

Have your Say!

Draft Development and Financial Contributions Policy 2026

Draft Revenue and Financing Policy 2026

Statement of proposal

We're reviewing the policies that set out how we pay for the assets needed by a growing district. We want to make sure those policies are clear, fair, and easy to understand. This booklet explains what's proposed to change, and why.

We are accepting feedback until Sunday 10 May

Learn more and share your thoughts at

ItsOurPlace.nz

Ashburton DISTRICT COUNCIL

How do we pay for a growing district?

Our growing district leads to increased costs of infrastructure, and historically the development contributions we've charged have been set at a level that did not fully recover the costs of growth. So, we need a policy rethink that will ensure that growth pays for growth and ratepayers aren't unfairly burdened.

We're reviewing our Development and Financial Contributions Policy and proposing to make several key changes because:

- We plan to start a **new development contribution charge for district roading**. This will help pay for the Second Ashburton Bridge connecting road. In future we can use this tool to fund other roading capital expenditure for growth.
- We want to **start charging development contributions at the subdivision stage** from **1 July 2027.**
- We want to **update all development contributions** to fully recover the investment we have made, and are planning to make, in growth infrastructure.



To enable a new district roading development contribution, we will also need to amend our Revenue and Financing Policy.

You can read more about each of these proposed changes on the following pages and we'd like to hear what you think.

What are development contributions?

Development contributions (DCs) are payments that developers and landowners make when they build new houses, businesses or subdivisions. The money helps pay for things such as new infrastructure or expanding existing infrastructure to cater for future growth, such as:



- Water supplies
- Wastewater schemes
- Community infrastructure
- Roads (this is new from 2026)

This means **growth pays for growth**, instead of leaving the cost of growth to fall on existing ratepayers.



The second Ashburton Bridge will begin construction this year and is due to be open towards the end of 2027. It will link Chalmers Ave to Tinwald, improving our district's connectivity and resiliency. While the government will pay for the bridge itself, Ashburton District Council cover the cost of the connecting roads.

What are financial contributions?

Financial contributions are different. They are charged under the Resource Management Act and usually relate to:

- Protecting the environment
- Providing parks or reserves when land is subdivided

This consultation is mainly about **development contributions**, not financial contributions. The Draft DFC policy contains (in clause 2.15) an updated description of the Ashburton District Plan provisions on financial contributions.



Have your Say!

Got questions? View more detail and FAQs at ***ItsOurPlace.nz***

Key changes proposed for 2026

We're reviewing the policies for how growth should be paid for, so that we can ensure that ratepayers and developers both pay their fair share.

There are four key changes we are proposing:

1. **New district roading development contribution**
   Adding a funding tool to help pay for roading infrastructure to meet growth.

2. **Collecting development contributions at subdivision effective from 1 July 2027**
   Aligning our Council with others across the country by collecting development contributions at the subdivision stage.

3. **Updated development contribution charges**
   Capturing growth capital expenditure more accurately so that growth meets its fair share.

4. **Amending our Revenue and Financing Policy**
   Ensuring that our funding and financial policies are aligned to allow roading development contributions to be collected.



The easiest way to provide feedback is online at ***ItsOurPlace.nz***



1 New district roading development contribution

This is the first time Council will charge a DC for roading. A roading development contribution will initially focus on helping pay for the growth share of the new road connecting the Second Ashburton Bridge to Grahams Road. It may also be used for future roading projects that cater for growth.

What will it cost?

- Council has budgeted $4.9 million in 2025/26 and $20 million in 2026/27 to pay for the construction of the connecting road. This is our best estimate currently.
- NZ Transport Agency Waka Kotahi and Council will finalise a contract price soon and the policy will be updated when this is available.

Why is this needed?

- The district is growing, leading to more cars, trucks and traffic that will use the new connecting road over the next 30 years.
- New development increases demand on the whole roading network.
- Without a DC, the cost of meeting demands on the roading network falls entirely on ratepayers.

What options did Council consider?

PREFERRED OPTION

OPTION A

Introduce a roading DC

- ✓ Fairer, as growth pays for the extra costs it creates.
- ✓ Helps fund a major project serving both new and existing residents.

OPTION B

No roading DC (status quo)

- ✓ Rates would need to increase to cover costs.
- ✓ Less fair to current ratepayers.



2 Collecting development contributions at subdivision effective from 1 July 2027

Under current policy, Ashburton collects development contributions when someone applies for building consent, which can be years after the subdivision is consented. This makes us a policy outlier. Almost every Council in New Zealand that charges DCs, collects payment at the first point it can, and this is usually subdivision. Our outlier status leads, in some cases, to builders and purchasers of sections facing charges they did not expect when they seek to build.

We are proposing to commence taking DCs at the subdivision stage from 1 July 2027.

Why is this needed?

- Ashburton is an outlier from standard practice in not collecting DCs at subdivision. This change aligns our practice with what other Councils that collect DCs already do[1].
- Our current policy creates confusion and unexpected extra costs for people buying new sections who assume the developer already paid DCs.
- It means Council gets funding earlier, so it does not have to "bank roll" growth.

How would it work in practice?

- It would affect any subdivision resource consent application submitted, with all accompanying information, on or after 1 July 2027.
- Council will assess the development contributions payable and issue a development contributions notice when resource consent is granted.
- Council would invoice the development contributions for payment prior to the issue of the section 224(c) certificate. Issue of section 224(c) certificate would be withheld until the invoice was paid.

