

Kōrero mai | Let's talk

Draft Development Contributions Policy 2025

Proposed policy changes for consultation

Tell us what you think by Wednesday 26 March 2025

letstalk.ccc.govt.nz/DevelopmentContributions





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Draft Development Contributions Policy 2025

Head to letstalk.ccc.govt.nz to view the full draft policy and tell us what you think by **Wednesday 26 March 2025**.

Webinar

We'll host an online webinar to talk about the draft Development Contributions Policy and to answer your questions at 1pm on 10 March 2025.

The webinar will be recorded and uploaded to our webpage and can be watched at any time.

Register online at letstalk.ccc.govt.nz

Talk to the team

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You can request printed copies of all consultation documents.

letstalk.ccc.govt.nz/DevelopmentContributions

1. Existing demand credits

Description	Issue	Options	Recommended policy position	Impact
Existing demand credits recognise that a development may replace previous development on the same site and therefore not place additional demand on infrastructure and facilities. If a development is replacing like with like it will not be required to pay development contributions. The current policy is that existing demand credits expire after 10 years.	A significant number of existing demand credits have expired in the last three to four years on sites of former buildings damaged in the 2010/11 earthquakes, particularly in the Christchurch CBD where over 1,000 buildings were demolished or too damaged to use. Several developers have asked for credits to be extended or at least provided on their own developments.	A. Retain the current policy setting – existing demand credits expire after 10 years. This has been the Council's policy since 2007 and strikes a balance between being fair to both ratepayers and developers. B. Extend the life of existing demand credits. Credits could be extended to 15 or 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. C. Provide an indefinite life of existing demand credits. If credits have an indefinite life, it would mean the Council may never get development contributions in some parts of the city (particularly the central city) despite the clear need to fund infrastructure to service development. D. Do not provide existing demand credits. This would not recognise the recent demand on infrastructure. It would especially penalise developers demolishing to rebuild on a like for like basis.	Retain the current policy setting – existing demand credits expire after 10 years (Option A) This strikes a balance between managing infrastructure capacity wisely and being fair to developers in recognising that development had occurred on a site previously. Existing use credits essentially require the Council to reserve capacity in its infrastructure. Increasing the time for which the Council reserves infrastructure capacity would not be prudent stewardship of community resources. The Council needs to ensure it manages network infrastructure efficiently. If development contributions aren't required because credits last indefinitely (or for a longer period than 10 years) then the revenue forgone would be picked up by ratepayers instead. Development contribution policies of other councils provide for a range of existing use credits – from no credits at all, all the way up to indefinite life of credits. The policy provides one of the longer credit-lifespans of those that set a time frame on the life of existing use credits. There is also significant financial impact to the Council if this policy were to change. For example, the value of expired credits in the central city, based on new HUE charges is around \$24 million (GST exclusive).	Existing use credits will continue to expire 10 years after a site last exerts demand on Council infrastructure. After this point, sites will revert to 1 HUE (household unit equivalent) existing use credit.

2. Small residential unit adjustment

Description	Issue	Options	Recommended policy position	Impact
The policy currently provides an adjustment for residential developments with gross floor area (GFA) less than 100m². This is because less demand on services is assumed for smaller units. The adjustment reduces the proportion of a full development contributions charge that has to be paid in line with the GFA. For example, a residential unit with a GFA of 80m² would pay 80% of the full relevant development contributions charge or 0.8 HUE.	The size of new residential units has reduced in recent years with the proliferation of townhouses. This is likely to mean a higher occupancy per m² in new houses. The policy is based on assumptions about the average demand of a single household, and so the Council is only looking to adjust for situations that are significantly different to assumed demand. As a result, the Council has re-considered the current approach to providing small residential unit adjustments.	A. Retain the current approach. The current approach of a GFA-based adjustment does not take account of the trend of houses with smaller footprints. This means the Council is often providing a discount for homes that will have more than the average 2.6 residents. B. Provide a set adjustment for one-bedroom (habitable room) residential units only. Offering the adjustment based on bedrooms rather than GFA ensures the right developments (that will more than likely have less than the average 2.5 residents) receive an adjustment. One-bedroom homes would be assessed at 0.6 HUE (that is, receive a 40% reduction in the charge) C. Do not provide any adjustment and charge all residential units 1 HUE. There are some councils that do not discount development contributions for smaller residential units. However, most of our peer councils do provide an adjustment of some kind. This option would also not reflect that 1-bedroom units generally place less demand on Council infrastructure due to containing fewer usual residents.	Provide a set adjustment for one bedroom (habitable room) residential units only (Option B) One-bedroom residential units will be assessed at 0.6 HUE for all activities. A reduction of 0.4 is provided on the basis that this is the approximate proportion of a HUE for one person. This means the development contributions charge will better reflect the usually lower demand on infrastructure from this housing type. Stats NZ data confirmed that 2/3 of all one-bedroom residential units have one usual resident. 87% of all one-bedroom units have two or fewer usual residents.	The impact of this change will depend on the size of the residential unit. Two- and three-bedroom residential units with gross floor area of less than 100m² may be worse off under the policy because they will no longer be eligible for a small residential unit adjustment and will instead be charged 1 HUE per unit. One-bedroom units may be better or worse off depending on the total GFA of the unit.

