infrastructure capacity that has been taken up by a development that has not paid for it, the difference in revenue becomes ratepayer funded.

8. Other comments made during hearing of submissions

Accuracy of technical inputs

8.1 During the hearing of submissions, some submitters questioned the accuracy of the cost allocations/ capital programme.

Growth projections

8.1.1 The growth inputs for the policy are based on the Statistics New Zealand medium population and household growth scenarios. This is consistent with past development contributions policies. Christchurch has historically tracked very closely to the medium projections, and they remain a good indication of future growth.

8.1.2 The Council's growth models are used to distribute future growth to a sub-city level. These models are all connected and talk to each other, to tell a consistent growth story. The growth models have been peer reviewed by external agencies and have been found to be fit for purpose

8.1.3 The models consider both intensification and greenfield development. The capacity inputs into the model include a picture of both infill and greenfield capacity.

Cost allocations for capital projects

8.1.4 The cost allocation process, which identifies the growth component of each asset is outlined in Part 6 of the draft policy. Council staff review each capital project and determine the allocation of cost drivers: renewal, backlog, increase in current level of service or growth. Only the cost of infrastructure to service growth is funded from development contributions. The cost allocation methodology takes account of causation (the reason the asset is being provided), as well as who benefits from the project. The methodology to determine the exact allocation between the cost drivers varies between the activities.

8.1.5 The capital programme, and the projects to be delivered for which the Council collects development contributions, has been informed by the 2024 growth model. The cost allocations for projects not yet delivered, therefore, reflect projected growth. Projects that have already been delivered (that is, are noted as 'complete' in the Schedule of Assets) remain unchanged.

Trigger to assess for development contributions

8.2 One submitter commented that the Council has an incorrect trigger to assess for development contributions in the draft policy.

8.3 Section 198(2A) of the LGA requires councils assess for development contributions under the policy in force at the time the consent/authorisation application was submitted, accompanied by all required information. Section 4.1.3 confirms the Council will assess using the policy in force at the time the complete application for consent is received.

8.4 The developer will be formally notified of their development contribution requirement as part of the granting of the consent application.

Attachments Ngā Tāpirihanga

Memos

No.	Title	Reference
A	Submitter proposed policy changes and staff advice	25/813822
B	Submissions by category and officer responses	25/937267

Signatories Ngā Kaiwaitohu

Authors	Ellen Cavanagh - Senior Policy Analyst Hannah Ballantyne - Senior Engagement Advisor
Approved By	David Griffiths - Head of Strategic Policy & Resilience John Higgins - General Manager Strategy, Planning & Regulatory Services

Requested policy changes and staff advice

Reference	Policy proposal	Requested change	Staff advice
Small Residential Unit Adjustments			
3.2.2.1	One-bedroom residential units will be assessed at 0.6 HUE for all activities.	Keep gross floor area (GFA) adjustments as per the current policy	In recent years, around 45% of building consents were for homes less than 100m² and 24% less than 80m². This means the Council is providing a discount for close to half of all new homes, which is not what the policy is intended to do. Census data shows that the greater the number of bedrooms in a residential unit the more people are likely living in it. The more usual residents in a residential unit the greater level of demand on Council services. Therefore, a bedroom-based adjustment is considered a fairer approach. Further staff advice detailed in summary of submissions report. **No change.**
3.2.2.1		Small unit adjustment for two bedrooms	2023 Census data shows that two-bedroom homes in Christchurch have an average of 1.82 people living in them. This is within the averages built into the policy and therefore staff do not recommend making a change to this provision. If a change were to be made, the large residential unit adjustment would need to come down, either to four or five bedrooms, to reflect than an adjustment has been made within the averages. This is not recommended because the policy averages are designed to ensure the Council collects the correct level of development contributions revenue. This would increase the administrative complexity of the policy and staff do not recommend making changes to the adjustments. Staff advice detailed in summary of submissions report. **No change.**
3.2.2.1		Small unit adjustment should only be for central city	There is no data that would support having a one-bedroom adjustment just for central city developments. **No change.**
Large Residential Unit Adjustments			
3.2.2.2	Houses with seven or more bedrooms are charged an additional 0.4 HUE for all activities except for stormwater.	Large unit adjustment should start lower	If the large residential unit adjustment threshold is brought down, the Council would be adjusting within the averages built into the policy, which staff do not recommend because the policy averages are designed to ensure the Council collects the correct level of development contributions revenue. Staff advice detailed in summary of submissions report. **No change.**

3.2.2.2		Large unit adjustment should be per bedroom	In terms of providing an adjustment for each additional room, this would add to the administrative complexity of the policy and could result in additional reconsideration requests. Census data also does not support this adjustment, with eight-plus bedroom residential units having an average of 5.10 people living in them, which is only slightly higher than seven-bedroom properties. It is therefore not recommended. **No change.**
Special Assessments for Developer Provided Infrastructure			
3.2.4	In instances where developers provide stormwater infrastructure, a special assessment will be done only when the demand on Council stormwater infrastructure is less than half of the average assumed demand as detailed in the policy.	Keep all stormwater adjustments as per the current policy, meaning all developments with developer provided infrastructure receive a stormwater discount regardless of level of mitigation.	The special assessment provision of the policy means the Council should only adjust if a development will exert a level of demand on infrastructure that will be significantly different from the level of assumed demand in the policy for that type of development. The threshold for 'significant' is half or double the assumed demand. This is considered proportionate and fair. A development contributions objection decision (*Ryman Healthcare v Auckland Council*) supports the implementation of a threshold for when a special assessment will apply. The change is intended to bring stormwater adjustments into line with the rest of the policy. Staff note that, on occasion, developer-provided infrastructure is vested with the Council, with the assessment receiving a stormwater discount of less than 50% due to the level of mitigation provided. Council may consider it fair to include a provision for these sites to still receive a stormwater adjustment due to the asset being vested. Suggested wording is included below. ***Draft clause:*** Original clause (3.2.4) *4. The development provides for a significant reduction[2] of its demand on Council stormwater infrastructure at the owner's cost, prior to discharge into the Council network.* *[2] Significant reduction means more than half the assumed demand. The determination of impact on the Council's network is at the sole discretion of the Council [footnote].* ***Suggested new clause:*** ***4. The development provides infrastructure to be vested with the Council, which reduces the impact of the development's demand on Council stormwater infrastructure, prior to discharge into the Council network.*** *5.The development provides for a significant reduction[2] of its demand on Council stormwater infrastructure at the owner's cost, prior to discharge into the Council network.* *[2] Significant reduction means more than half the assumed demand. The determination of impact on the Council's network is at the sole discretion of the Council [footnote].*
Multi-Unit Stormwater Adjustments			

3.2.4	Remove multi-unit adjustment for stormwater on the basis the average impervious surface area (ISA) per residential unit has been updated based on new modelling commissioned by the Council.	Keep stormwater adjustment for attached multi-unit developments as per the current policy.	Staff note the Council does not assess large residential units based on actual ISA, so this provision is an example of the adjustment only occurring when demand is less, which bakes in a degree of under-collection of stormwater development contributions. If the proposed provision were to be retained, a special assessment would still be triggered if the threshold (where actual demand is half of assumed demand) is met in line with clause 3.2.4.3 of the policy. In this instance the development would be assessed based on actual ISA. Some submitters expressed concerns that the proposed change could disincentive intensification. Staff consider that most high-density developments would trigger a special assessment for stormwater. Staff advice detailed in summary of submissions report. **No change.**
		Remissions	
5.6	Remove the remission provision from the development contributions policy.	Continue to provide an avenue for developers to seek a remission.	Staff recommend keeping a remission provision but using amended wording to clarify the intent of remissions. ***Draft clause:*** *There are no remissions provided for under this policy. This does not have any effect on special assessments provided for under 3.2.4 of this policy.* ***Suggested new clause:*** *The Council considers that there may be a development that is so unique it has not been anticipated by the policy, so much so that the Council considers the full development contribution assessment to be unfair and unable to be remedied under the provision of a special assessment.* *The development, itself, must be sufficiently distinct from other developments that remitting a development contribution requirement would not create a new precedent in terms of the Council's current interpretation and application of the policy.* *In these cases, the Council may, at its sole discretion, consider and grant a full or partial remission of development contributions in cases where it is satisfied this threshold has been met.* *The developer must write to the Chief Executive seeking a remission and explaining how the development has met this threshold and why the Council should grant a full or partial remission in the interest of fairness. The explanation must be specific to the development (not the developer or intended future occupier) and the features of the development that make it unique.*
		Life of Existing Demand Credits	
3.3.1	Retain the current policy setting where existing demand credits expire after 10 years.	Extend life of existing demand credits to 20 years.	Limiting the life of existing demand credits 10 years is regarded as a fair approach in that the landowner has a reasonable time within which to develop and the Council does not need to provide infrastructure capacity for every vacant or developed site forever.
3.3.1		No expiry on life of existing demand credits.	

			Additionally, the assets required to provide service to a particular property will change over time. The 10-year limit is a way to acknowledge this. Staff advice detailed in summary of submissions report. **No change.**
		HUE Equivalences	
Table 4	Residential units in retirement villages assessed at 0.25 HUE for reserve activity.	Retain 0.1 HUE reserve assessment for retirement units.	This is a fairly minor change and could be kept at 0.1 HUE. Advice provided in submission appears to be fair.
Table 4	Residential units in retirement villages assessed at 0.5 HUE for water supply and wastewater activities.	Retirement unit should be charged 0.4 HUE for water supply and wastewater.	This is based on average occupancy of 1.3 residents per residential unit in a retirement village. Staff have previously completed a survey of all retirement villages and confirmed the average water use was accurate and are therefore comfortable with this HUE equivalence. Council's three waters staff have reviewed all HUE equivalences as part of this review and are happy the current charges are fair. **No change.**
Table 4	Care suites in retirement villages assessed at 0.4 HUE for water supply and wastewater activities.	Aged care room should be charged 0.3 HUE for water and wastewater.	The policy aligns with other councils' assessments of care suites. Staff have previously completed a survey of all retirement villages and confirmed the average water use was accurate and are therefore comfortable with this HUE equivalence. Council's three waters staff have reviewed all HUE equivalences as part of this review and are happy the current charges are fair. **No change.**
Table 4	No specific policy proposal.	Clarify that retirement village community facilities are not charged for non-residential demand.	Community facilities in retirement villages are assessed as ancillary but this is not clear in current policy nor in the draft. Staff will add clarifying footnote to table 4: *Community facilities within a retirement village for the predominant use of residents and their guests are not subject to a development contribution requirement.*
Table 4	No specific policy proposal.	Community infrastructure unit of demand for care suites is 'Nil'.	This was omitted in error. Will clarify in table 4 that care suites are not charged for the community infrastructure activity.
3.2.5	Residential units and care suites are assessed for development contributions as set out in Table 4.	Amend clause 3.2.5: Retirement units and aged care rooms are assessed for development contributions as set out in Table 4.	Will amend to clarify residential units *in retirement villages* and care suites are assessed for development contributions as set out in Table 4. Staff do not consider it necessary to differentiate between care suites and aged care rooms for the purposes of assessing for development contributions.
		Definitions	

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Part 2	Residential care room means a room within a facility providing rest home care, retirement village, or other care facility, or a room within a home for the residential care of older persons. This also includes care rooms in a residential facility.	Add a definition of "aged care room" as follows: any dwelling unit in a "rest home" or "hospital care institution" as defined in section 58(4) of the Health and Disability Services (Safety) Act 2001.	The existing definition for residential care room is considered appropriate for assessment of this development type and staff do not consider it necessary to differentiate between residential care and aged care. **No change.**
Part 2	Retirement unit means any self-contained residential unit within a retirement village but does not include aged or residential care rooms.	Amend the definition of "retirement unit" as follows: means any self-contained residential unit within a retirement village but does not include aged care rooms.	As above, do not propose to differentiate between residential care and aged care. **No change.**
Part 2	Retirement village means a development that contains two or more residential units and shared-use community facilities for the residential accommodation of people who are predominantly retired and/or require residential care. Retirement villages are the only residential development type assessed for development contributions using a HUE equivalence method.	Amend the definition of "retirement village" as follows: means a development that contains two or more retirement units or aged care rooms and shared-use community facilities for the residential accommodation of people who are predominantly retired. Retirement villages and residential care are the only residential development types assessed for development contributions using a HUE equivalence method.	As above, do not propose to differentiate between residential care and aged care. **No change.**
Part 2	Residential care room means a room within a facility providing rest home care, retirement village, or other care facility, or a room within a home for the residential care of older persons. This also includes care rooms in a residential facility.	Amend the definition of "residential care room" as follows: means a care room in a residential facility. It does not include aged care rooms.	The term residential care room is considered appropriate for assessment of this development type and do not consider it necessary to differentiate between residential care and aged care. **No change.**
Part 2	Industrial means the use of land, infrastructure and buildings for the manufacturing, fabricating, processing, packing or storage of goods, substances, energy or vehicles; the servicing and repair of goods. *Manufacturing industries* means the use of land and/or buildings for manufacturing, processing, servicing and repair activities. It includes the activities set out in Division C: Manufacturing in the Australian and New	Definitions of industrial, manufacturing industry and business and industrial warehouse do not match district plan	The non-residential activity definitions are aligned with the definitions used by the business growth model, therefore no changes recommended. The growth model definitions align with the Statistics New Zealand industry classifications and Australian and New Zealand Standard Industrial Classification (ANZSIC). **No change.**

	Zealand Standard Industrial Classification (ANZSIC). Businesses in the Manufacturing Division are often described as plants, factories or mills and characteristically use power-driven machines and other materials-handling equipment. Activities undertaken that are incidental to their manufacturing activity, such as selling directly to the consumer products manufactured on the same premises from which they are sold, are also included in the division. *Warehousing* means the use of land and/or buildings for storage and sorting of materials, goods or products. It includes activities set out in the following divisions of the Australian and New Zealand Standard Industrial Classification (ANZSIC): Division F: Wholesale Trade; Division I: Transport, Postal and Warehousing; Subdivision L66: Rental and Hiring Services.		
Fee for Development Contributions Assessments			
4.2.1	At the time of invoicing, a fee to cover the cost for the Council to administer the development contribution assessment will be invoiced alongside the development contribution requirement. The development contribution assessment fee is set out in the Council's schedule of fees and charges.	Remove provision for Fee for Development Contributions Assessment.	This is a one off, minor cost - $100 per development. Development contributions assessment costs are not included in building and resource consent charges and are currently met entirely by the ratepayer. **No change.**
Catchments			
Appendix 3	Public transport catchment map.	Public transport catchment should include Marshland Road.	Catchment will be amended to include Marshland Road.
	Active travel catchment map.	Lyttelton should be excluded from active travel.	Active travel includes footpaths and cycleways so it is fair Lyttelton is included in Active Travel catchment. **No change.**
		Templeton should be included in active travel.	Catchment will be amended to include Templeton. Staff also consider the catchment could be amended to include all Harewood and Halswell – as possible within meshblocks.

Development Contributions Policy

Thematically coded submission content & staff responses

Full Report

May 2025

Memos

Christchurch City Council

Contents

Assessments

General Comments

Five submitters made comments specific to development contributions assessments.

Officer Response

The Development Contributions Policy (the policy) is based on assumed average demand for a range of development types. Development contributions required for non-residential development are calculated as a multiple of the household unit equivalence (HUE), also known as HUE equivalences. For most development types, HUE equivalences will be appropriate to determine a development contribution requirement.

