

OIR: 2425/1248

11 February 2025

[REDACTED]
[REDACTED]

Tēnā koe [REDACTED],

Request for Information under the Local Government Official Information and Meetings Act 1987 (the Act) (the LGOIMA)

Thank you for your email of **14 January 2025** requesting the following information:

Under the LGOIMA, I request the following information please:

- 1. Are the total costs that are due to be recovered through development and financial contributions revenue for the years 2021/22 to 2024/25 inclusive?***

Development Contributions (DCs) and financial contributions (FCs) are charged to developers to help fund the infrastructure needed to support new developments. DCs are used to fund growth-related infrastructure such as roads, water supply, wastewater, stormwater, and FCs are used to fund parks and reserves and related infrastructure. The Councils' development contributions policy can be found on the KCDC website, and financial contributions provisions in section 2 of the Operative Kapiti Coast District Plan.

The Council will assess the DC and/or FC that is required when it first receives an application for a:

- building consent or a Certificate of Acceptance under the Building Act 2004; or
- resource consent for subdivision or other land use consent under the RMA; or
- service connection or connection authorisation.

Development and financial contributions revenue is therefore not linear: it is dependent on the timing and nature of development activity and can be difficult to predict.

Development and financial contribution forecasts in the Long-term Plan are based on projected growth, as set out in the Significant Forecasting Assumptions section of Development Contributions Policy. This can be found on the Council website.

Please note that any information provided in response to your request may be published on the Council website, with your personal details removed.

Development and financial contributions budgeted and received are disclosed in the Annual Report each year. Annual Reports can be found on the KCDC website. It is noted that actual development and financial contribution revenue for the 2023/24 year was \$5.840 million.

2. *What has been/expected to be the total revenue from development and financial contributions in those years?*

Please refer to the response to question 1.

3. *If there is a gap between expected and actual development and financial contributions revenue in any of these years, what are the reasons behind any gap?*

Please refer to the response to question 1.

4. *Have there been any changes to KCDC's development and financial contributions policies for the financial years 2021/22 to 2024/25 inclusive and, if so, what are the reasons behind changes to these policies?*

The Council's Financial Contributions Policy became operative with the District Plan on 30 June 2021. The level of contribution was set at that time and is based on Residential Unit Equivalent (RUE). The value of the RUE is adjusted annually by the movement in the Consumer price Index and updated on the website at the start of each financial year.

The Council reviews and updates its Development Contributions Policy alongside each LTP.

An updated Development Contributions Policy was adopted on 24 June 2021, with primary changes being:

- increasing the 'household unit equivalent' (HUE) calculation to 2.5 people per household (from 2.3) to reflect forecast average household occupancy for the district;
- increasing the size for non-residential units to 500m² gross floor area (from 450m²);
- reducing the HUE slightly for retirement, visitor, supported living, and shared and group accommodation to reflect the increase in household occupancy assumptions; and
- updating the Council's development contribution charges and catchment maps to reflect capital expenditure forecasts and assumptions in the Council's 2021-41 Long-term Plan.

Similarly, the Development Contributions Policy was updated as part of the 2024 LTP. The 2024 policy remained largely the same as the 2021 version, with the schedule of works and costs updated to reflect the updated 30-year infrastructure strategy. Other minor changes included:

- inclusion of updated Community Outcomes, the 'Community infrastructure' asset type, some terminology changes, and removal of references to Gross Floor Area (GFA) and categorising residential units by number of bedrooms

- reduction of GFA measure for non-residential developments to 450m2 as Residential Unit Equivalent (RUE)
- update of Significant Assumptions to reflect latest population and growth figures, and
- changes to development contribution charges, catchment maps, and capital expenditure forecasts and assumptions to reflect Council's 2024-34 Long-term Plan.

Parks and reserves continue to be funded by Financial Contributions charged under the District Plan.

In addition, a new policy for limited remissions to development contributions was adopted in June 2024. The policy outlines the Council's approach to providing for limited remission of development contributions required under the Development Contribution Policy for certain community housing and papakāinga housing developments. The policy and details can be seen on our website [here](#).

For further information relating to current and previous development impact fees, please visit [here](#).

5. *Has there been any deferred payment arrangements for any development and financial contributions payable to KCDC since 1 July 2021? If so, what is the amount covered by any deferred payment arrangement, the interest rate (if any) payable to KCDC, and the amount (if any) that has had to be written off by KCDC?*

In 2024 a development agreement was entered into in relation to the timing of the payment of development and reserve contributions by the developer. Security was provided in relation to the amount. I can confirm that the terms of the agreement were met, and all development and reserve contributions have been paid by the developer.

Other information regarding the development agreement is withheld on the grounds that making the information available would be likely to unreasonably prejudice the commercial position of the person who is the subject of the information (section 7(2)(b)(ii) of the LGOIMA).

The information is also withheld on the grounds that withholding the information is necessary to enable the Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (section 7(2)(i) of the LGOIMA).

I am satisfied that the withholding of this information is not outweighed by public interest considerations in section 7(1) favouring release.

Development agreements can be entered into under the Council's Development Contributions Policy (see paragraphs 194 – 197) and sections 207A – 207F of the Local Government Act 2002. While not usual practice, on this occasion, the Council considered that it was appropriate to enter into the agreement given its role in facilitating increased housing supply in the district.

6. ***The expected revenue from development and financial contributions under the Long-Term Plan 2024-2034 varies year to year but are in the range of \$4.2 million and \$7.8 million per annum. What are the assumptions underpinning these development and financial contributions forecasts, including whether any changes to development and financial contributions policies are assumed?***

Please refer to the response to question 1.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Ngā mihi,



Mark de Haast

Group Manager Corporate Services
Te Kaihautū Ratonga Tōpū