3. Large residential unit adjustment

Description	Issue	Options	Recommended policy position	Impact
The policy does not currently make any adjustment for large residential units. All units over 100m² are assessed at 1 HUE.	Demand on services from large residential units is likely to be higher than standard units. Of particular interest is large (six bedrooms and more) units with individual lock-up rooms with ensuites and living space. They are essentially a building housing multiple small flats but are currently assessed for development contributions as a single residential unit. A large residential unit adjustment would require developers of significantly larger than normal residential units to pay a development contributions higher than normal. The Council has not applied a large unit adjustment in the past, but many councils do this.	A. Retain the current approach. We currently do not have a large residential unit adjustment with all residential units over 100m² are assessed at 1 HUE for all activities. B. Apply a development contributions adjustment to larger houses. This approach reflects the likelihood of larger houses exerting much higher-than-average demand on council infrastructure – at least some of the time. We are proposing to apply the larger residential unit to houses with 6 or more bedrooms, as Statistics NZ data shows us that normal occupancy numbers jump up at that point.	Apply a development contributions adjustment to larger houses (Option B) Houses with seven or more bedrooms are charged an additional 0.4 HUE for all activities except for stormwater. 0.4 HUE is the approximate proportion of a HUE for one person. Basing the assessment on number of bedrooms means we will be able to assess larger homes used to house multiple people/ households more effectively. There is a chance some small households who build very large houses may be captured under this approach however those properties are likely from time to time to be fully utilised with peak demand on council infrastructure looking more like that from a large household. This means the development contributions charge better reflects the usually higher demand on infrastructure from larger homes. What is proposed is in line with what other councils are doing. While many councils that have large residential unit adjustments start that adjustment at a lower threshold, the Council recognises that the way bedrooms are defined could potentially include rooms that are not intended to be used as bedrooms but could be. Therefore, a buffer has been built into the policy to ensure the adjustment is appropriately targeted.	Bedrooms with seven or more habitable rooms will be worse off under this policy as they will be required to pay an additional 0.4 HUE. Note the definition of habitable room also includes rooms that are capable of being used as a bedroom. Therefore, it is expected six-bedroom units will also be captured by this adjustment. It is expected this will only impact a small number of developments each year.

4. Remission provision

Description	Issue	Options	Recommended policy position	Impact
The policy currently includes a clause that provides for the Council to remit some or all development contribution charges for a development in “unique and compelling circumstances”.	This clause was intended to enable the Council to address an issue with a development contributions assessment. This clause has led to developers appealing to the Council to remit development contributions charges for a range of reasons not originally intended by the policy, including that the organisation applying provides services to the community. This results in what is effectively a grant which only organisations undertaking development can access.	A. Retain the current approach. This would give the Council a mechanism through the policy to remit development contributions in extenuating cases. B. Remove the remission provision from the development contributions policy. Clause in policy is currently being used to provide what is essentially a Council grant to organisations which undertake developments. The Council has a number of grant schemes that are more appropriate avenues for funding in these cases. C. Amend the remission provision to clarify threshold. The initial intention of this provision was to address a specific issue with a development contribution assessment. An alternative option would be to clarify in the policy that there needs to be an aspect of the development (not the developer) that is truly unique and not anticipated by the policy so much so that the Council wishes to use its discretion to remit development contributions. The clause could be amended to better reflect this.	Remove the remission provision (Option B) The policy will be amended to state no remissions are provided for in the policy. The Council could still make a decision inconsistent with its policy, under section 80 of the Local Government Act 2002 (LGA) should it wish to remit or waive a development contributions requirement in the future.	Developers would no longer be able to seek a remission of a development contribution requirement from the Council.