There will, however, be some developments that place a level of demand that is substantially different from the level assumed in the policy for that type of development. The Local Government Act 2002 (LGA) does not clarify what this threshold should be, and this is up to each council. The Council has set this threshold at half or double assumed demand. This is in line with the Development Contributions Commissioners' decision in the *Ryman Healthcare v Auckland Council* objection.

Staff have not, and do not, propose to remove the provision that allows developers to request a special (or actual demand) assessment. A developer may ask the Council to consider undertaking a special assessment if the development is expected to place less than half the assumed demand on infrastructure that is built into the policy. The Development Contributions Assessment Team will undertake a special assessment if actual demand is at least double assumed demand.

The non-residential HUE equivalences are outlined in Part 8 of the policy. If a developer believes their development meets the criteria of actual demand being half assumed demand, it is up to them to provide supporting technical material and request a special assessment be undertaken. The special assessment provisions of the policy are outlined in clause 3.2.4.

Special assessments do not incur additional processing or administrative costs to the developer.

Not Stated

25 - Michelle Palmer (Retirement Villages Association)

Submission 4: Special assessments

42 As set out above, the 2025 Draft Policy will result in retirement villages being charged DCs that are disproportionate to the demand created by those developments. The units of demand are therefore inconsistent with the LGA requirements set out at paragraph 15 above.

43 However, as it stands, retirement village operators would not be able to request that the Council undertake a special assessment in most cases. The 2025 Draft Policy only allows a developer-requested special assessment where: "*[t]he development is expected to place less than half the assumed demand on infrastructure for the value identified as average for that type or location of development as set out in Table 4*". It also records that the decision "*is at the Council's sole discretion*".[21]

44 The requirement for demand to be "*less than half*" and also at Council's sole discretion is inconsistent with the LGA requirements of fairness, equity and proportionality. For example, the differences in the units of demand for water and wastewater set out at paragraph 38 above are 20%, and therefore would not meet the 50% gateway test for access to the special assessment process. Nevertheless, the difference in demand would be substantial across a retirement village.

45 The approach set out in the 2025 Draft Policy would force retirement villages to use the LGA objection process, which is available where there are "*features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities*".[22] It is highly inefficient for the 2025 Draft Policy to drive use of the LGA objection process, by setting an artificially high gateway to the special assessment process.

Relief sought

46 For the above reasons, the RVA requests that the Council amend the 2025 Draft Policy so that a special assessment can be requested by a developer in any circumstance and will need to be supported by evidence that demand from the development is substantially less than the assumed demand.

27 - Jacqui Hewson (Winstone Wallboards Limited)

D.2 Introduction of 'Special Assessments'

14. Section 3.2.4 states that:
*"Where a development is **not consistent with the land use expected under the applicable zone in the District Plan** or if the demand on any infrastructure for which a development contribution is levied is expected to be significantly different than the average for the applicable zone, the Council may require a special assessment for development contributions for the activities considered to be outside the expected demand" (**emphasis added**)*

15. WWB is concerned with how Council will assess a development '***not consistent with the land use expected under the applicable zone in the District Plan***'.

16. It is not clear whether 'non consistent' would be a development that is not a permitted activity, or where a development is a non-complying or prohibited activity. Moreover, where a development is established through Resource Consent, irrespective of whether it was 'anticipated by the zone' it is not clear whether such a development still trigger a Special Assessment.

17. What is also not clear is where a 'Special Assessment' is carried out, would this incur additional processing costs.

18. Furthermore, the Industrial Interface Plan Change (**DPC20**), which potentially reduces the level of permitted activities with the Heavy Industrial Zone, may result in WWB being inadvertently captured by the term 'non-consistent' under the applicable District Plan zone, particularly 'non-consistent' means anything that is not a permitted activity.

19. Therefore, WWB **opposes** the requirements for a Special Assessment where a development is 'non-consistent' under the applicable District Plan zone but is approved through a resource consent process and seeks further clarification on how 'non-consistent with the District Plan' is to be assessed/determined.

28 - Richard Stephenson (Bupa Care Services Limited)

Clarify that non-residential building charges do not apply to retirement villages

20 Bupa seeks clarification that non-residential development charges do not apply to retirement village community facilities and other buildings.

21 Bupa therefore supports the following amendment to Table 4 of the 2025 Draft Policy (to be added as a new footnote):

Any non-residential buildings/structures within a retirement village for the predominant use of residents and their guests are not subject to development contribution fees.

>>>

Memos

Bupa supports the submission by the Retirement Villages Association of New Zealand (RVA) and the key points in that submission that:

4.3 Amend special assessment requirements to allow for developers in any circumstances where evidence is provided that a development is substantially less than the assumed demand.

30 - Aaron Smail (Summerset)

Summerset wishes to express its support for the submission of the Retirement Villages Association of New Zealand in its entirety. Summerset requests Council engages constructively with the Retirement Villages Association in relation to the review of Council's Development Contributions Policy.

41 - Katherine Wilson (Property Council New Zealand)

7.1. The sector is concerned with Christchurch City Council's calculation of development contributions. In some circumstances, we have received feedback that Christchurch City Council collected development contributions much higher than signalled, only to reduce these fees by a significant amount once the calculations are contested.

7.2. While the proposed increase in development contributions is concerning, it is the entire process for calculating and challenging these fees that is equally alarming. Perceptions of a lack of transparency and accountability is reducing trust in the system.

Residential Unit Adjustments

Small Residential Unit Adjustments

General Comments

The draft policy proposes a small residential unit adjustment for one-bedroom residential units. The current policy provides an adjustment for all units under 100m^2.

There were mixed views on the proposed change to small residential unit adjustments. Five submitters supported the change, eight were opposed and three expressed mixed views. Those opposed preferred the Council keep the GFA-based adjustment, with some submitters concerned over the use of bedrooms as a proxy for infrastructure demand.

Several submitters also requested the Council introduce an adjustment for two-bedroom units. Two submitters asked that the small unit adjustment just be applied to developments in the central city.

Officer Response

The Council has had some form of small residential unit adjustment in its policy since 2007. However, in the last 10 years houses have gotten significantly smaller. In recent years, around 45% of building consents were for homes less than 100m^2 and 24% less than 80m^2. This means the Council is providing a discount for close to half of all new homes, which is not what the policy is intended to do.

The policy is based on a HUE which reflects the demand of an average household in Christchurch. A HUE is based on the average household in Christchurch being 2.6 residents. The assumed residential demand on infrastructure per HUE is outlined on Table 2 of the draft policy.

Activity	Base unit measure	Demand per HUE
Water supply	Litres per day	644.80
Wastewater collection /treatment and disposal	Litres per day	572.00
Stormwater and flood protection	Impervious surface area m^2	367.00
Transport	Vehicle trips per day	6.35

The Council is only looking to adjust assessments when the development type will exert a level of demand that will be significantly different from the level assumed in the policy for that type of development. The threshold for what is significantly different, under the policy, is when actual demand is half or double assumed demand, again this is consistent with the *Ryman* objection decision.

2023 Census data that shows that 73% of one-bedroom units have one person living in them and 98% have two or fewer. One-bedroom homes in Christchurch have on average 1.36 people living in them, and as the average Christchurch household 2.6 people, these homes essentially have half the assumed demand.

In terms of a two-bedroom adjustment, 2023 census data shows that two-bedroom homes in Christchurch have an average of 1.82 people living in them. This is within the averages built into the policy and therefore staff do not recommend making a change to this provision. If a change was to be made, the large residential unit adjustment would need to come down, either to four or five bedrooms, to reflect than an adjustment has been made within the averages. This would increase the administrative complexity of the policy and staff do not recommend making changes to the adjustments.

There is no data that to suggest we should treat central city residential development differently.

Not Stated

16 - Andrew Evans (A E Architects Ltd)

the amount of discount for 1 bedrooms of 0.6 hUE is correct

>>>

lets talk about fairness, i designed the small unit policy back in 2006, it was and still is designed to make the HUE less blunt recently i noticed the policy had got to loose and the discounts too big but what CCC proposes is an over reaction, merely only giving a discount to 1 bedroom units is just not right.

I agree a 0.6 HUE for 1 bedrooms is correct and sensible **BUT** there must still be a discount for 2 bedroom and on AVERAGE occupancy it must 0.8HUE- this is based on an AVERAGE 2 bedroom having 1.9 occupants and an average HUE of 2.4 (sadly ive been unable to get latest 2023 average occupancy per bedroom size from stat NZ so im basing on my memory of 2018 stats), CCC argument that the discount/ difference is not big and therefore not done is entirely wiped out by their argument units with 6 bedrooms or more should pay 10% more!

In order to make sure developers dont try and game the system by calling bedrooms living rooms i would lay down gorund rules (otherwise developers will say my 2 bedroom unit is only 1 bedroom because the other space is a study or a store room)

1) the discount should be recorded and stored in council records (maybe even on the LIm PIm) & a warning on PIM/LIM if spaces get used as bedrooms the council can charge what the discount wsa eg: soemoen uses a garage as a bedroom thye get sent a bill, this applies to 1 or 2 bedroom units

2) any space bigger than 6sqm net is considered a bedroom excluding an obvious garage & 1 living room (note- 1 living room is only for 1 & 2 bedroom units- see my commentary on big units). 6sqm is the legal definition from 1947 of a minimum size of a bedroom see https://www.legislation.govt.nz/regulation/public/1947/0200/latest/whole.html

3) a max square metre area could also be used as a test, but that can be a bit unfair as a generous 2 bed unit with garage can easily be bigger than a small 3 unit wihtout a garage

Note studios should be included in 1 bedroom definition

The policy document should emphasise average use: a 3 bedroom house may only have one occupant, a 1 bed might have 2 BUT on average and over time the average will likely still be 1.5 and 2.3 respectively , it should also emphasise a rough correlation between occupancy and service used - it is obvious that a 1 person household will put less pressure on CCC services than a 6 person household, yet a blunt HUE does not reflect that which is why a discount is needed

Memos

26 - Adrienne Miller (Urban Development Institute of New Zealand)

Revised Residential Unit Assessment Criteria

A number of our members have expressed concerns to us about the revised Residential Unit Assessment Criteria.

The previous discount provisions for units under 100m² have been removed with all two- and three-bedroom units with gross floor areas less than 100m² being charged 1 HUE (Household Unit Equivalent), regardless of size.

This is an increase in charges from the 2021 Policy, where a reduction in HUE charges was assessed in relation to floor area with units with 80m² gross floor area charged 0.8 HUE and units with 60m² gross floor area charged 0.6 HUE.

One bedroom units will be assessed at 0.6 HUE.

Inversely larger residency units with seven or more bedrooms will be assessed at 1.4 HUE (previously 1 HUE). This is apparently aimed at multi-tenancy developments that place a higher demand on infrastructure.

Some members have told us they believe there is a disconnect as the assumption that a household unit with more than one bedroom houses a family, does not necessarily hold true. They say the infrastructure demands of the residents of a two bedroom unit utilising the second bedroom as a work from home and periodic visitor accommodation will differ little from the demands of a couple occupying a one bedroom unit.

37 - Cody Cooper (Greater Ōtautahi)

We support the small residential unit adjustment with a view towards increasing affordable, spatially-efficient housing within the central city. Encouraging more one-bedroom homes will help grow the central city population, support local businesses, and strengthen the availability of rentals without contributing to urban sprawl. Higher residential density in the city core better utilises existing already paid for infrastructure and public transport, reducing the need to build out new and expensive infrastructure where it will not be as well used.

>>>

While individual one-bedroom units generate lower infrastructure demand, a high concentration of them could still require significant investment in transport, water, and other community services.

City fringe areas often lack robust public transport, meaning residents may be forced to rely exclusively on cars, increasing congestion and emissions. Further, if the area's demographics shift, an oversupply of one-bedroom homes may not meet future needs, leading to inefficient land use.

Accordingly, we only support this adjustment within the central city. Applying it to fringe areas could encourage car-dependent development and strain suburban infrastructure, undermining efforts to create a well-connected, compact city.

38 - David Palmer

The proposed change makes a lot of sense to me. Our city has a serious lack of one-bedroom homes, particularly apartments. Therefore this adjustment makes sense in the central city, as it may incentivise development of more of those types of properties.

>>>

However I think this adjustment does not make sense in outer parts of the city, as this will potentially not be enough to recoup the significant costs of required infrastructure growth in the outer suburbs. Sprawl suburbs require exponentially greater infrastructure costs the further they are from the city core, and typically require highly expensive and inefficient car-based transport infrastructure, so we should not be encouraging small swellings in these areas.

39 - Graham Robinson (Addington Neighbourhood Association)

It makes smaller dwellings with fewer bedrooms more affordable

>

2 & 3 bedroom rental units these days often have a couple in each bedroom, to cover the cost of the rent -but you have to assume only one person per room, as often there might only be a couple in a 3-bed house , with a spare room kept for occasional visiting relatives.

Would a flat rate per bedroom be fairer ?

Support

11 - Geoffrey Butcher
I agree with the arguments by council staff in favour of the change.

17 - Nicholas Latham
This is a good idea and the recommended option should be implemented.

19 - Deb Clarke
I would like to see Option B adopted by Council as it appears to be the most financially feasible option and appears to be the fairest way to charge.

6 - GABRIELLA KENNEDY
Option B - adjustment for one bedroom units

8 - Graham Wagener
It seems like a good balance.

Oppose

14 - Richard Peebles (Peebles Group Ltd)

Not Much other than you should have one. Adjustment is inadequate. A small two bedroom unit of 70m2 approx would be paying $30K approx in the CBD, equivalent to 5-7% of its value. Excessive.

>>>

Small unit adjustment should be less than 100m2 or similar otherwise it pebalises intensification and becomes too large a portion of the cost of the unit and raises prices significantly. Likely making thr=e more intensive developments uneconomic.

36 - Julie Comfort (Fletcher Residential Ltd)

1. Fletcher Residential Ltd (FRL) opposes the proposed change to the Small Unit discount, from applying to any unit that is less than 100m² in GFA (including garage) to only applying to 1 bedroom units, without a size limitation.

2. FRL's experience is that there is little different in the infrastructure demand between 1 bedroom units and 2 bedroom units/townhouses. Their 2-bed units are not designed with families in mind, and they are unaware of any of their units being occupied by families. Many of their 2-bed units are occupied by 2 people, while many of their 1-bed units are occupied by couples. In this regard, there would appear to be little difference in the demand placed on Council's infrastructure between a 1-bed unit and 2-bed unit.

3. FRL acknowledges the reduction in the size of 3-bed+ homes, particularly where no garaging is provided within the building, and that such these units do represent a full HUE with regard to their demand on Council infrastructure. A solution to this would be to reduce the overall unit size to which the small unit reduction would apply to a limit of 90m² GFA. This would more accurately reflect the size of 1 to 2-bed units being provided within the City.

Request of Council: **That Council amend the Small Unit HUE discount to enable it to be applied to 2-bed units, OR to reintroduce the maximum unit size to which it applies to a maximum 90m² GFA.**

41 - Katherine Wilson (Property Council New Zealand)

10.1. For small residential units, the current DC policy provides an adjustment for residential developments with gross floor area less than 100m². Christchurch City Council is proposing to set adjustment for one-bedroom residential units only. One-bedroom homes would be assessed at 0.6 HUE.

