

SUBMISSION ON DRAFT LONG TERM COUNCIL COMMUNITY PLAN

Submission by: Hornby Investments Limited

The submission is that:

The new policies and assessments in many respects are unfair and unbalanced in the following ways and for the following reasons:

- The information on which they are based is either not readily available or not rational,
- If they are applied they will act to discourage development despite the statement to the contrary (clause 1.2, page 7) and the existence of other policies in the LTCCP and elsewhere which seek to encourage development and redevelopment;
- The new measures are not applied equitably;
- The Council's consultation has not met the levels of consultation required by section 82 of the Local Government Act;
- The Council has not allowed sufficient time and has not given sufficient information to ensure a fair public process.

Hornby Investments Limited is concerned about the whole of the LTCCP but in particular the following aspects:

The Consultation Process

Particularly because there is no recourse by way of appeal there is a greater onus on the Council to engage in an open and wide ranging consultation process. The Council monopolises both the financial side and the supply of services side and this really necessitates a more open process. In this case, the process has been relatively closed, inappropriately short in duration and there has been an inadequate supply of information. This process does not accord with the requirements of section 83(1) of the Local Government Act.

The General Methodology

The methodology is not clear and the information available is not sufficient to justify the outcomes sought. Sections 101-105 and 201 and Schedule 13 of the Act, in combination, indicate that the elements leading to contribution requirements should be identified and the distribution of costs justified. This has not been achieved in any way that is obvious and for that reason there is not the required connection between the nature of a development and the contributions required for new or upgraded infrastructure. The notion of what is equitable relies on a flawed perception rather than sound economic analysis.

The Information

Much of the information needed to justify the contributions is apparently not readily available being subject to confidentiality agreements and other constraints. These are indicators that the process is not open or fair. Apparently one document on which

analysis is based (the Belfast Area Plan) is not to be released because it contains errors. This must lead to doubt as to whether it is a sound basis for analysis.

Housing Unit Equivalents

The system of converting non-residential activities to dwelling equivalents is vague, uncertain and costs are apportioned unrealistically. There is no rational proportional relationship between the two and it appears that in some cases commercial developments will face an increase (over residential activities) of up to 20 or 30 fold. These will act to discourage commercial development particularly and will be contrary to the draft policy notes on page 3 indicating that it is an objective not generally to discourage development.

Double Dipping and Related Matters

The requirement for developers to fund deferred works which include the upgrading of the entire Christchurch Wastewater Treatment and Disposal System is a cost to all of the urban area. It should not be placed disproportionately on the shoulders of the development community.

Funding for development beyond the ten year period should be and no doubt will be the responsibility of those undertaking that development when it occurs. Thus if financial contributions levied during the process reflect a take up beyond the ten year period, there will be an element of double dipping.

Another indication of double dipping seems to be apparent in the timing of contribution assessment because a charge can be made at subdivision, but if that is not sufficient a further charge can be made at the building stage. It is also unfair that payment should have to be made at resource consent stage rather than when an activity is put into effect. Reassessment seems to be available only if any subsequent consent changes the nature of the activities. Again, in terms of surface water management when developments already provide for detention and treatment on site, there is no provision for this to be taken into account. These should not have to be paid for twice.

Refunds will be made only if a project does not proceed or the activity the subject of the contribution does to occur. This can lead to problems because the funds can be used only for the infrastructure for which the contribution is required (section 204(1)). If land is sold, the consent holder for the development may not be the person to whom the refund is due. This problem would not be apparent if contributions were to be made on development rather than consent.

The Need for Transitional Provisions

The application of the new policy on 1 July, 2006 in its full form will be very abrupt and inequitable particularly when a very large increase in levies is contemplated. There should be a provision to phase in the new charges over a generous period of time.

Recognition of other Contributions

In the assessments there should be a provision for recognition of effective contributions made by developers in terms of services or other infrastructure.

Special Arrangements

Although there is provision when appropriate to enter special arrangements with developers and this seems appropriate, the provision for extraordinary assessments contains an unjust element. If a development is determined to have a greater impact than provided for then the contribution will simply be determined by the Council. When the provisions already require many fold increases such an approach should not simply be at the discretion of the Council.

Policy on Leisure Facilities

This policy is ambiguous. Some areas will be penalized because only two projects are listed and these have a city-wide function.

The Submitter seeks the following:

While the adoption of a Long Term Community Plan must go ahead, the scale of the development contributions, given the lack of information, limited consultation, limited submission time and lack of apparent relationship between contributions and outcome, it is requested that the existing contribution regime should be retained for at least a year. This would enable the following:

- the provision of readily understandable information as to how contributions have or will be calculated;
- a proper assessment of the relationship between the impact of developments and the amount of contribution required;
- proper balanced consultation with those affected;
- the adoption of soundly based fair and reasonable measures.

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