

# RUSSELL McVEAGH

DATE 11 May 2007 TOTAL PAGES 3  
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## SUBMISSION ON DRAFT DEVELOPMENT CONTRIBUTIONS POLICY

Please find attached a submission on the Draft Development Contributions Policy on behalf of Progressive Enterprises Limited.

Could you please confirm by phone, to the number below, that this submission has been received.

Yours faithfully  
**RUSSELL McVEAGH**



**Christian Brown**  
Solicitor

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**SUBMISSION BY PROGRESSIVE ENTERPRISES LIMITED ON DRAFT  
DEVELOPMENT CONTRIBUTIONS POLICY**

To: Christchurch City Council ("Council")  
PO Box 237  
CHRISTCHURCH

Submission on: Draft Development Contributions Policy

Name: Progressive Enterprises Limited  
("Progressive")

Address: C/- Russell McVeagh at the address for  
service set out below

**Submission**

1. Progressive is willing to make its fair share of contributions towards Council costs, including through rates and development contributions.
2. However, it is not prepared to tolerate costs that are unlawfully or unreasonably imposed, or imposed without a proper statutory basis.
3. Progressive seeks assurance, particularly in light of the recent High Court decision in *Neil Construction and others v North Shore City Council* (21 March 2007) High Court, Auckland, Potter J, CIV-2005-404-4690, that:
  - (a) the Council's development contribution policy ("DC Policy") has been developed in full accordance with the s101(3) Local Government Act 2002 requirements;
  - (b) that the costs of Council capital works are not being unfairly loaded onto business (who may be seen as an "easy target"); and
  - (c) that the proposed increases are truly justified on a principled basis.
4. Progressive requests that the Council obtains an independent legal and economic audit of its current DC Policy to confirm that it accords with the above principles before moving to further expand the DC Policy and take further contributions:
  - (a) The 2006 DC Policy is based on the 2004 DC Policy.
  - (b) The 2004 DC Policy bears some similarity to the North Shore City 2004 DC Policy which has recently been found to be unlawful.
  - (c) Although the 2006 DC Policy is an update of the 2004 DC Policy, if that earlier policy is flawed, then so too will the 2006 policy and any amendments to it currently proposed.
5. There is therefore a real risk that the DC Policy is unsound.

6. Progressive, and the development community in general, value a stable development environment where costs are known and do not significantly increase on an annual basis. The proposed impacts of the 2007 changes are significant. Council has advised that, based on a 5000m<sup>2</sup> supermarket development in the inner city (non-discounted and with no credits), development contributions would increase from approximately \$156,000 under the 2006 DC Policy 2006 to \$367,000 under the proposed 2007 DC Policy.
7. This increase is significant, even if it is phased in slowly, and gives Progressive no confidence that there will not be additional changes into the future. It would be more appropriate to provide a time for "bedding in" of the DC Policy, substantive review of the DC Policy occurring during each triennial LTCCP review, rather than on a yearly basis.

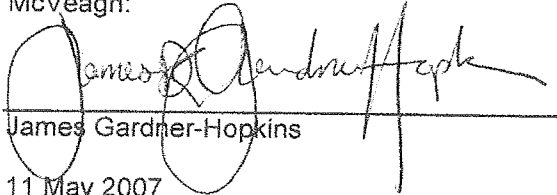
**Decision Sought**

8. Progressive requests that:
  - (a) The current level of development contributions be maintained for the 2007/08 period.
  - (b) That Council obtains an independent legal and economic audit of the current DC Policy.
  - (c) That Council fully demonstrates its calculation methodology and compliance with the Local Government Act 2002.

**Progressive wishes to be heard in support of this submission.**

**Signature:**

**PROGRESSIVE ENTERPRISES LIMITED** by  
its solicitors and authorised agents Russell  
McVeagh:



James Gardner-Hopkins

**Date:**

11 May 2007

**Address for Service:**

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