>>>

10.2. We question what Christchurch City Council's intention is with the proposal to reduce one-bedroom residential units to 0.6 HUE. If the intention of the draft policy is to incentivise one-bedroom residential units, then we would support the proposal to provide what is effectively a remission for a development contribution fee.

10.3. However, we note that Property Council has had longstanding concerns over the use of bedrooms as a proxy for infrastructure demand. There is no strong link between the number of bedrooms and occupancy.

42 - Glenn Taylor (Gough Family Office)

3.4. Retain the current approach to small residential units

- We support **(option A)** to retain the current approach where houses under 100sqm are assessed based on 0.8 HUE.
- The size of residential units has reduced in recent years, to make them more affordable for first home buyers and investors.

43 - Lachlan Wolfe (Master Builders)

6.1 Under the current Development Contributions (DC) policy, an adjustment is provided for small residential units with a gross floor area of less than 100m². Christchurch City Council is now proposing to apply this adjustment specifically to one-bedroom residential units, which would be assessed at 0.6 Household Unit Equivalent (HUE). For larger residential units, no adjustment is currently applied under the existing policy. The Council is proposing to introduce a development contributions adjustment for these larger homes.

6.2 Master Builders supports Option C – no adjustment and charge all residential units one HUE.

6.3 Master Builders understands that the Property Council has concerns over the use of bedrooms as a proxy for infrastructure demand and has conducted research finding that there is no strong link between the number of bedrooms and occupancy.

44 - Brendon Liggett (Kāinga Ora – Homes and Communities)

Kāinga Ora seeks the retention of the current residential unit assessment methodology, or the adoption of an alternative approach that reflects dwelling size or bedroom count. Kāinga Ora primarily delivers smaller dwellings, often one- or two-bedroom units to meet the demand of those on the public housing waitlist.

The removal of previous discounts for dwellings under 100m2 will significantly increase the contributions for smaller two- and three-bedroom units. We support a more fairly apportioned regime that considers either:

• A retention of the status quo,
• A tiered model based on bedroom count or dwelling size, or
• A hybrid approach blending size and typology.

5 - Kathleen Crisley
Adopt Option (C) Do not provide any adjustment and charge all residential units 1 HUE.

Large Residential Unit Adjustments

General Comments

The draft policy proposed a large residential unit adjustment for residential units with seven or more bedrooms. The current policy does not provide a large residential unit adjustment.

There were mixed views on the change to large unit adjustment with two supporting, four opposed and three expressing mixed views. Some submitters questioned whether the threshold should be lower. One submitter questioned whether the adjustment could be 0.4 HUE for each bedroom over seven.

Officer Response

The large residential unit adjustment clause is primarily intended to target multiple tenancy houses with lock-up rooms with an ensuite and shared kitchen lounge, particularly by the university. These are currently assessed as a single household unit because we assess household units based on the number of kitchens that create self-contained residential units.

2023 census data confirm seven-bedroom residential units in Christchurch have an average of 5.07 people living in them, almost double the assumed demand of 2.6 people.

If the large residential unit adjustment threshold is brought down, the Council would be adjusting within the averages built into the policy, which staff do not recommend because the policy averages are designed to ensure the Council collects the correct level of development contributions revenue.

In terms of providing an adjustment for each additional room, this would add to the administrative complexity of the policy and could result in additional reconsideration requests. Census data also does not support this adjustment, with eight-plus bedroom residential units having an average of 5.10 people living in them. It is therefore not recommended.

Not Stated

11 - Geoffrey Butcher
While I agree with the general argument, I think the trigger point should be reduced to 4 or 5 bedrooms

16 - Andrew Evans (A E Architects Ltd)

i agree this is the right thing to do, and 1.4 HUE is probably about right

>>>

the policy docs are not clear- is it 7 or more bedrooms or 6 or more bedrooms?

For these big units they will often have 2 living rooms- there needs ot be a test to make sure developers dont get hit for an extra bedroom whne clearly the place has 2 living rooms (i have done several 5 bedroom places with 2 living rooms)

8 - Graham Wagener
Should an additional 0.4 HUE for each bedroom beyond the 7th be added too?

Support

17 - Nicholas Latham
Agree with the recommended option.

19 - Deb Clarke
I am in support of Option B the larger the house that is built the higher the DC should be as all larger buildings are going to place a heavier demand on our infrastructure

Oppose

14 - Richard Peebles (Peebles Group Ltd)

Nothing

>>>

Its arbitrary figure that means an increase in 1 bedroom increases DC payment by 40%. if 6 beds is 1 hue, how can 7 be 1.4? The extra bedroom has not increased demand by 40%. Likely not in line with requirement for extra demand being catalyst for liability for DC.

39 - Graham Robinson (Addington Neighbourhood Association)

A larger charge for 6+ bedrooms reflects the potential likelihood that more people will live there, but it might not be the case.

>>>

It penalizes people who have spare bedrooms which might or might not be in use. The value of a larger property is often accompanied by higher rates.

41 - Katherine Wilson (Property Council New Zealand)

For large residential units, the current DC policy does not make any adjustments for large residential units. Christchurch City Council is proposing to apply a development contributions adjustment for larger houses.

>>>

However, we note that Property Council has had longstanding concerns over the use of bedrooms as a proxy for infrastructure demand. There is no strong link between the number of bedrooms and occupancy. As such, we support Option A - retaining the current approach to large residential units over 100m2 to be assessed at one HUE.

43 - Lachlan Wolfe (Master Builders)

In relation to large residential unit adjustments, Master Builders supports Option A – retain current approach: no large residential unit adjustment with all residential units over 100m2 assessed at one HUE.

Stormwater Reductions

Memos

Special Assessments for Developer Provided Infrastructure

General Comments

The current policy provides that if developers provide any kind of stormwater infrastructure as a condition of resource consent that the development contribution assessment will receive an adjustment of the stormwater activity. The draft policy proposes to remove the reduction in instances where the infrastructure reduces demand on the network by less than half of assumed demand.

There were mixed views on the proposal to bring stormwater adjustments for developer provided infrastructure into line with the special assessment provisions of the policy. Four supported the change, two expressed mixed views and six were opposed. Those opposed felt the Council's current approach to provide a discount for any stormwater mitigation was fairer.

Officer Response

The policy is built on assumptions about average demand for a range of development types and for most developments this averaging will be sufficient to determine a development contribution requirement. The policy should only look to adjust when actual demand is either half or double assumed demand. This threshold is considered proportionate and fair.

The change to special assessments for developer provided infrastructure is intended to bring stormwater adjustments into line with the rest of the policy.

Staff follow a set methodology to determine degree to which demand on the Council's network has been mitigated by the developer provided infrastructure. Each relevant development is reviewed using this methodology. This methodology has been used in assessments since 2007.

Staff note that on occasion, developer-provided infrastructure is vested with the Council, with the assessment receiving a stormwater discount of less than 50% due to the level of mitigation provided. Council may consider it fair to include a provision for these sites to still receive a stormwater adjustment due to the asset being vested.

Not Stated

19 - Deb Clarke

I would prefer to see option B in place. If the Developers are choosing to go large and where this is likely to put extreme pressure and demand on to Council Infrastructure, then the Developers should meet this cost or perhaps look at building smaller units.

27 - Jacqui Hewson (Winstone Wallboards Limited)

D.5 The requirement for a development to provide more than a 50% reduction on demand to be eligible for a reduction

26. With respect to the requirement for Three Waters (Stormwater, Wastewater, and Water Supply) WWB considers that the requirement for a development to reduce the overall stormwater discharge demand on the Council's system by more than 50% to be eligible for a reduction in stormwater development contribution is too high a threshold and is not adequately justified. It is also not clear whether the reduction is sought is on a peak flow basis.

27. Given the size of most industrial sites, the requirement to provide on-site retention provisions is too onerous and therefore the eligibility for a reduction based on this requirement is unworkable.

28. WWB considers that reductions should be assessed on a case-by-case basis, or otherwise a lower threshold established.

29. Therefore, WWB seeks justification on the Three Waters requirement for a 50% reduction of demand through on Council infrastructure through onsite mitigation and that such an assessment should either be on a case-by-case basis or set a lower threshold.

Support

11 - Geoffrey Butcher

In principle I agree with on-site stormwater containment being eligible for a reduction in DCs

17 - Nicholas Latham

Agree with recommended option.

39 - Graham Robinson (Addington Neighbourhood Association)

reduction in fees for 50%+ reduction in demand seems fair.

>>>

If all stormwater at a development is kept out of the Council system, there should be no fees charged, provided it cannot " leak" into the Council system.

8 - Graham Wagener

Developers pay a fair share.

Oppose

14 - Richard Peebles (Peebles Group Ltd)

Seems logical that if developer pays for infrastructure they should not pay again. Question if its even legal to actually charge twice anyway.

26 - Adrienne Miller (Urban Development Institute of New Zealand)

The ability to adjust stormwater component of DCs where the development ameliorated stormwater demand has also been removed.

Given the capacity of infrastructure can be supplemented and extended by such measures and also do double duty as recreation spaces this is doubly disappointing for developers and city residents. It runs counter to international trends in the development of blue green infrastructure.

40 - Julie Comfort (Davie Lovell-Smith Ltd)

We do not support the recommended policy position with regards to the reductions in contributions for developer provided stormwater infrastructure, particularly where that infrastructure is to be vested in Council.

The provision of stormwater basins that provide treatment and/or detention of stormwater by a developer is often a cheaper option for Council. If this infrastructure is not provided within a development, Council has to procure land themselves. This factor alone can mean that the Council can save money through the provision stormwater basins by a developer. Stormwater basins take up a lot of land. The provision of these basins within a development is an opportunity cost for developers, as the land to be utilised cannot be used for residential or commercial purposes. Currently there is no other transaction between the developer and Council with regards to the land that is vested in Council for these basins. Unlike recreation reserves, where Council pay for the land involved, this does not occur for Local Purpose (Utility) Reserves that cover stormwater basins and waterways. As such, given that the land involved is often valued substantially higher than what the stormwater development contributions may be, the application of a discount in these circumstances is considered to be more equitable than the proposed policy position. This is case even if the basins are only providing for first flush treatment.

As such it is considered that the reductions that have previously occurred, should still be undertaken for those sites where the infrastructure is to be vested in Council, or alternatively Council could buy the land from the developer in the same manner as they do for Recreation Reserves.

41 - Katherine Wilson (Property Council New Zealand)

12.1. The Christchurch District Plan requires most developments to include on-site stormwater management capacity as a condition of resource consent. Christchurch City Council's approach since around 2006 has been to discount development contributions for stormwater where a development provides mitigation that reduces demand on Christchurch City Council's stormwater network, no matter the scale of the mitigation.

12.2. Christchurch City Council is proposing to only provide reductions for significant on-site mitigation. It provides for a developer to request a special assessment to be done where the demand on Christchurch City Council's infrastructure is less than 50% of the average assumed demand.

43 - Lachlan Wolfe (Master Builders)

8.1 The Christchurch District Plan requires most developments to include on-site stormwater management capacity as a condition of resource consent. Christchurch City Council's approach since around 2006 has been to discount development contributions for stormwater where a development provides mitigation that reduces demand on Christchurch City Council's stormwater network, no matter the scale of the mitigation.

8.2 Christchurch City Council is proposing to only provide reductions for significant on-site mitigation. It provides for a developer to request a special assessment to be done where the demand on Christchurch City Council's infrastructure is less than 50% of the average assumed demand.

8.3 Master Builders supports Option C – retain status quo. This approach would continue to allow discounts for on-site management or mitigation measures, regardless of the scale of those efforts. Additionally, such a substantial change should be put on hold until there is greater clarity around the new developer levy scheme.

44 - Brendon Liggett (Kāinga Ora – Homes and Communities)

Kāinga Ora supports the application of discounts where developments demonstrably place lower demands on the Council stormwater infrastructure, particularly in multi-unit developments with stormwater mitigations already being required.

We recommend:

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• As opposed to the proposed 50%, there be a higher standard percentage reduction or a special assessment framework for qualifying developments.

Multi-Unit Stormwater Adjustments

General Comments

The policy proposes to remove the provision that provided a reduction for the stormwater activity in instances where two or more units were attached on a development site.

Ten submitters commented on the proposal to remove the multi-unit adjustment for stormwater. Submitters presented mixed views but most opposed to removing the multi-unit adjustment for stormwater, many on the basis that the current multi-unit adjustment incentivises intensification and high-density housing.

Officer Response

Stormwater demand is based on impervious surface area (ISA) this is common measure of demand used in development contributions policies.

All demand assumptions for 1 HUE have been updated as part of this review. Average ISA per site (parcel) has been reduced from 427m^2 to 367m^2 as a result. This reflects the changing development patterns and increased intensification.

A special assessment could still be triggered if the threshold (where actual demand is half of assumed demand) is met in line with the special assessment provisions of the policy. In this instance the development would be assessed based on actual ISA of the site.

The policy should only look to adjust when actual demand is either half or double assumed demand. However, the current stormwater policy provisions is an example where discounts are provided even when this threshold has not been met. This approach has caused revenue leakages because the Council is reducing the development contribution requirements within the averages built into the policy.

Staff note the Council does not assess large residential units based on actual ISA, so this provision is an example of the adjustment only occurring when demand is less which bakes in a degree of under-collection of stormwater development contributions.

Some submitters expressed concerns that the proposed change could disincentive intensification, and staff consider that most high-density developments would trigger a special assessment for stormwater.

Not Stated

11 - Geoffrey Butcher
I completely agree with council arguments for the proposed change. Needs to reflect impermeable area rather than number of units.

39 - Graham Robinson (Addington Neighbourhood Association)
Each unit should pay their share, but should not be paying as much as a property with one dwelling and mainly bare land.

8 - Graham Wagener
Intensification in infill areas leaves a sad amount of the land as ISA so it makes no sense that that sort of development would get a discount.

Support

17 - Nicholas Latham
Agree with recommended option.

19 - Deb Clarke
I am in support of Option A and removing the multi uni adjustment for the stormwater seeing as there is no alternate rationale in support of Option B

Oppose

16 - Andrew Evans (A E Architects Ltd)

this is lazy lazy thinking (or is it grasping?) & discourages density : stormwater demand is one that can be easily measured by the impervious area, which designers need to provide if you have 12 stacked apartments with 300sqm roof area paying 12x HUE compared to a 300sqm single story house paying 1 HUE and you think thats reasonable you need your head examined, leave the policy as is

>>>

nothing, retain current system

36 - Julie Comfort (Fletcher Residential Ltd)

1. The discussion material provided around the removal of the multi-unit adjustment justifies this on the basis that the updated Impervious Surface Area (ISA) calculation takes into account the smaller units sizes now being provided within the City, and that on that there is no rationale for having an adjustment based solely on two units being joined.

2. FRL disagrees with this and considered that calculating the HUEs for multi-unit residential developments on the actual ISA is appropriate as it better reflects the actual demand placed on Council's services for those units and ensures that multi-level complexes are not over-charged. In higher denser areas, such as in the Central City, and those now provided for around the major suburban centres, the impervious surface area per residential units within a complex is likely to be substantially less than the new average of 367m^2. This is particularly so for multi-level apartment buildings.