Alternative remission provision:

Remission of development contributions

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.

5. Catchments for Neighbourhood Parks and Road Network activities

Description	Issue	Options	Recommended policy position	Impact
The current approach for neighbourhood parks and road network activities is based on development patterns. Road network currently has six catchments while neighbourhood parks currently has five catchments.	Catchments are configured to reflect the characteristics of each activity and in a way that balances practically with fairness and equity. This enables the Council to better allocate the cost of providing infrastructure to service growth development to those who benefit most, that is, developers who utilise that infrastructure. The concentric approach to neighbourhood parks and road network has resulted in a greenfield catchment primarily spanning the outer (south, south-west and north-west) suburbs of the district, which may not best reflect where and how benefit is derived from these assets. A more localised catchment approach for these activities would better reflect a beneficiary-pays approach.	A. Move to localised catchments. There is currently limited undeveloped land/ODP areas left in the district. The current catchments for neighbourhood parks and road network were first developed when the Council had a lot of greenfield land but this district is reverting to pre-earthquake patterns and development is increasingly occurring in infill areas. B. Retain the current approach. This option would retain current catchment configuration. Staff would need time to re-allocate growth if this were to proceed.	Move to localised catchments (Option A) The Council is proposing a localised approach, with a central, east, west, north, south and Banks Peninsula catchment. This will better reflect who benefits from the provision of these assets. With respect to neighbourhood parks, these are primarily used by local residents. This is also reflected in several levels of services within the Council's LTP, where the provision of neighbourhood parks is based on a property's proximity to a park. The Council proposes to use localised catchments for road network based on data which shows that residents travel predominantly within their local neighbourhoods or otherwise to large employment areas like the central city, rather than across town. By focusing on these catchment areas, the Council can tailor its urban planning and transport strategies to more effectively align with actual travel behaviours. This ensures local needs are efficiently addressed and sustainable, community-focused development supported.	The new catchments will result in new development contributions charges, however changes to charges have primarily been driven by increases in capital costs and revised growth projections. These charges will vary based on where the development is proposed to occur.

6. Catchments for Three Waters activities

Description	Issue	Options	Recommended policy position	Impact
The current approach is for water supply catchments to be based on pressure zones in the Christchurch supply and at supply level for smaller community suppliers Wastewater is currently based on pump station ones and at scheme level for smaller communities Stormwater is currently based on water shed.	Proposed Plan Change 14 and will enable growth to occur virtually anywhere in the district and makes it difficult for the Council to plan the provision of growth infrastructure. The current catchments are too small, administratively difficult and may not reflect changes to development patterns.	A. Move to larger and fewer catchments. There are currently limited undeveloped land/ Outline Development Plan (ODP) areas left in the district. The National Policy Statement for Urban Development (NPS-UD) and proposed Medium Density Residential Standard (MDRS) areas make it more difficult to accurately predict where growth will occur throughout the district. Moving to larger catchments could enable a more flexible whole of city response to infrastructure requirements to service growth. A return to larger, fewer catchments for water supply, wastewater and stormwater, will also better reflect the integrated nature of the Council's approach to the delivery of these assets. B. Retain the current approach. This option would retain current catchment configuration. Staff would need time to re-allocate growth if this were to proceed.	Move to larger and fewer catchments. We are proposing to move to larger catchments for the three waters activities. This provides the Council with more flexibility to respond to infill growth demands on infrastructure – particularly if a project becomes more urgent as a result of growth development. Furthermore, because infrastructure plans are not fully aligned with the LTP funding period, there may be misalignment between LTP provision and the development triggering the required upgrades. This approach will allow us to be more flexible in responding to growth – particularly where there is uncertainty with where that growth will occur. This is administratively simpler and reflects the Council's integrated delivery of three waters services under the Integrated Water Strategy.	The new catchments will result in new development contributions charges, however changes to charges have primarily been driven by increases in capital costs and revised growth projections. These charges will vary based on where the development is proposed to occur.