3. The only way in the draft Policy for this type of adjustment to be undertaken is through the Special Assessment process set out in clause 3.2.4. This would require a developer to request an assessment of Council for every development undertaken. It is considered that this would place an additional administrative burden on both Council and developers as they would have to go through this extra step, for every high density development within the City.

4. It is considered that reinstating the adjustment would not result in any additional administrative burden. Currently, the Impervious Surface Area is provided as part of the building consent or resource consent application. This ensure that the exact information is provided to Council and the calculation to provide the HUEs for any given complex is relatively simple.

Request of Council: **That Council reinstate the Multi-Unit adjustment for stormwater, so that the Stormwater HUE calculation for multi-units is undertaken based on the actual Impervious Surface Coverage of a development, rather than the total number of units to be provided.**

41 - Katherine Wilson (Property Council New Zealand)

13.2. Property Council supports **Option B – retain multiunit adjustment for stormwater.** Retaining the status quo creates a stronger incentive for intensification, particularly through medium-density housing such as townhouses and apartments. These dwelling types make more efficient use of land, offer a smaller scale of living spaces, and can be delivered to the market at more affordable price points compared to larger standalone homes. This approach also aligns more closely with the objectives of the National Policy Statement on Urban Development (NPS-UD).

43 - Lachlan Wolfe (Master Builders)

9.1 Christchurch City Council is proposing to remove the stormwater development contributions adjustment currently applied to multi-unit developments.

9.2 Master Builders supports Option B - retaining the multi-unit adjustment for stormwater. Maintaining the current approach provides a stronger incentive for urban intensification, particularly through medium-density housing such as townhouses and apartments. These housing types make more efficient use of land, offer more compact living options, and can be delivered at more affordable price points compared to larger standalone homes. This approach also better aligns with the goals of the National Policy Statement on Urban Development (NPS-UD).

44 - Brendon Liggett (Kāinga Ora – Homes and Communities)

Kāinga Ora supports the application of discounts where developments demonstrably place lower demands on the Council stormwater infrastructure, particularly in multi-unit developments with stormwater mitigations already being required.

We recommend:

• The retention of discounts for attached multi-unit dwellings.

Other

General Comments

One submitter requested the Council consider alternative ways to assess for stormwater demand.

Officer Response

Impervious surface area is a standard way of assessing for stormwater demand and is used by most councils to assess for development contributions.

Not Stated

44 - Brendon Liggett (Kāinga Ora – Homes and Communities)

Kāinga Ora supports the application of discounts where developments demonstrably place lower demands on the Council stormwater infrastructure, particularly in multi-unit developments with stormwater mitigations already being required.

We recommend:

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• Council consider other alternative methods of calculating units of demand for stormwater

Remissions

General Comments

The draft policy proposed to remove the provision that Council could grant a remission of a development contribution assessment in unique and compelling circumstances.

Thirteen submitters commented on the removal of the remissions provision. There were mixed views on removing remission clause with some submitters confusing remissions and special assessments, and some confusing remissions and rebates. Those who supported the change noted the arbitrary nature of remissions granted in the past, while those who opposed the change felt it important for the Council to retain the ability to waive development contributions if appropriate.

Officer Response

The term remission is used differently by different councils in the development contributions policies. The Council's policy uses remission to refer to the Council intervening on a development contributions charge when there is something about the development that has not been considered in drafting the policy and therefore the Council considers it necessary to address an aspect of the assessment via a remission.

Development contribution rebates are different in that they enable the Council to promote its strategic objectives by establishing rebate schemes for strategically desirable development types. Rebate schemes sit outside the policy because the LGA requires that development contributions charges are consistent and transparent and provides very little scope for adjustments to development contributions to meet the Council's strategic development goals. The Council has two rebate schemes currently operating - social housing and papakainga.

Special assessments are used when the actual demand placed by a development that is expected to be significantly different from the level assumed in the policy for that development type.

The confusion reflected in some submissions seems to be that many councils use the term 'remission' to refer to an actual demand remission - where demand is materially different to the assumed demand built into the policy. The Council's policy refers to this as a special assessment.

As mentioned above, there is no proposal to remove the ability for developers to seek a special assessment (or actual demand assessment) provided that the threshold is met (of actual demand being half assumed demand).

Staff also consider this confusion among submitters indicates there could be value in renaming special assessments 'actual demand remissions' if the Council wishes to do so. This would better align with some other councils' development contributions policies. If Council were to do this, it may also wish to rename remissions, perhaps to 'non-demand remissions' or 'extenuating circumstance remissions'.

While submitters did not necessarily express support for the current remission provision or the alternative drafting, if the Council wishes to retain some kind of remission provision, staff would recommend adopting the drafting that clarifies the intent of the clause.

Not Stated

14 - Richard Peebles (Peebles Group Ltd)

I couldn't find reference to remissions in policy, only rebates and not charging DCs for Maori Land

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The policy is vague. Says CCC may consider rebates but not why and what constitutes a development that is eligible. Non charging DCs for Maori Land seems a purely race based policy

Memos

without identifying what developments meet criteria and which puts cost on ratepayers and other developers.

19 - Deb Clarke

I am in support of C as it appears to address issues of concerns.

>>>

This one could be hard to manage if changes are made however Developers would still be able to apply under the LGA 2002

26 - Adrienne Miller (Urban Development Institute of New Zealand)

Previously, developers could request remissions (reductions) in "unique and compelling" circumstances. This has been removed, meaning developers will no longer be able to seek a remission of a development contribution requirement from Council.

39 - Graham Robinson (Addington Neighbourhood Association)

Remove remission, with ability for Council to make special exemptions (with clearly defined qualifications for such treatment)

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Removal reduces Council ability to guide development parameters.

Memos

Support

11 - Geoffrey Butcher
I'd be happy to see this go. The old policy application always seemed rather arbitrary anyway, and developers are / were full of bullshit as to why they should be favoured. Also, it left a lot of discretion to officials.

17 - Nicholas Latham
Agree with the recommended option.

38 - David Palmer
There should be absolutely no remission policy. It is entirely unacceptable that developers can lawyer up and wriggle out of paying their fair share. I am thinking specifically of examples like the Northlink shopping centre, where a specific charge was put in place to upgrade the intersection of Greers/Langdons, but somehow the developers got themselves off the hook. As a result the entire cost of the intersection upgrade (only needed due to the large volume of traffic created by the Northlink facility) fell to ratepayers. This kind of thing should not be possible.

8 - Graham Wagener
Removing the provision completely will decrease the amount of council time spent of paperwork that would likely be declined.

Oppose

12 - Rebecca Parish (Foodstuffs South Island)

Please retain the existing policy as this provides for discretion and flexibility in assessment. The proposed policy position is authoritarian rather than pragmatic and progressive.

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Unflexible and not reflective of a modern assessment approach.

27 - Jacqui Hewson (Winstone Wallboards Limited)

D.4 Removal of the ability to seek a remission

23. WWB considers that the continuation of the 2021 Development Contributions Policy provision for developers to request a remission/reduction in their development contribution charge where there were "unique and compelling" would be entirely appropriate.

24. Accordingly, WWB consider that preventing developers to have the opportunity to seek remission or reduction due to special mitigating circumstances under **Clause 5.6** is misaligned with other Council's such as Selwyn District Council which provides for a developer to request a remission of a development contribution required on a development.

25. Therefore, WWB **opposes** the removal of the requirement **Clause 5.6** and considers that the ability of developers to seek the remission or reduction should be retained as set out in the 2021 DCP.

32 - Lucy de Latour (Cambridge 137 Limited)

18. Cambridge 137 considers that the current development contribution policy does not provide any incentive or acknowledgement for unique circumstances that apply to the redevelopment of earthquake damaged properties and the public interest which exists for the redevelopment of such sites. The pDCP does not remedy this issue.

>>>

23. Cambridge 137 also seeks the reinstatement of the ability to seek remissions of development contributions.

41 - Katherine Wilson (Property Council New Zealand)

11.2. **Property Council supports Option A – retaining the current approach.** Property Council encourages remissions because it helps increase intensification, create more affordable housing, and ultimately leads to better, more sustainable development outcomes for communities. We strongly recommend that Christchurch City Council keeps an open mind on retaining a remission given that they have proved to be effective in encouraging development across the country.

43 - Lachlan Wolfe (Master Builders)

7.1 Christchurch City Council is looking to revise its policy on remissions, and in particular, amend the policy to state that no remissions will be provided for in the policy. Master Builders does not support this option (Option B).

7.2 Master Builders supports having remissions in the council's toolbox as it can help increase intensification but also encourage development from non-for-profit organisations and charities that provide positive outcomes for communities but often have difficulties with development contribution fees.

7.3 The inability to apply for remission provisions in other council regions has proven to be a barrier for some non-for-profit charities.

7.4 A remission scheme can be modelled to incentivise large scale commercial or apartment buildings in the CBD to attract activity and employment in the area.

7.5 Master Builders are concerned that the combined impact of increased development contributions and the removal of the ability to apply for remissions could deter housing development in the central city and other key catchment areas. It may also discourage projects led by charities and not-for-profit organisations, which are essential to the social fabric of the community. We encourage Christchurch City Council to consider the approaches adopted by other councils, such as Hamilton City Council, where remission schemes have proven effective in promoting development and enhancing the vibrancy of targeted areas.

Life of Existing Demand Credits

General Comments

The draft policy proposed to retain a limit on the life of existing demand credits to ten years from when the site last exerted demand Council infrastructure.

Ten submitters commented on the life of existing demand credits. Eight submitters asked that the life of credits clause be extended either to 20 years or indefinitely. These submitters were primarily concerned with sites in the central city (that haven't yet been redeveloped) having lost their credits due to the earthquakes.

Two submitters supported retention of the current provision. There is a clear split in views between submitters from the development sector and submitters who have not paid development contributions before.

Officer Response

The purpose of existing demand credits is to enable the Council to take a fair and reasonable approach to recognising that development may not result in additional demand on infrastructure. The previous demand from the site is deducted from the new development demand – only net additional demand attracts development contributions charge. This means there is no development contributions required where like for like development occurs.

However, the LGA requires the Council to manage its infrastructure assets in a way that promotes prudent stewardship and efficient and effective use of assets. It needs to be remembered that the Council is guaranteeing infrastructure capacity for the life of the credits and providing existing demand credits requires the Council to effectively "reserve" infrastructure capacity. This would put an unreasonable burden on ratepayers.

Limiting the life of existing demand credits 10 years is regarded as a fair approach in that the landowner has a reasonable time within which to develop and the Council does not need to provide infrastructure capacity for every vacant or developed site forever. Additionally, the assets required to provide service to a particular property will change over time. The 10-year limit is a way to acknowledge this.

There is no legal requirement to provide existing demand credits. Councils across New Zealand have a range of policies on existing demand credits - from no credits offered through to perpetual life of credits. Ten years is at the longer end for councils that limit the life of existing demand credits. The credits are a concession the Council provides to promote equity and encourage timely redevelopment.

Staff believe Council could be better to offer a rebate scheme to encourage redevelopment as opposed to adjusting this clause, especially if this change is intended to address a specific issue for a confined part of the city. The Council will receive a briefing on development contributions rebates on Tuesday 6 May.

Support

39 - Graham Robinson (Addington Neighbourhood Association)

The existing demand credits should last no more than 10 years, possibly only five years, to encourage properties to be redeveloped sooner rather than later.

5 - Kathleen Crisley

10 years is sufficient for development credits. There is no compelling argument to extend these to anyone.

Adopt (A) Retain the current policy setting

Oppose

31 - Terry Foote (Roman Catholic Bishop of the Diocese of Christchurch)

That the current policy is that existing demand credits expire after 10 years.

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Submission Topic: Existing Demand Credits

Our Preferred Option in order

New - Allow specific exemptions for not-for-profit organisations where circumstances warrant it, based on information provided and analysis by Council Staff.

Or secondly

(C) Provide an indefinite life of existing demand credits

Or thirdly

(B) Extend the life of existing demand credits
Credits could be extended to **20 years.** This would result in some loss of revenue for the Council but not as much as an indefinite life of credits, depending on where the life of credits was extended to.

32 - Lucy de Latour (Cambridge 137 Limited)

13. Cambridge 137 considers that it is important for the wider visual and economic development and regeneration of Christchurch that the barriers to the redevelopment of these buildings (many of which are considered "barrier sites") are addressed. It is in the wider public interest there are incentives to develop these sites, particularly in the central city.

14. Further, as was acknowledged when the Council last looked at this issue in 2021, at least so far as the central city is concerned:

    (a) A significant proportion of previously developed sites in the central city remain vacant since being cleared of earthquake damaged development.

    (b) Infrastructure in the immediate area largely has growth capacity.

    (c) Allowing for demand credits for a longer period of time might encourage (or at least not discourage) development in the central city.

15. While extending the period in which existing demand credits apply will have an impact on development contribution revenue, the Council's consultation material provides no acknowledgement of the increased rating revenue that would follow from the redevelopment of some of the remaining barrier sites.

16. Putting in place, say, a 20 year period for demand credits to apply would incentivise redevelopment to occur within the next 6 years to take advantage of the remaining credit.

17. Having a longer period in which the credit applies would not out of step with other districts in New Zealand, where, in some instances, credits have an indefinite life.

18. Cambridge 137 considers that the current development contribution policy does not provide any incentive or acknowledgement for unique circumstances that apply to the redevelopment of earthquake damaged properties and the public interest which exists for the redevelopment of such sites. The pDCP does not remedy this issue.

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21. For the reasons set out above, Cambridge 137 strongly supports the adoption of option (b). In light of the unique circumstances facing the city, it considers that a 20 year credit should apply to ensure the existing credit covers buildings affected by the CES which have not been redeveloped yet. This would address the issues identified above and would ensure proper recognition and incentives for the redevelopment of these sites.

22. Alternatively, the Council could adopt an exception to the limitation on the 'life' of existing demand credits for properties/ sites which were affected by the CES and have not been redeveloped since, or otherwise limit the 20 year life for credits to the Central City only. Either of these exceptions would be a more targeted approach to addressing the issue.

33 - Nicki Carter (Carter Group Limited)

We don't support the policy of charging development contributions on developments on vacant central city sites. Those sites had buildings on prior to the earthquakes and they paid for the infrastructure and maintenance of infrastructure through rates over many years. No additional infrastructure is required for developments in the central city and to charge development contributions on sites that previously had buildings located on them is double dipping.

35 - Celia Quinnell (Church Property Trustees)

Church Property Trustees for the Anglican Parish of Riccarton Spreydon have not been in a position to develop a site at 65 Riccarton Road due to constraints around the removal of the CCC heritage listing.

Now that this has taken place, it is likely a developer developing this land will incur a huge increase and we are seeking to retain the current status for this site.

We ask for a longer period of time to do this.

41 - Katherine Wilson (Property Council New Zealand)

9.1. Christchurch City Council is looking to revise its policy on existing demand credits.
Property Council supports Option B – extending the life of existing demand credits to 15-20 years.

9.2. The expiry of development contributions credits was an issue for the commercial property sector in Christchurch in the last few years.

9.3. We note that development is a long-term game and is often subject to unforeseen challenges such as extended resource consent approval timelines (which is common for large commercial developments) and global events like the COVID-19 pandemic. Extending existing demand credits to 15-20 years will provide longer-term certainty for these more complex and timely developments.