7. Stormwater reductions for developer provided infrastructure

Description	Issue	Options	Recommended policy position	Impact
The policy provides for discounts for development contributions in situations where the demand on Council infrastructure is significantly less for a particular development than for the average development.	The Christchurch District Plan requires most developments to include on-site stormwater management capacity as a condition of resource consent. The Council's approach since around 2006 has been to discount development contributions for stormwater where a development provides mitigation that reduces demand on Council's stormwater network, no matter the scale of the mitigation. The current treatment of stormwater is inconsistent with the rest of the policy, which is only looking to adjust when actual demand is double or half of assumed demand.	A. Only provide reductions for significant on-site mitigation The Council's policy provides for a developer to request a special assessment to be done where the demand on Council infrastructure is less than 50% of the average assumed demand as detailed in the policy. This approach would meet the requirements of LGA section 200 (limitations of development contributions) and would be fair for both developers and the Council. It would also put the assessment of stormwater development contributions on the same footing as for other activities. B. Cease stormwater reductions entirely This option would be to provide no discounts for stormwater development contributions where the developer is required to provide infrastructure as a condition of consent. This would mean even if a developer provided on-site infrastructure that fully managed stormwater (with no discharge to Council infrastructure) and vested that infrastructure with the Council the developer would still be required to pay full development contributions. This approach may be unfair, particularly for developers who provide full on-site stormwater management. These developments do not put demand on Council stormwater infrastructure and do not cost the Council anything other than the foregoing of the development contribution revenue. C. Retain status quo This would see the continued provision of discounts for on-site management/ mitigation of stormwater requirements, no matter the scale of the mitigation. Staff do not see this option as viable as the Council will forego significant development contributions revenue and developments connecting to the Council's stormwater infrastructure would not pay a fair share of the cost of that infrastructure.	Only provide reductions for significant on-site mitigation (Option A) This option brings the approach used for discounting stormwater development contributions into alignment with the broader policy provisions for adjusting development contributions charges to better reflect actual demand on infrastructure relative to the assumed demand from a similar development. This will contribute to delivering a more consistent approach to adjusting development contributions charges where appropriate. Stormwater discounts for on-site mitigation are only provided when the demand on Council infrastructure is less than half of the average assumed demand as detailed in the policy.	The policy would continue to provide discounts for development contributions in situations where the demand on Council infrastructure is significantly less for a particular development than for the average development. Developers who do not meet the 50% threshold would be required to pay full stormwater development contributions. This will primarily impact infill developments.

8. Removal of multiunit adjustment for stormwater

Description	Issue	Options	Recommended policy position	Impact
The current policy provides discounts in instances where two or more residential units are attached to each other.	Stormwater demand is determined by impervious surface area (ISA) and there is no rationale to provide a discount just because two units are attached. The average impervious surfaced area has been amended in this policy following the completion of a new survey of impervious surface area per parcel across Christchurch. The new averaging takes into account changes to residential development types, including the trend of smaller residential units and development increasingly occurring in infill areas.	A. Remove multi-unit adjustment for stormwater The provision that provides for an ISA adjustment when two or more residential units are attached to be removed on the basis that the averages built into the policy already takes into account the average ISA per parcel B. Retain multiunit adjustment for stormwater Developments with two or more attached residential units will continue to receive an adjustment based on ISA.	Remove multi-unit adjustment for stormwater (Option A) The average ISA per residential unit has been updated based on new modelling commissioned by the Council. This new average ISA figure takes changes in development types into account, including intensification in infill areas. These averages are built into the policy. There is no rationale to provide a reduction in development contributions for the stormwater activity just because the residential units are attached.	Stormwater discount for developments with attached multi-units will cease and developers of attached multi-unit developments will pay 1 HUE per unit. The exception for this is in cases where the unit is 1 habitable room. In these instances, the small residential unit adjustment will apply.

9. Fee for development contributions assessments

Description	Issue	Options	Recommended policy position	Impact
There is currently no specific fee required for development contributions assessments.	The purpose of development contributions is to enable the Council to recover from developers a fair, equitable and proportionate portion of the costs of capital expenditure necessary to service any developments. As an operating expense, the administration of the development contributions is not and cannot be covered by development contributions charges. All costs associated with administering the Development Contribution Policy are funded through the planning and consents activity which is funded from the general rate.	A. Charge fee for development contributions assessments The policy would contain a provision for the Council to charge fee for development contributions assessments. This would be included as a line item in an invoices for a development contribution requirement. The Council can impose a development contribution assessment fee under s12 of the LGA. B. Retain status quo Developers do not pay assessment fee and 100% of costs to administer the Development Contributions Policy is paid for through general rate.	Charge fee for development contributions assessments (Option A) There are several reasons Council is considering charging an assessment fee: • Beneficiary pays – the beneficiary of the preparation of a development contributions assessment for a specific development is the owner of that development who, on payment of development contribution charges, is able to utilise capacity in Council infrastructure that services growth development. • Exacerbator pays – the cost of preparing a development contributions assessment is caused by the developer paying the development contribution charges. It is considered fair and equitable that developers pay for the preparation of a development contributions assessment for their development.	Developers will pay a small fee for a development contributions assessment, at the time of invoicing. The fee has not yet been confirmed but will likely reflect a portion of the cost to administer assessments. The fee would be consulted on as part of schedule of fees and charges in as part of an Annual Plan or LTP consultation.