42 - Glenn Taylor (Gough Family Office)

3.3. Extends Existing Demand Credits

- We support extending existing DC credits to 20 years (option B).
- Extending the development credits to 20 years will provide more certainty for complex projects that may have been placed on hold following the global pandemic and the subsequent down-turn in the economy.

43 - Lachlan Wolfe (Master Builders)

5.1 Christchurch City Council is looking to revise its policy on existing demand credits. Master Builders supports Option B – extending the life of existing demand credits to 15-20 years.

5.2 Master Builder's notes that the expiry of development contributions credits has previously been an issue particularly for commercial builds that can be timely and complex.

5.3 Extending existing demand credits to 15-20 years provides enough time to combat unforeseen challenges that may arise such as global pandemics that have long term impacts.

44 - Brendon Liggett (Kāinga Ora – Homes and Communities)

Kāinga Ora requests an extension of the 10-year expiry period for development contributions credits. With anticipated reductions in the number of new social housing units delivered, credits associated with formerly developed Kāinga Ora-owned sites may expire before development proceeds. An extended timeframe will help support the long-term viability of these developments.

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Kāinga Ora requests an amendment to the policy that currently limits the use of existing demand credits across different activity types. In cases where land is transitioning from non-residential to residential use, existing infrastructure capacity should be considered in determining development contributions.

Kāinga Ora seeks flexibility for credits to be applied where infrastructure demand is not significantly increasing because of a change in land use.

HUE Equivalences

General Comments

The draft policy updated the HUE equivalences for non-residential development types. It also proposed to move from zone-based equivalences to activity-based equivalences.

Three submitters in the retirement living sector opposed the proposed water supply and wastewater HUE equivalences for residential units and care suites in retirement villages. These same submitters oppose the change to reserves for residential units in retirement villages and sought clarity on community infrastructure charges.

One submitter opposed the changes to activity-based HUE multipliers based on the activity types identified in the policy.

Another submitter requested all non-residential assessments be conducted as actual demand assessments.

Officer Response

There are a range of approaches that councils have taken to assess for retirement village activities. The retirement village HUE equivalences in the policy are based on stated average occupancy of 1.3 people in a unit in advice provided to the Development Contributions Team by a retirement village operator. This is consistent with the *Ryman Healthcare v Auckland Council* objection decision.

The transport HUE equivalences are based on methodology and advice provided by an external transport consultant. It matches Auckland Council's equivalence.

The reserves equivalence was amended for consistency with greater Christchurch. 0.1 HUE could be retained if Council wishes. This would keep the Council in line with Auckland's development contributions policy for this development type.

The draft policy does not propose changes to the water supply and wastewater HUE equivalences for residential units or care suites in retirement villages. The current multipliers are based on occupancy data.

Policy will be amended to clarify care suites in retirement villages are not charged for community infrastructure. This was omitted from the draft policy in error.

A footnote will be added to clarify that community facilities within a retirement village for the predominant use of residents and their guests are not subject to a development contribution requirement.

If a development contains mixed uses, this is reflected in the assessment for development contributions.

It is not administratively efficient to conduct actual demand assessments for every development. A HUE (or a multiple of the HUE) is considered a fair method to conduct assessments for most development types.

Not Stated

25 - Michelle Palmer (Retirement Villages Association)

Submission 2: Units of demand for retirement village units and care suites

21 The RVA is concerned that the units of demand for retirement units and care suites in the 2025 Draft Policy do not reflect the demand created by retirement villages and in some cases are higher than the current 2021 Policy.

Proposed changes to units of demand

22 The 2021 Policy set units of demand for retirement villages based on a submission from Summerset and comments from Council staff that the "*retirement village sector has evolved over recent years*", and "*the way the Council assesses these villages needs to be refined to better align with development trends*".[14]

23 The 2025 Draft Policy proposes the following changes to the units of demand for retirement units and care suites:

23.1 Reserves:

(a) Retirement units: the unit of demand is proposed to *increase* from 0.1 HUE in the 2021 Policy to 0.25 HUE in the 2025 Draft Policy;

23.2 Transport:

(a) Retirement units: the transport-related unit of demand is proposed to *decrease* from 0.5 HUE in the 2021 Policy to 0.3 HUE in the 2025 Draft Policy; and

(b) Care suites: the transport-related unit of demand is proposed to *increase* from 0.1 HUE in the 2021 Policy to 0.2 HUE in the 2025 Draft Policy.

24 The Council has not recorded these proposed changes in its "*Proposed policy changes for consultation*" and therefore no reasons have been provided for them.[15]

Units of demand for reserves

25 The RVA opposes the proposed increase in the unit of demand for reserves for retirement units.

26 Retirement villages have a substantially lower demand profile than standard residential developments. In addition to low occupancy levels, this lower demand profile is due to:

26.1 Reduced activity levels of the residents due to their age and frailty; and

26.2 Specialist on-site amenities provided to cater for residents' specific needs, which reduces residents' need to travel to access care, services or entertainment.

27 There are clear barriers that prevent older adults from undertaking physical activity in the New Zealand context – mainly cost, and the lack of purpose built facilities and programmes. Research shows that residents choose to engage in activities within a friendly and purpose built environment, which is often not provided by the local authority or others in the wider community. The research further identifies that there is often so much to do within a retirement village that there is very little time for other activities.[16]

28 In the context of sporting and recreation facilities, Sport New Zealand research similarly confirms that activity levels taper off as people age.[17] In particular:[18]

28.1 people aged 75+ participate in active recreation less often than people in all other age groups;

28.2 people aged 75+ participate in fewer types of active recreation than people in all other age groups; and

28.3 the main barriers that prevent people aged 75+ from participating in active recreation more often or trying a new type of active recreation are poor health/disability/injury, lack of motivation, cost, lack of time, and lack of confidence.

29 Surveys of retirement village residents at Ryman villages in Auckland in 2017 provide an example of this lower demand, showing that the residents made very little use of community infrastructure. The survey data was ultimately relied on to support a successful objection by Ryman under the LGA objection process that its proposal created substantially reduced demand on council facilities. This work also led to Auckland Council reviewing its DC policy to substantially reduce its household unit equivalent rates – to 0.1 HUE for reserves and community facilities for retirement units.[19] Wellington City has also adopted a unit of demand of 0.1 HUE for reserves and community facilities for retirement units.[20]

30 As noted above, no evidence has been provided by the Council to justify its proposal to increase the unit of demand for reserves for retirement units, or counter the Council's 2021 decision to lower the units of demand for retirement units for reserves to 0.1 HUE.

31 Based on the evidence contained in this submission, the RVA considers the unit of demand for reserves for retirement units should remain at 0.1 as per the 2021 Policy.

Transport-related units of demand

32 Based on information collected by RVA members for operational retirement villages across New Zealand and accepted by other councils in New Zealand, retirement units generate around 30% of the trips of a standard dwelling and aged care rooms generate around 20% of the trips of a standard dwelling (accounting for staff and visitor movements, as well as service deliveries).

33 Accordingly, the RVA supports the proposed amendments to the transport-related units of demand (a *decrease* for retirement units and an *increase* for care suites).

Units of demand for water and wastewater

34 The 2025 Draft Policy proposes the following units of demand for retirement villages:

34.1 Retirement units: 0.5 HUE (for water and wastewater).

34.2 Care suites: 0.4 HUE (for water and wastewater).

35 The 2025 Draft Policy also records that the assumed demand per household (1 HUE) is 644.80 L/day for water and the assumed discharge per household (1 HUE) is 572 L/day for wastewater.

36 Information collected by RVA members for operational retirement villages across New Zealand indicates that the demand created for water and wastewater is 260 L/day and 208 L/day for retirement village units and 200 L/day and 160 L/day for care suites respectively. Retirement village units also have a more even demand graph than that of typical residential demands, with peak demand periods later in the morning and earlier in the evening.

37 When comparing this evidence on demand/discharge to the assumed demand/discharge of a HUE in the 2025 Draft Policy, the RVA considers the unit of demand should be:

37.1 Retirement unit: 0.4 (for water and wastewater).

37.2 Aged care room: 0.3 (for water and wastewater).

28 - Richard Stephenson (Bupa Care Services Limited)

Units of demand for retirement units and aged care rooms

11 Bupa supports the identification of 'retirement units' and 'residential care room' as specific development types in the 2025 Draft Policy.

Units of demand reflect occupancy rates

12 Bupa's retirement units have an average occupancy of 1.3 people and aged care rooms having an occupancy of 1 person. Bupa supports units of demand that reflect occupancy rates but considers the units of demand also need to reflect actual demand characteristics as detailed below.

Water and wastewater

13 Due to their age and health status, the residents of Bupa retirement units and aged care rooms have a reduced demand on community infrastructure and facilities. Bupa notes that research by the Retirement Village Association (RVA) also indicates that retirement village units and aged care rooms use much less water and produce much less wastewater per person than a standard household unit.

14 Bupa agrees with research by RVA that the demand created for water and wastewater is 260 L/day and 208 L/day for retirement village units and 200 L/day and 160 L/day for aged care units respectively.

15 Bupa supports the submission of the RVA and requests amendments to the unit of demand to (rounded up to two decimal points):

15.1 Retirement unit

0.4 (for water and wastewater)

15.2 Residential care suite

0.3 (for water and wastewater)

Stormwater

16 Bupa supports retaining the approach that development contributions for stormwater from a retirement village are be based on the impervious surface area of a development.

Transport-related

17 Bupa **supports** retaining the transport related units of demand in the 2025 Draft Policy for:

17.1 Retirement unit: 0.3.

17.2 Residential care suite: 0.2.

Community infrastructure

18 Bupa **supports** retaining the community infrastructure related units of demand in the 2025 Draft Policy for:

18.1 Retirement unit: 0.1.

19 Bupa requests that Table 4 is clarified that the community infrastructure unit of demand for care suites is 'Nil'. The respective column in Table 4 is blank and there is no related footnote.

30 - Aaron Smail (Summerset)

Summerset wishes to express its support for the submission of the Retirement Villages Association of New Zealand in its entirety. Summerset requests Council engages constructively with the Retirement Villages Association in relation to the review of Council's Development Contributions Policy.

39 - Graham Robinson (Addington Neighbourhood Association)

In theory an HUE should reflect the demand for usage of resources.

>>>

As mentioned earlier. this is not always the case.

Support

11 - Geoffrey Butcher
I agree with the council staff position on this.

17 - Nicholas Latham
Agree with recommended option.

19 - Deb Clarke
I am in full support of Option A especially if all local councils are adhering to this way. Its needs to be a standardised approach nationwide

8 - Graham Wagener
It makes sense to use activity based assessment.

Oppose

22 - Jesse Aimer (Christchurch International Airport Ltd)

Use of HUEs for non-residential development

14 CIAL considers that a more equitable method to determine reasonable contributions is required for non-residential development. In CIAL's experience, the HUE m2 methodology for non-residential development generalises often complex activities and the demand that these will place on network infrastructure, which can lead to development contribution calculations that do not reflect the demand placed on Council's network infrastructure.

15 As set out in CIAL's submission on the existing 2021 policy, CIAL consider that, for non-residential activity, contributors based on a detailed assessment of 'the use of'/'or impact to' network infrastructure of the development is more appropriate than the current m2 calculation. It should be transparent and clearly articulated how the calculation has been made.

16 More generally, it is noted that worked examples have not been provided by Council on the impact of the changes proposed for non-residential activities. Without worked examples, it is difficult to know exactly how development contributions are proposed to apply for non-residential units. CIAL would welcome the opportunity to consider any work the Council might wish to undertake to advance that understanding

27 - Jacqui Hewson (Winstone Wallboards Limited)

D.1 The assessment of the 'Household unit equivalent' for non-residential developments

8. **Table 3** of the 2021 **DCP** provides the assessment for 'Household unit equivalent' (**HUE**) for non-residential developments by what District Plan Zone the development is located within.

9. This provides certainty for developers on how they will be assessed depending on their spatial location within the District Plan zoning framework.

10. Under the Draft DCP however, the HUE for non-residential developments is now assessed on land use and activity. However, WWB considers that the introduction of the land use and activity does not provide a level of certainty to certain operators , particularly where a development, such as the WWB Opawa site, falls under more than one of the land use and activities listed in **Table 4** of the

Draft DCP. For example, WWB has commercial premises/offices AND mixed business & industrial warehousing AND manufacturing industries.

11. As currently drafted, it is not clear how Table 4 will be applied to a development that contains more than one of the land use and activities on site.

12. WWB considers that the new assessment methodology may result in less and greater complexity to the calculation for non-residential developments.

13. Therefore, WWB **opposes** the new methodology and seeks that further clarification is provided, particularly for mixed use non-residential developments.

Definitions

General Comments

The draft policy made a range of changes to definitions, including the introduction of definitions for non-residential activities, to reflect the changes to HUE equivalences.

One submitter requested that the Council differentiate between residential care rooms and aged care rooms in retirement villages.

One submitter opposed several non-residential definitions on the basis they did not match the District Plan.

Officer Response

The non-residential activity definitions are aligned with the definitions used by the business growth model, therefore no changes recommended. The growth model definitions align with the Statistics New Zealand industry classifications and Australian and New Zealand Standard Industrial Classification (ANZSIC).

The current definition of residential care room is sufficient for assessment purposes. It is concise but detailed enough for assessors to draw a conclusion as to the use of the rooms.

Not Stated

25 - Michelle Palmer (Retirement Villages Association)

Submission 3: Definitions

39 The 2025 Draft Policy includes definitions for "retirement village", "retirement unit" and "residential care room". However, the clauses addressing the assessment of DCs for retirement villages use the terms "residential unit" and "care suite" (see 3.2.5 and Table 4). To ensure the proper application of the 2025 Draft Policy, the defined terms should be used throughout the document.

40 In addition, the RVA considers the definitions contained in the 2025 Draft Policy are unclear and not an appropriate reflection of retirement villages, as follows:

40.1 The definition of "retirement village" includes "*a development that contains two or more residential units and shared-use community facilities for the residential accommodation of people who … require residential care*". The RVA considers residential care facilities should be addressed separately in the 2025 Draft Policy to provide clarity for users of the document and ensure charges are fair, equitable and proportionate.

40.2 The definition of "retirement unit" excludes aged or residential care rooms, but there is no definition of aged care rooms in the 2025 Draft Policy.

40.3 The definition of "residential care room" covers rooms within a retirement village or rest home, as well as other residential care facilities. As noted above, the RVA considers residential care facilities should be addressed separately in the 2025 Draft Policy.

Relief sought

41 For the reasons set out above, the RVA requests the following amendments to the 2025 Draft Policy:

41.1 Add a definition of "aged care room" as follows: *any dwelling unit in a "rest home" or "hospital care institution" as defined in section 58(4) of the Health and Disability Services (Safety) Act 2001*.

41.2 Amend the definition of "retirement unit" as follows: *means any self-contained residential unit within a retirement village but does not include aged ~~or residential~~ care rooms.*

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41.3 Amend the definition of "retirement village" as follows: *means a development that contains two or more ~~residential~~ retirement units or aged care rooms and shared-use community facilities for the residential accommodation of people who are predominantly retired ~~and/or require residential care~~. Retirement villages and residential care are the only residential development types assessed for development contributions using a HUE equivalence method.*

41.4 Amend the definition of "residential care room" as follows: *means a ~~room within a facility providing rest home care, retirement village, or other care facility, or a room within a home for the residential care of older persons. This also includes~~ care room~~s~~ in a residential facility. It does not include aged care rooms.*

41.5 Amend clause 3.2.5: *~~Residential~~ Retirement units and ~~care suites~~ aged care rooms are assessed for development contributions as set out in Table 4;*

41.6 Amend column 1 in Table 4, as set out at paragraph 38 above; and

41.7 Consequential amendments to provide clear definitions and methodology for assessing DCs for residential care facilities.

28 - Richard Stephenson (Bupa Care Services Limited)

Bupa supports the submission by the Retirement Villages Association of New Zealand (RVA)

30 - Aaron Smail (Summerset)

Summerset wishes to express its support for the submission of the Retirement Villages Association of New Zealand in its entirety. Summerset requests Council engages constructively with the Retirement Villages Association in relation to the review of Council's Development Contributions Policy.

Oppose

27 - Jacqui Hewson (Winstone Wallboards Limited)

D.3 Definitions

20. The draft policy introduces definitions for the following:

- ***Industrial*** *means the use of land, infrastructure and buildings for the manufacturing, fabricating, processing, packing or storage of goods, substances, energy or vehicles; the servicing and repair of goods and vehicles whether by machinery or hand; or any other similar activities.*

- ***Manufacturing industries*** *means the use of land and/or buildings for manufacturing, processing, servicing and repair activities. It includes the activities set out in Division C: Manufacturing in the Australian and New Zealand Standard Industrial Classification (ANZSIC).*

- ***Mixed business and industrial warehouse*** *means the use of land and/or buildings for manufacturing, processing, servicing and repair activities*

20. These definitions above, which are used in **Table 4. Summary of residential and non-residential HUE equivalents by land use and activity** do not align with the District Plan definitions and are also not aligned with the definitions proposed by drafted in Plan Change 20: Industrial Interface.

21. WWB considered there is a lack of integration between the Draft DCP and the District Plan, which will result in inconsistent assessments, particularly for non-residential developments.

22. WWB therefore opposes the definitions of **Industrial, manufacturing industrials** and **Mixed business and industrial warehouse** contained within the draft DCP and seeks they be redrafted to ensure consistency with the District Plan definitions.

Land in Lieu

General Comments

The draft policy proposed to remove the provision that the Council may take land in lieu of cash development contributions.

Nine submitters commented on the proposal to remove the land in lieu of cash provision from the policy. Seven submitters supported removing the land in lieu provision from the policy. One submitter opposed the change, one made a neutral comment.

Officer Response

Feedback noted. Most vested asset transactions are dealt with via a developer agreement rather than a sale and purchase agreement and, regardless, staff disagree that the proposed process would be more expensive than a land in lieu transaction.

Not Stated

26 - Adrienne Miller (Urban Development Institute of New Zealand)

Similarly Land in lieu provisions that gave developers the option of vesting land for public purposes rather than financial payments has been removed

Support

14 - Richard Peebles (Peebles Group Ltd)

Seems logical

17 - Nicholas Latham

Agree with recommended option.

19 - Deb Clarke

I am in full support of Option A - this process needs to be open and transparent especially when it obtains to the sale and purchase of land.

24 - Russell Benge (KB Contracting & Quarries Ltd)

Changing to a Private Developer Agreement or a sale and purchase agreement from the current Land in lieu of cash Development Contributions makes sense. Our submission is to ensure there is no change in assessment criteria as a result of this, and that the value determined is not reduced as a result of the new DC policy.

38 - David Palmer

This can be removed, cash is king.

39 - Graham Robinson (Addington Neighbourhood Association)

Less complicated and more transparent to have transactions kept separate.

8 - Graham Wagener
Simplification, especially as it's being used less.

Oppose

11 - Geoffrey Butcher
Where it is to the advantage of council and the developer that a piece of land be transferred, then I think agreeing on a financial value, making an offset, and transferring the land as part of the allocation of titles as completion of the subdivision will be less expensive than having a lawyer involved in a sale and purchase agreement. I accept the council staff argument that an offset creates work for staff, but this work is probably related to deciding on whether the land is of value to council, and if so how valuable. That work will be the same whether the offset is against the DC or via a separate transaction in the form of a Sale and Purchase agreement.

Fee for Development Contributions Assessments

General Comments

The draft policy proposed to introduce a one-off fee per development for the assessment of the development contribution requirement. The fee was included in the Annual Plan 2025/26 and is $100 including GST.

Submitters presented mixed views on the Council charging a fee for development contributions assessments. Seven submitters were opposed, although several submitters appear to be mistaking the fee for the Development Contributions Team to complete an assessment with development contributions charges. Submitters also raised concern that the assessment fee would be a barrier to development. Six were supportive of the proposal on the basis it was fair developers pay for the administration of their assessments.

Officer Response

The proposed fee for development contributions assessments is a one-off, flat fee charged at invoicing. At $100, the fee is minor.

The fee remains the same regardless of how many times a developer or their agent contacts the Development Contributions Team or whether the assessment is amended. The Development Contributions Team time is not charged for as part of a building and/or resource consent application; it is currently paid for by rates only.

Support

11 - Geoffrey Butcher

I support this. Somebody has to pay and it seems better that this be developers rather than general ratepayers

17 - Nicholas Latham

Agree with recommended option.

19 - Deb Clarke

I am fully in support of Option A Developers should be charged an assessment fee providing it is fair and reasonable - this needs to be paid by the developers as ratepayers should not be expected to pay for housing intensification in their rates along with everything else.

38 - David Palmer

Yes, council should recover all the costs they can from developers. That is the entire point of the developer contribution system. Charging a fee for assessment should be part of that.

39 - Graham Robinson (Addington Neighbourhood Association)

It seems fair to charge an assessment fee which is related to the development contributions, user-pay.

>>>

Is this fee non-refundable if the development does not go ahead ?

8 - Graham Wagener

That it only will recover a portion of the cost.

>>>

The fairness.

Oppose

12 - Rebecca Parish (Foodstuffs South Island)

N/A - Council should not be charging a fee for assessments, this is similar to charging for invoicing administration.

>>>

Fee assessment should be fee-less to encourage developers to communicate with the Development Contribution Team.

14 - Richard Peebles (Peebles Group Ltd)
Fees increases are huge and will have negative effects on numbers of developments and affordability, especially in the lower value areas.

2 - Jacqui Freeman
I don't think it needs to change ... its already incredibly high for someone wanting to put a family flat on their property and it almost skuttled our plans.

26 - Adrienne Miller (Urban Development Institute of New Zealand)

Charges for assessment of DC contribution

The new proposal where a charge will be levied for assessment of the development contribution to be made by the particular development is also opposed by our members. One queried why they should pay for the time of council staff when they are already paying application fees for resource consents and building consent processes.

41 - Katherine Wilson (Property Council New Zealand)
7.3. We are aware that Christchurch City Council is also pushing for a cost recovery on the cost of staff time to calculate development contribution fees. Concerns arise when inconsistencies occur in the calculations and the 'double checking' of fees could result in more charges for Christchurch City Council. Accuracy and transparency are critical to ensure double dipping in charges does not occur.

42 - Glenn Taylor (Gough Family Office)

3.5. Retain the Status Quo for development fee contribution assessments

- We support **(option B)** to not pay for assessment fees. It is unreasonable to expect an applicant to cover the cost of completing an assessment. We are opposed to a situation where the applicant is required to pay the cost of the Councils time for assessments which may be incorrect.

44 - Brendon Liggett (Kāinga Ora – Homes and Communities)
Kāinga Ora opposes the introduction of a fee to request a development contributions assessment. Access to accurate information is essential for determining project feasibility. Imposing a fee may create a barrier to development and reduce transparency, particularly where clarification is sought on a Household Unit Equivalent calculation or the applicability of a special assessment.

Rebates

General Comments

Two submitters asked that the Council provide a rebate for affordable housing. Two submitters suggested the Council look at options in the central city to address strategic goals for a vibrant and prosperous central city.

Officer Response

The Council already operates a social housing rebate which has been in place since December 2017. Up until May 2021, the scheme applied to both social and affordable housing. The affordable housing component of the scheme was removed in May 2021 because it of difficulties in accurately and consistently define what constituted "affordable housing". It was also challenging for the Council to effectively and efficiently monitor and enforce the "affordability" of housing that had received a rebate on an ongoing basis.

Staff have investigated an affordable housing rebate in the past and were concerned that there is no mechanism in place to ensure homes for which developers are provided a rebate remain as affordable housing. There is a risk that a developer may claim the rebate and then either use the development for purposes other than for affordable housing or sell the property and the new owner uses it for a purpose other than to provide affordable housing.

In terms of the central city, the development contribution charges for each catchment are based on the Council's capital expenditure to service growth development in each catchment. The policy cannot shift costs between catchments to achieve strategic goals. This would be better dealt with through a rebate scheme under the Development Contributions Rebate Policy.

Staff will discuss rebate schemes with the Council at an information session on 6 May.

Not Stated

13 - Paul McMahon (Waitai Coastal-Burwood-Linwood Community Board)

1. That subsidies, if any, should be reserved for affordable housing.

14 - Richard Peebles (Peebles Group Ltd)
Should be no DC in CBD

21 - Natalie Keane (Kāinga Maha)
Finally, it is strongly advised that the Council extend the application of the existing Social Housing DC Rebate Scheme to encompass both affordable and social housing developments, ensuring that project viability is not compromised.

33 - Nicki Carter (Carter Group Limited)
The council also should be encouraging development and the rates uplift through development, and the economic benefits development brings to the city and the region. The policy should be viewed

through that lens.

41 - Katherine Wilson (Property Council New Zealand)

11.3. In 2021, as part of Hamilton City Council's wider efforts to transform the CBD a DC remission scheme was introduced. The scheme gave 100% remission on development contributions for buildings six storeys and over and 50% for those under six storeys. As a result of the remissions scheme, Hamilton's CBD is thriving.

11.4. We are concerned that the combination of higher development contributions and the inability to apply for a remission will create the 'perfect storm', ultimately driving housing development away from the central city and other key catchment areas. We encourage Christchurch City Council to learn from other council's remission schemes as they can be an effective tool to encourage development and enhance vibrancy of an area.

Catchments

General

General Comments

The policy proposed to move to localised catchments for road network and neighbourhood parks activities. It also proposed larger catchments for the water activities. No changes were proposed for the other activities.

One submitter expressed support for the overall approach the Council has taken with respect to catchments but asked for greater consideration to be given to areas of the city that operate as a 'campus'.

Officer Response

Most 'campus-style' developments, including the airport, put demand on the Council network - for example, passenger vehicles and delivery trucks put demand on the road network.

If a development puts additional demand on the Council network for a specific activity, it will be assessed for development contributions.

Not Stated

22 - Jesse Aimer (Christchurch International Airport Ltd)

Catchment approach

11 Overall, CIAL considers that the proposed catchment approach to development contributions is an appropriate method for assessing development contributions and appears to broadly reflect the position of the city in terms of growth and demographics.

12 However, applying the broad catchment approach proposed does not allow for the more nuanced nature of campus-style developments, such as Christchurch Airport, where a significant amount of network infrastructure is privately developed, owned and maintained.

13 CIAL considers that the proposed catchment rates could better consider focussed campus developments supported by private network infrastructure in determining a contributions rate that fairly reflects the actual demand placed by new developments on the Council's network infrastructure.

Road Network & Community Parks

General Comments

Seven submitters commented on the road network and neighbourhood parks catchments. There was overall support for the localised catchments, but three submitters requested that the catchments be made smaller.

Officer Response

A balancing act is required when drawing catchments and there are risks to the Council in drawing the catchment too small.

Smaller catchments increase the complexity of developing and operating the policy and the range of per-HUE charges across those catchments also tends to increase, which may have unintended consequences for funding growth. Some small catchments may pay very high, targeted contributions, while others may pay very low contributions, depending on how the catchments are drawn. Additionally, the risk of under recovering the cost of growth infrastructure increases with smaller catchments especially if modelling has not allocated growth in the correct places. Overall, the smaller the catchments, the greater the risk of error in the policy. This risk is reflected in the number and size of the catchments for these activities.

Not Stated

29 - Ross McFarlane (Halswell Residents Association)

We would prefer more localised catchments that align directly with where development is occurring.

37 - Cody Cooper (Greater Ōtautahi)

It is essential that funding remains ring-fenced to these catchments so that contributions collected in a particular area are reinvested there, rather than being redistributed elsewhere. This approach ensures that new developments pay for the infrastructure they rely on, reducing the burden on existing ratepayers.

>>>

Catchments should be carefully defined to ensure fairness, with a strong focus on making sure people are contributing to—and benefiting from—the services they use as much as possible.

Many areas across Christchurch still lack essential infrastructure like footpaths, despite development contributions (DCs) being collected. We urge Council to prioritise completing basic infrastructure—especially footpaths and safe transport links—in areas where development contributions have already been collected. Residents should see tangible benefits from these contributions, rather than funds being tied up for years or spent elsewhere.

39 - Graham Robinson (Addington Neighbourhood Association)

Local catchments should ensure funds go back into the area the funds come from, as they are facing the most increase to resources/infrastructure.

>>>

The catchment areas are perhaps too large to reflect development trends eg. higher density in inner-city areas and less development in built areas futher away from the CBD, but still in the same catchment area.

Support

11 - Geoffrey Butcher

I have no strong view on this, but in general I agree with charges reflecting local conditions.

19 - Deb Clarke

I am in support of option A as it works in with the LTP and appears to be the best option of the 2 for residents and for Christchurch Urban Plan along with Traffic Strategic Plans

23 - Marie Pollisco (Waipuna Halswell Hornby Riccarton Community Board)

The Board supports the Council proposal for a localised approach, with central, east, west, north, south and Banks Peninsula catchments. The Board considers that this approach better provides for the use of the proceeds of development contributions in the areas from which they are derived. This approach is appropriate for the Waipuna Halswell Hornby Riccarton Community Board Area that is a high growth area both in terms of new development and intensification.

38 - David Palmer

Localising these things is good.

Three Waters

General Comments

Five submitters commented on the three waters catchments. There was mixed support for these catchments, with two opposed, two supportive and one suggesting sub-catchments may be required.

Officer Response

Before 2021, water supply and wastewater activities were grouped into a district-wide catchment. The 2025 policy proposes to return to larger catchments for these activities in order to address several issues.

Nature of our water infrastructure: The Council has a unique integrated water network which isn't necessarily reflected in our current catchments. The new catchments better reflect the Council's integrated delivery of water services. Additionally, infrastructure within the urban catchment is interconnected within the city and Three Waters projects generally benefit the related wider infrastructure network.

Unpredictable growth and need to be responsive: The Council's capital spending for growth-related three waters infrastructure will need to become more dynamic, reacting to patterns of intensification. Around two-thirds of all new residential development is occurring in infill areas, and it is likely this trend will continue. There is a lack of certainty with respect to where that growth is going to occur.

Whilst Three Waters infrastructure are planned to consider growth for the next 50 years, Long Term Plan (LTP) growth funding is allocated 10-years in advance with specific projects identified every three years. Development contributions based on smaller catchments may cause under collection for growth provision not yet ring-fenced in the LTP. Furthermore, because infrastructure plans are not fully aligned with the LTP funding period, there may be misalignment when LTP provision has not yet been made for development triggering upgrades. A grouped catchment will ensure that development contributions are collected from all new development on a fair and equitable basis.