10. Land in lieu of cash development contributions

Description	Issue	Options	Recommended policy position	Impact
In limited circumstances, the Council has previously taken land in lieu of cash payment of development contributions for reserves.	Land in lieu of cash transactions are a complex transaction for Council staff and developers. As these types of transactions have become increasingly rare, it may be best to remove this provision from the policy and require agreements related to land and/or infrastructure to be dealt with solely through a separate agreement.	A. Remove land in lieu provision and require land transactions to be dealt with separately Transactions would be dealt with via a sale and purchase agreement or private development agreement. B. Retain status quo Land in lieu transactions would remain available should the developer wish, and should Council agree.	Remove land in lieu provision and require land transactions to be dealt with separately (Option A) When a reserve development contributions off-set option is utilised by the developer, it creates extra work for staff and is complex to administer. Developers have been ambivalent about wanting to do a reserve development contributions off-set, and in some cases have specifically requested staff to not do progress this. Many councils' policies do not include a provision for land in lieu of cash transactions.	Developers will need to pay full development contribution requirement and then any land accepted by the Council will be purchased and paid for under a sale and purchase agreement or private development agreement.

11. Household unit equivalent (HUE) multipliers

Description	Issue	Options	Recommended policy position	Impact
For transportation activities, the current policy uses a zone-based approach to assess development contributions, this means current non-residential transport development contributions are determined only by their location within the different zones in the District Plan.	It may be that the more equitable approach is to determine the non-residential transport development contribution requirement using industry class (another name for this is land use) – this approach is called an activity-based assessment.	A. Return to land use or activity-based assessment for transport This methodology assesses the demand on the transport network of any new building by its planned land use. This is because different industries tend to attract varying levels of vehicle trips. Previous policies have used this approach. B. Retain zone-based methodology for transport Non-residential transport development contributions would continue be assessed based on District Plan zone.	Return to land use or activity-based assessment for transport (Option A) The activity-based assessment is now a standardised approach taken by most of the local authorities in New Zealand.	Transport multipliers have changed slightly depending on the district plan zone and land use activity.

Minor changes to the Development Contributions Policy

Issue	Policy change	Rationale
Definition of kitchen	Definition of kitchen has been amended to provide clarity for developers and assessors. Definition now includes components of a kitchen, not just a “sink capable of being used as a cooking area”	Changes made for clarity
Definition of gross floor area	Definition of gross floor area has been amended to clarify that ‘exterior faces of the exterior walls’ includes exterior cladding	Changes made for clarity
Definition of business unit	Definition of business unit has been added as not defined in 2021 policy. Definition aligns with a SUIP in Rating Policy	Changes made for clarity
Land use definitions	Definitions have been added for all land uses/activity types	Definitions have been added for clarity
Definition of habitable room	Definition of habitable room has been added	Definition added to support change to small/large residential unit adjustment
Assumed residential demand on infrastructure per HUE	Assumed residential demand per HUE updates for water supply, wastewater, transport and stormwater	Updated to reflect current demand information
Special assessment dispute resolution	Provision for a third-party opinion to be sought in instances where Council and developer cannot agree on technical information for a special assessment	In limited circumstances, the Council and a developer have been unable to agree on certain aspects of a special assessment. This change is intended to provide a resolution as part of the assessment process.
Existing use credits for sites not connected to network	Policy now clarifies that if a lot has not previously been connected to Council infrastructure for one or more of water supply, wastewater collection, or stormwater no existing use credits will be given for that activity	Amendment made for clarity in assessments
Private development agreement	Reference to private development agreement (PDA) amended to clarify that Council may also enter into a PDA in instances where developer is providing money in lieu of development contributions	Consistency with LGA