Not Stated

39 - Graham Robinson (Addington Neighbourhood Association)

Larger & fewer catchments with overcapacity to allow for increased demand or breakdowns of pumping stations

>>>

There may need to be sub-catchments within the catchments

Support

17 - Nicholas Latham
Agree with recommended option.

19 - Deb Clarke

I am in support of Option A as the City grows so does the need for infrastructure especially in regard to PC14 and medium-density housing. The City needs to be able to keep up with the demand on the infrastructure.

We are now 14 years post-earthquake and we are in a position of almost being back to where we used to be providing we keep working on the infrastructure. We need to look at all our options and do it right the first time. This policy needs to be fair and reasonable and also align with the Local Water Done Well Policy which is currently being submitted on.

Oppose

11 - Geoffrey Butcher
Not so keen on this. There IS still in-fill occurring (e.g Lyttelton), and if the costs of providing for in-fill are lower than for green-fields, then the in-fill DCs should reflect this. In general I like fine-grained allocation of costs to the extent that this is reasonable.

44 - Brendon Liggett (Kāinga Ora – Homes and Communities)
In setting development contributions the Council is currently required to consider the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals. Kāinga Ora seeks greater granularity in the delineation of 'Areas of Demand" in the policy maps. This is particularly important for three waters infrastructure, where large catchments, which have been proposed in response to Plan Change 14. This may disincentivise development in areas that are already well-serviced by infrastructure.

Kāinga Ora recommends refining catchment boundaries to accurately reflect infrastructure readiness, ensuring that development contributions align more closely to the actual impact and cost to the Council. We acknowledge changes may be appropriate in the future if changes in the funding regime are introduced.

Public Transport

General Comments

One submitter queried the catchment boundaries for public transit and active travel, noting a gap along Marshland Road.

Officer Response

Staff agree the public transport catchment should include Marshland Road and propose the catchment be amended to include this.

Not Stated

8 - Graham Wagener
There seems to be a big gap along Marshlands Road for the active travel and public transit catchment.

Active Transport

General Comments

One submitter queried the exclusion of Templeton from the Active Travel catchment and the inclusion of Lyttleton.

Officer Response

Active travel includes footpaths and cycleways, so it is fair the Lyttleton is included in the catchment.

Staff agree Templeton should be included in the Active Travel catchment. This is a minor change given the low levels of growth in the area.

Not Stated

37 - Cody Cooper (Greater Ōtautahi)
We strongly oppose Lyttelton paying an active travel rate when it has no MCRs, while Templeton is excluded despite clearly benefiting from the South Express MCR in the future.

Growth Projections

Household

General Comments

Four submitters queried whether slower growth projections meant the cost allocations should be changed.

Officer Response

The draft policy is based on the 2024 LTP capital programme and the 2021 policy is based on the 2021 capital programme. The overall capital programme increased from $5.78B in 2021 to $6.51B in 2024. The cost of the growth component of those projects also increased – from $730M in 2021 to $923M in 2024.

The capital programme, and the projects to be delivered for which the Council collects development contributions, has been informed by the 2024 growth model. The cost allocations for projects not yet delivered, therefore, reflect projected growth. Projects that have already been delivered (that is, are noted as 'complete' in the Schedule of Assets) remain unchanged.

Not Stated

24 - Russell Benge (KB Contracting & Quarries Ltd)

The rationale for this increase appears to be based on revised population growth projections, which indicate a decline from the higher growth estimates used in the 2021 policy. These updated projections more closely align with those from 2016, reflected in the adjusted DC charge being approximately $2,000 lower than the 2016 policy rate.

However, there is a strong case for maintaining the current charge of $29,153.47 per HUE. If Proposed Plan Change 14 (PC14) is made operative in its current form, it will allow the development of up to three residential units per site as a permitted activity. This could significantly increase density and growth within the catchment, particularly for a new development such as Oakbridge, which may reduce the need for such a sharp rise in DCs.

26 - Adrienne Miller (Urban Development Institute of New Zealand)

Some have questioned whether there has been a correct allocation between existing ratepayers and new development. Surely the cost of infrastructure would diminish if the growth is down on initial projections. The statement that DCs are more because there are less growth household units to spread the costs across, suggests the relationship between household units and infrastructure needs has been eschewed in favour of simply allocating a portion of the costs to growth regardless of causation.

28 - Richard Stephenson (Bupa Care Services Limited)

Bupa supports the submission by the Retirement Villages Association of New Zealand (RVA) and the key points in that submission that:

4.1 Further investigate if all the infrastructure projects covered in the 2025 Draft Policy are needed to service amended lower growth projections.

34 - Rebecca Wolt (P D Sloan)

The Council promotes the development contribution increases under the Draft Policy on the basis that growth has slowed, with fewer developments being undertaken and there being thus fewer developments from which to recoup growth related infrastructure costs.

This is a counterintuitive proposition.

Firstly, if there is less growth, then the requirements for growth related infrastructure will surely decrease proportionately.

Secondly, an almost three-fold increase in development contributions will very likely have the effect of slowing development even further, by driving up the costs of development even higher and disincentivising and/or making unviable this much needed investment in the City.

Capital Programme

General Comments

One submitter advocated for additional infrastructure projects to be funded in the capital programme.

Officer Response

The revenue received from development contributions is derived from and tied to the Council's investment and projects in the capital programme. Infrastructure projects need to be in the capital programme to enable the Council to recover development contributions for them. The Development Contributions Policy is not the tool to get projects into the capital programme - this needs to be done through the LTP or Annual Plan process.

The Council can only use development contributions to recover the growth component of an asset. The cost allocation methodology takes account of causation (the reason the asset is being provided), as well as who benefits from the project. Many projects have multiple cost drivers so growth is sometimes only a small component of a project.

Not Stated

37 - Cody Cooper (Greater Ōtautahi)

PT Futures: It is regrettable that the majority of this project is no longer being funded by central government. Given the importance of PT to Christchurch's future, it makes sense for DCs to contribute to its development.

Mass Rapid Transit (MRT): The proposed $53~ is not enough to deliver meaningful progress. MRT is no longer a luxury but a must-have for the city's future transport network. New housing developments will increase network loads, and it is only fair that new residents contribute more than existing ratepayers. DCs should be increased significantly to ensure funding for multiple business cases over a short timeframe. If Council is unable or unwilling to drive MRT forward effectively, it must identify another body capable of delivering real progress and ensure the project is completed.

Parks in the North & West: We support increasing DCs for parks in these areas as post-quake land availability has diminished, and new land will need to be purchased to provide adequate green spaces as the population grows. It is fair that those who benefit contribute to these costs. Neighbourhood parks can also provide stormwater solutions (i.e. wetlands).

Major Cycle Routes (MCRs): We support collecting committed funds in advance to avoid a large debt or rates shock when major investments are required. A gradual funding approach through DCs will make future cycleway projects more financially sustainable.

>>>

Roads: It is unclear why Central's roads would be more expensive than those in the East, where roads are in significantly worse condition. More transparency is needed to justify this funding allocation.

Renewals: The $50 million allocation for Street Asset Renewals to Support Capital Projects lacks clarity regarding its intended use. Given that this represents a significant portion of the cost increase for the active travel development contribution (DC), there needs to be full transparency on how these funds will be spent. While we strongly support investment in active travel, we cannot support unexplained cost increases without a clear breakdown of what projects or upgrades this programme includes. If this funding is meant to subsidise general street renewals rather than specifically improving active transport infrastructure, it is misleading to place this burden in the active travel category.

Charges

General Comments

Several submitters opposed the proposed development contribution charges, citing the increase from 2021 charges.

Officer Response

Development contributions charges are calculated per HUE on a per project basis, by dividing cost to deliver the growth component of an asset by the projected growth. The increase in development contributions charges has been caused by an increase in the cost to deliver infrastructure to service growth and a decrease in the number of projected new households.

The 2024 LTP capital programme is significantly more expensive than in 2021 - 5.78B in 2021 compared to 6.51B in 2024. Similarly, the cost of growth infrastructure rose almost 200m between LTP 2021 and LTP 2024, as did the Council's inflation and interest projections built into the funding model which increases the Council's cost to deliver growth infrastructure.

Additionally, the 2024 growth forecast has a slower rate of growth in all aspects compared to 2021 but reflects a return to more 'normal' growth projections.

Because an increased cost of growth is being spread across fewer new households there has been an increase in development contributions charges compared to 2021. The 2025 charges are in line with the pre-2021 charges and comparable (if not lower) to Greater Christchurch and metro councils.

Oppose

14 - Richard Peebles (Peebles Group Ltd)
Huge increases which seem unjustified and will have huge ramifications on developments, housing supply and affordability.

2 - Jacqui Freeman
I don't think it needs to change ... its already incredibly high for someone wanting to put a family flat on their property and it almost skuttled our plans.

21 - Natalie Keane (Kāinga Maha)

The proposed increase in development contributions (DCs) presents a major challenge to the financial feasibility of affordable housing projects. Unlike traditional developers who typically target higher profit margins (generally in the range of 15%-20%) and pass increased costs onto buyers, we operate on slim margins, in light of the mixed-tenure housing outcomes we seek to unlock, to enable the homes we develop to be sold at affordable price-points and to ensure we maximise the broader outcomes (environmental, social and economic) outcomes realised.

Higher development contributions will result in several critical consequences for affordable housing:

1. Increased housing costs for buyers – Additional development costs could raise the final sale price, putting homeownership further out of reach for low- and middle-income families. This increase directly undermines the Council's housing affordability objectives outlined in the Community Housing Strategy 2021-2031 , which highlights the importance of affordable housing as key piece of social infrastructure, essential for positive health, economic, environmental, and social outcomes.

2. Fewer Affordable Housing Projects – Many affordable projects operate on tight margins, and higher upfront costs could render them unfeasible. While we choose to accept a reduced return in lieu of social and affordable housing outcomes, we must still ensure projects remain commercially viable. Further reductions in returns also limit our ability to recycle capital into future developments or capacity to cross-subsidise the provision of affordable/social housing on mixed tenure developments, whereby the development surpluses generated from market sale/rental housing can, in part, cross-subsidise the affordable/social housing. Any increase to the DCs puts at risk the new supply of affordable/social housing, especially in the current environment where there is limited/if any government/Crown capital subsidies to enable the development of new affordable/social housing. Please also refer to our hypothetical case study in section 2.2.

3. Reduced Housing Supply – The flipside of increased costs is also a reduced supply of more housing in general, given the adverse impact on development viability at a time where in many parts of Christchurch the difference between realisable values and development costs are negligible leading to further erosion of any development margin. If developers stop building due to cost pressures, the overall supply of housing will drop, leading to increased house prices citywide. If an existing house is available at a lower cost than a newly built home, prospective buyers are more likely to purchase the existing home instead. This will reduce the rate of new home purchases, making developers less willing to take financial risks if their product is unlikely to sell. Ultimately, this adds to a shortage of

housing supply. This contradicts the Community Housing Strategy 2021-2031, which highlights the need for stronger policies to expand the supply of community and affordable housing.

4. Contradiction of Council's Own Strategic Policy – The proposed increase in DCs puts in jeopardy the delivery of the Council's own strategic vision and priorities as detailed in the Council's Strategic Framework underpinning Christchurch City Council's Long-Term Plan, in particular:

- The vision for Ōtautahi Christchurch to be a place of opportunity for all…open to new ideas, new people, new investment and new ways of doing things – a place where anything is possible.

- to be an inclusive and equitable city;

- The Council's target to maintain at least 2,080 community housing homes

- enabling the provision of diverse and affordable housing options, including affordable, community, social housing, and papakāinga.

24 - Russell Benge (KB Contracting & Quarries Ltd)

We submit feedback on the proposed increase in Development Contributions (DCs), particularly regarding the Belfast (North Catchment) area, where charges are set to rise from $29,153.47 per Household Unit Equivalent (HUE) to $37,166.72 per HUE. This submission specifically relates to the Oakbridge development area, located off Hills Road within this catchment.

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Additionally, we note that this substantial increase in DCs will ultimately be passed on to purchasers, further impacting housing affordability in the Canterbury region.

We request that the Council carefully consider these factors before finalising the proposed DC increase.

34 - Rebecca Wolt (P D Sloan)

Mr Sloan is deeply concerned that the Draft Policy proposes to increase development contributions by up to 271%. These increases will push these existing cost related issues beyond the tipping point and will disincentivise and/or stifle future development in Christchurch, which will become uneconomic and unviable.

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Mr Sloan is particularly concerned with the proposed increase in development contributions payable, the proportionality to development, and the equitability of the regime more generally.

41 - Katherine Wilson (Property Council New Zealand)

Property Council strongly opposes the proposed increases to development contribution fees. Development contributions can either enable or stifle development. The Draft DC Policy proposes increases up to 271 per cent which will negatively impact development resulting in; less development, less employment, less housing and less revenue for Christchurch City Council.

42 - Glenn Taylor (Gough Family Office)

1.5. The Gough Family Office **strongly opposes** the proposed increase to development contribution fees.

1.5.1. The Draft DC Policy proposes increases of up to 271 per cent which will negatively impact development resulting in less development, less employment, less housing and less revenue for Christchurch City Council.

1.5.2. We are concerned about the impact the proposed increases will have on housing supply and affordability. Significant development contribution fee

3.2. Proposed Fee Increases

- The proposed fee increases represents an increase of up to 271% [Reference DC Charges Comparison] in development fees. This will create cost uncertainty in the market.
- There is potential to make projects uneconomic, particularly when the current sales environment is challenging.
- The increase is occurring when builders are less likely to be able to absorb such additional costs with finance and insurance costs at their highest. These cost increases are combined with changes to the building act which add cost, utility fees and other infrastructure upgrades and red tape and uncertainty. All told, projects will potentially stall and Council revenue will diminish.
- The increase is not aligned with the provision of affordable housing as the additional cost will need to be passed onto the purchaser. This will have a subsequent flow on impact with tenants needing to pay a higher weekly rental.
- We have analysed one Christchurch Central development comprising 86 townhouses (of which 51 are below the median house price and considered in the "affordable category") that was consented in 2021. Under the proposed fee increase the Development Contributions payable would increase to 4.56 times, the fees that were assessed in 2021. In the current environment, that project would no longer be feasible and would not proceed. This would have a significant impact on providing affordable homes in the central city.

43 - Lachlan Wolfe (Master Builders)

2.1 Master Builders are concerned about the proposed fee increases some of which are up to 271% which will negatively impact building activity, employment and revenue for Christchurch City Council.

2.2 This development contribution policy could add tens of thousands of dollars to the price of a new build house in Christchurch, making the city uncompetitive and driving development to other regions that will ultimately act as a deterrent to growth.

Other Comments

General Comments

Submitters made a range of additional comments in their submissions on the policy.

One submitter suggested development contributions be used to fund canopy cover.

Four submitters noted the connection between development contributions and rates an asked the Council to ensure development contributions are correctly set to avoid additional rates increases. The submitters expressed support for growth paying for growth and that the policy ensure ratepayers do not subsidise growth.

One submitter asked that development contributions be increased to fund specific active travel and public transport infrastructure projects.

Several submitters commented on ensuring development contributions collected pay for growth infrastructure with three submitters also saying development contributions should be ringfenced to the area that are taken from.

Two submitters suggested the policy lacked transparency in how the charges are formulated and the policy administered.

One submitter questioned if it was correct that developers benefit from growth infrastructure.

Officer Response

Ensuring growth pays for growth: The Development Contributions Policy is intended to ensure that growth pays for growth. As part of this review, staff have looked to address aspects of the policy that have resulted in unnecessary ratepayer subsidisation of growth infrastructure to ensure more accurate recovery of growth infrastructure.

Tree canopy cover: The Council had intended to use financial contributions to provide for tree canopy cover as part of proposed Plan Change 14. This is allowed for under the Resource Management Act 1991 and would have been a provision of the Christchurch District Plan. Any financial contributions work sits outside the Development Contributions Policy.

Level of development contributions: Development contribution charges are derived directly from the costs Council incurs to provide infrastructure to service growth. The charges are not arbitrarily set but are instead calculated by dividing cost to deliver growth infrastructure in the capital programme by the number of new or additional households. The Council cannot set a charge higher than what is generated by this calculation. The Council's capital programme is outlined in LTP documents, and the growth-related capital programme can be found in the Schedule of Assets in the policy.

Ringfencing of development contributions: Development contributions are ringfenced to the catchment and the activity for which they were taken. This is a requirement under s197AB of the LGA. Development contributions revenue is applied to relevant assets that support growth in a catchment. No development contributions revenue is diverted to assets that are not required to service growth in the relevant catchment.

Transparency of policy inputs: The Development Contribution Policy summaries the methodology behind how the per-HUE charge has been set and show how each charge is calculated. Development contributions requirements must follow the methodology set out in policy.

Not Stated

1 - Lovepreet Singh
we are on basic pays, the inflation is keep rising it is geeting hard to feed the family and evey year council is keep increasing the rates under the name of Development. However no proper budget figures had been shown to public, eg how much money was raised in last financial year and how much has been spent and on what??

13 - Paul McMahon (Waitai Coasta-Burwood-Linwood Community Board)

1. The Board believes that growth should pay for growth;
2. The Board believes that easy access to libraries, parks, and pools are essential for every community and that Development Contributions should reflect this; The Board believes that ratepayers should not effectively subsidise luxury developments; and,

15 - Rick Hill
I think the big point that is missed is that its not the developers that benefit from the infrastructure but the householders and they already pay a lot, too much for that same thing

18 - Connor McIver
I support all proposed changes for the reasons provided. These changes appear well-considered and fair.

19 - Deb Clarke
Please do not increase rates further. This Policy needs to have Developers paying their own DC completely as it is unfair to Canterbury Ratepayers to expect them to foot another price hike in their rates again.

2 - Jacqui Freeman

I don't like that you take exhorbitant contributions from a neighbourhood and put NOTHING back into that neighbourhood. EG. in Belfast there has been incredible growth in both housing AND industrial area and absolutely NO consideration has been made regarding access through residential area to industrial area and its already causing a nightmare. You have barely done anything regarding infrastructure.

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Leave it the way it is. It doesn't need to change. What does need to change is how you approve all this new development without any thought about how if will affect the people already living there OR the new people moving in.

22 - Jesse Aimer (Christchurch International Airport Ltd)

8 CIAL agrees with core policy objectives of ensuring that developers contribute fairly to the funding of infrastructure and facilities to service growth over the long term; and that these assets are funded in a predictable and transparent manner. However, it considers that the Council's current and proposed development contributions policy as it applies to non-residential development, and particularly those who provide private network infrastructure to this new development, does not achieve these objectives.

9 We set out below our high-level comment in relation to the catchment approach proposed and use of HUEs for non-residential development.

10 CIAL considers that this Review is an opportune time to consider how the development contribution policy can be amended to achieve its objectives. CIAL would welcome the opportunity to discuss further with Council how a more focussed contribution methodology could be applied to organisations that own and operate a significant amount of network infrastructure which service their development.

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17 Due to the self-contained nature of CIAL's network infrastructure, CIAL considers that a more focussed development contributions calculation is required to achieve the objectives of the development contributions policy.

23 - Marie Pollisco (Waipuna Halswell Hornby Riccarton Community Board)

The Board strongly supports all the proposed policy changes in the Draft Development Contributions Policy in particular the proposal for a localised approach, with central, east, west, north, south and Banks Peninsula catchments.

The Board wishes to speak at the hearing.

29 - Ross McFarlane (Halswell Residents Association)

In support of the more localised catchments we desire and as a large growth area of Christchurch we find DCs do not invest collections back into a known area of households and population growth.

Our specific concerns are Community Infrastructure and Neighborhood parks sections of the DC policy.

34 - Rebecca Wolt (P D Sloan)

Mr Sloan is additionally concerned by the lack of transparency with which the policy is formulated and administered, and the actual application of the funds collected to growth related infrastructure projects.

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Mr Sloan SUPPORTS the position expressed by the Property Council in its feedback and ADOPTS the points made in their entirety.

37 - Cody Cooper (Greater Ōtautahi)

We believe that, in aggregate, the total increase in development contributions (DCs) should be higher than the proposed ~3%, rather than further increasing general rates. Development should pay its fair share for the infrastructure it necessitates, ensuring that existing ratepayers are not unfairly burdened.

38 - David Palmer

DCs should be dramatically increased for transport purposes. DCs can be used to fund things such as the major cycle route programme. Areas such as Templeton will soon be benefiting from the South Express cycleway, but are not part of the AT catchment. meanwhile Lyttelton is in the AT catchment but has no cycleways. These discrepancies should be addressed.

Greenfield developments in Casebrook should have higher DCs, and that funding should be directed toward the Wheels to Wings cycleway, and local cycle connector improvements in the north-west. The north-west is extremely poorly served by cycle infrastructure at the moment.

DCs should also be generally increased to create funding for the PT Futures programme and associated MRT business case. The lack of funding from central government will need to be met locally, and it is desirable that DCs should pay for work on that growth infrastructure, rather an increase in the general rate.

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DCs should be ringfenced to the area they are intended to improve. It is unacceptable that we have developments going in at places like Belfast and Halswell where there has been no effort to provision footpaths for those residents. Similarly, local connection cycle routes and street redesigns need to be considered a fundamental part of the urban design for areas undergoing substantial growth, particualrly infill growth. As the city has sprawled, formerly rural roads have become residential roads, but have never been redesigned to make them amenable to their changed purpose. I am thinking specifically of Sturrocks Road in Redwood, which is still designed like a high-speed rural road, but is in fact a residential road. DCs can help to fund improvements to roads like this.

5 - Kathleen Crisley

As a long-term resident of Christchurch, I feel that we have paid sufficiently every year for the provision of our infrastructure. New developments are exacerbators, particularly with multi-unit dwellings. Consider that a single unit family dwelling on a site may have had a maximum of 6 residents – 2 parents and 4 children (many will have had less than this number – as the average family size is 2 parents/2 children).

Now, there are 4 units on the site. Each will have a laundry and kitchen and most will have 2 occupants. That is 8 people contributing effluent to the wastewater system and a 25% increase in water demand.

Please stop using loyal residents as an endless source of finance and expect us to subsidise “low cost housing.” Ensure that all councillors with development ties (Gough, Mauger and others) are not allowed to vote on this plan change.

8 - Graham Wagener
There should be developer contributuons towards canopy cover to address the urban heat island. Discounts could be given if they provide significant canopy cover (maybe current, maybe potential) on the development site.

Pausing the Review

General Comments

Nine submitters asked that the Council pause the review of the policy due to the Government's 28 February announcement around the introduction of development levies. Submitters noted the new policy would only be in effect for two years.

Officer Response

Under the LGA the Council is required to have a policy on development contributions and to review that policy every three years. The Council's current Development Contributions Policy was adopted in July 2021, and it is due for review.

On 28 February 2025, Minister Chris Bishop announced changes to the development contributions regime. Development levies are planned to replace development contributions. The Government has stated the aim of levies is to better recover the full costs of infrastructure from those who benefit from the infrastructure and provide more flexibility for councils compared to the current development contributions scheme.

Development contributions and development levies are broadly similar in that they are both charges that are paid for by developers when undertaking development.

It is expected the legislation will be introduced in September 2025, enacted mid-2026 with levies to come into effect from July 2027.

The Council still needs to have a policy on development contributions until at least June 2027. Between the 2021 and 2024 LTPs, the growth component of the capital programme increased around $200m. The current policy does not reflect the Council's actual, current costs to deliver growth infrastructure. Current developers are not paying development contributions that reflect this cost, and shortfall is being picked up by ratepayers.

Staff, therefore, recommend the policy review continue.

Not Stated

21 - Natalie Keane (Kāinga Maha)

The New Zealand Central Government has announced a comprehensive review of development contributions, expected to be completed within the next 12 to 18 months. This review aims to establish nationally consistent guidelines for fair and effective infrastructure funding. Given the urgency of Christchurch's housing needs, we strongly recommend the Christchurch City Council postpone its proposed increases until the national review outcomes are known. This postponement will ensure alignment with national recommendations, facilitate fair and evidence-based decision-making, and protect the viability of affordable housing projects that cannot absorb additional costs

25 - Michelle Palmer (Retirement Villages Association)

Submission 1: Pause review in light of growth projections and changes to infrastructure funding

16 The Council has amended its growth projections as part of the 2025 review, and says that "*higher costs are being spread across fewer projected new households*".[11] As a result, the Council is proposing DCs that are *significantly* higher than the current 2021 DC Policy (*2021 Policy*) (with more modest increases and some decreases compared to the previous 2016 policy).[12]

17 It is unclear if all of the infrastructure projects covered by the 2025 Draft Policy are needed to service the now lower growth projected by Council. Even if the projects are required, we expect some of them could be undertaken at a later stage as growth comes on stream and/or the costs associated with those projects should be spread over a longer time period so that they are fairly allocated to the growth that will benefit from them. It would be unfair, and inconsistent with the LGA, to simply pass on the higher costs of infrastructure to a smaller group of developers that intend on completing development over the next 10-year period.

18 Further, the Government has recently announced major changes to infrastructure funding, which will result in the DC system being replaced with a development levy system.[13] Legislation is expected to be enacted in mid-2026, with the new system beginning in 2027. Given these upcoming changes, the 2025 Draft Policy can be expected to be in effect for only 1.5 – 2 years.

19 The RVA considers any further work on the Council's DC policy should align with central Government's proposed new development levy regime, which it is understood will replace DC policies throughout NZ. It is premature to be rolling out

the substantive changes sought in the 2025 Draft Policy while that national work is advancing.

Relief sought

20 For the above reasons, the RVA requests that the Council pause this review and roll-over the current 2021 Policy, until the new regime is established.

26 - Adrienne Miller (Urban Development Institute of New Zealand)

The Coalition government has very recently announced (28 February 2025) a comprehensive review of development contributions, expected to be completed within the next 12 to 18 months and its replacement with a new system of Development Levies and a range of other tools for paying for Infrastructure, including targeted rates.

In light of that and the proposed creation of nationally consistent guidelines for fair and effective infrastructure funding, our preference would have been that council seek to postpone its proposed review of the Development Contributions policy until the national review outcomes are known.

Our understanding is that it is Council's intention to proceed with the review of the current Development Contributions policy rather than seeking an extension of the time to review its policy notwithstanding the change in national direction.

28 - Richard Stephenson (Bupa Care Services Limited)

Bupa supports the submission by the Retirement Villages Association of New Zealand (RVA) and the key points in that submission that:

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4.2 Align work with central government's proposed new development levy regime.

30 - Aaron Smail (Summerset)

Summerset wishes to express its support for the submission of the Retirement Villages Association of New Zealand in its entirety. Summerset requests Council engages constructively with the Retirement Villages Association in relation to the review of Council's Development Contributions Policy.

34 - Rebecca Wolt (P D Sloan)

Mr Sloan further supports and adopts the submission of the Property Council in so far as to seeks that the Council pause its review of the Development Contributions Policy, pending the imminent Central Government direction on this issue. It is wholly inefficient to embark on this Policy review, at the ratepayers' and submitters' expense, when it is highly likely that the new regime will require further wholesale changes.

41 - Katherine Wilson (Property Council New Zealand)

1.6 In light of the Government's new work programme to replace development contribution fees with development levies, we recommend Christchurch City Council pause its development contributions review until the new levy system is in place. This can be achieved through seeking approval to extend the three-year DC review timeframe within legislation, similar to what the Christchurch City Council has done in the past to receive extensions on Plan Changes.

1.7 A pause is the sensible thing to do, reducing council resources in the interim and creating certainty of status quo for developers before the overhaul of development contribution fees occurs. A comprehensive review of the Draft DC Policy should occur under the new development levy regime.

1.8 If Christchurch City Council does not pause the development contributions policy, it could halt developments until a developer levy programme is established, as the uncertainty of transitioning between two systems in under a year would likely discourage development.

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4.1. We strongly encourage Christchurch City Council to pause the Draft DC Policy. The Draft DC Policy was released prior to Central Government's announcement to overhaul development contribution fees and replace them with developer levies. Legislation enabling development levies will occur in September 2025, only six months away. We recommend Christchurch City Council's resources are put into reviewing the new development levy system rather than making amends to the current development contributions policy which will be overhauled within the next year.

4.2. A pause can be made by requesting an extension to complete a DC Policy review. Councils often ask for extensions when central government makes new announcements. For example, Christchurch City Council requested an extension for their Plan Change after the government announced changes to Medium Density Residential Standards.

4.3. If Christchurch City Council does not pause the development contributions policy, it could halt developments until a developer levy programme is established, as the uncertainty of transitioning between two systems in under a year would discourage development.

42 - Glenn Taylor (Gough Family Office)

1.5.3. The Draft DC Policy was released prior to Central Government's announcement to overhaul development contribution fees and replace them with developer levies. Legislation enabling development levies will occur in September 2025, only six months away. In light of the potential change that is coming from Central Government, we feel that it is an inefficient use of Council time, resource and funds to be undertaking the proposed review of the DC policy, when change mandated by Central Government is only a few months away. We recommend the Christchurch City Council pause its development contributions review, until the new levy system is in place.

1.5.4. A pause seems sensible, as it reduces the need to expend council resources and creates certainty of the status quo for developers before the overhaul of development fees occur. There is significant risk that projects will grind to a halt during the period of transition which could have a negative impact on the market, particularly with "affordable housing".

3.1. Pause the proposed draft Development Contributions Amendment

- As previously mentioned we encourage the Council to pause the proposed draft development contributions amendment.
- With the Central Government announcement to overhaul development contribution fees and replace with development levies, it would seem sensible to wait until the outcome of the development levies is complete. Implementing two potential changes inside of a 12 month period will cause excessive disruption and uncertainty and is likely to further discourage development.

43 - Lachlan Wolfe (Master Builders)

3.1 Master Builders encourages Christchurch City Council to delay the draft DC policy. The draft DC policy was released just prior to the Central Government's announcement to reform development contributions fees and replace them with developer levies. The legislation enabling developer levies will be introduced in September 2025, that is only four months from after the planned final DC policy will be introduced.

3.2 This pause can be requested by seeking permission from the Minister for Local Government and the Minister for Housing and Infrastructure to delaying the process to complete DC policy review. There is little sense in introducing a policy that needs to be replaced soon after as the arrangements for council in the new developer levies system are changed.

3.3 We recommend that Christchurch City Council reviews the new development levy system rather than investing in amending the current development contributions policy which will be overhauled within the next year.