1.. *Around two-thirds of Councils collects DCs. One Council that has a two-tier system of district-wide and local development contributions, collects the local contributions at building consent and the district wide contribution at subdivision. Ashburton is a complete outlier in not collecting any DCs at subdivision.*

What options did Council consider?

PREFERRED OPTION

OPTION A

Change from 1 July 2027

- ✓ If developers are required to pay development contributions at subdivision, this is a change that they will need to plan for. This option gives developers a 15-month lead time to factor the change into their financing of development projects.
- ✓ This reduces legal, financial and reputational risks for Council and developers.

OPTION B

Change immediately (1 July 2026)

- ✓ This gives developers a three-month lead time. In Council's view, this is not a fair amount of time.
- ✓ It could unfairly impact developers with projects already underway.

OPTION C

Change from 1 January 2027

- ✓ This gives developers a nine-month lead time. In Council's view, this may still be too sudden a change.
- ✓ This change also comes halfway through Council's financial year, just after Christmas, and would be more difficult to manage.





3 Updated development contribution charges

Development contribution charges change because the costs of infrastructure change. New projects, price increases, inflation and updated population growth all impact the final charge.

Why is this needed?

- Council must update DCs at least every three years so that charges match real project costs.
- Council will undertake several new water and wastewater projects from its Water Service Delivery Plan in 2026/27 to deliver safe, compliant and financially sustainable water services.
- Some towns have had water or wastewater upgrades in recent years, or planned for the near future, that contain a growth portion to be funded from DCs.
- Population trends are updated based on the 2023 census.



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What are the proposed 2026/27 development contributions?

	Water	Wastewater	Community infrastructure	Roading	TOTAL (inc. GST)
Ashburton (inc. Lake Hood)	$2,589	$2,952	$5,918	$859	**$12,319**
Fairton	$2,589		$5,918	$859	**$9,366**
Hinds	$6,806		$5,918	$859	**$13,583**
Methven	$8,012	$1,446	$5,918	$859	**$16,235**
Methven-Springfield	$8,012		$5,918	$859	**$14,789**
Mount Somers	$20,854		$5,918	$859	**$27,630**
Rakaia	$5,793	$489	$5,918	$859	**$13,058**
Rest of District			$5,918	$859	**$6,777**

Compared with 2024 charges, these changes range from a reduction of $59 for Mount Somers to an increase of $6,879 for Rakaia. The average increase across the eight locations was $2,975.

What options did Council consider?

PREFERRED OPTION

OPTION A

Update charges using best available cost and growth data

- ✓ Ensures charges are accurate, fair and transparent.
- ✓ Ensures DCs capture known and actual growth costs.
- ✓ Ensures that growth pays for growth.

OPTION B

Keep old DC charges

- ✓ Would undercharge developers.
- ✓ Ratepayers would end up covering the shortfall.

OPTION C

Cap[2] or phase in[3] changes

- ✓ Considered but rejected for fairness and consistency reasons.
- ✓ Ratepayers would end up covering the shortfall.

2.. *A cap is when Council sets the final DC at a level lower than that produced by the calculation. For example, by setting the community infrastructure charge at $4,000 (including GST) to reduce DCs by $1,918 per HUE. This transfers costs from developers to ratepayers.*

3.. *A phase-in is when Council stages the increase in a DC over two or more years. For example, it could decide that the maximum increase in 2026/27 will be $4,000 and cap DCs for water and wastewater in communities facing a higher increase in 2026/27. This phase-in also transfers costs from developers to ratepayers.*

4 Amending our Revenue and Financing Policy

The Council also needs to make a small change to its Revenue and Financing Policy, so we can add development contributions to the list of ways the Council can pay for roading projects.

Since 2006, Council has used development contributions to help pay the growth share of water supplies, wastewater systems and community infrastructure. This change will let Council collect DCs to help pay for the growth share of the Second Ashburton Bridge connecting road. In future, it may also allow Council to fund the growth share of other expenditure on the roading network.

Why is this needed?

- Right now, the Council cannot charge developers for the cost of new roads.
- We have a new connecting road to pay for as our share of the second Ashburton Bridge project.
- We use this funding tool to pay for the growth share of other infrastructure, so it makes sense to use it to pay for the growth share of roads.
- If we don't change the rule, ratepayers would have to pay more.



What options did Council consider?

PREFERRED OPTION

OPTION A

Amend the Revenue and Financing Policy

✓ It will match what most other Councils already do. Around two-thirds of Councils collect DCs and most of them collect roading DCs.

✓ It is fairer, new development helps pay for the costs it creates.

OPTION B

Do NOT amend the Revenue and Financing Policy

✓ The Council cannot charge development contributions for roads.

✓ Ratepayers would have to pay the full cost of the connecting road for the Second Ashburton Bridge.

Have your Say!

Got questions? Further detail and FAQs are available at ***ItsOurPlace.nz***

Other updates to the Development and Financial Contributions policy

The policy has been updated to make other changes that support the key changes outlined in issues one to three in this document, and/or reflect changes in the legislative or operating environment. Full copies of the current and amended policies with changes highlighted will be available at ***itsourplace.nz*** and the following table highlights the more substantive of these other changes.

Clause	Change detail
Clause 1.1, 2.2, & 2.3,	• Changes to clauses reflecting the introduction of a new roading DC.
Clause 2.1, 2.6, & 2.12.	• Changes to various clauses reflecting new triggers for requirement, assessment and invoicing of a DC, including the proposal to collect DCs at subdivision stage from 1 July 2027.
Clause 2.4.3 and Table 1	• Add new information under 2.4 Units of demand to provide an initial explanation of the calculation of a roading DC for residential, accommodation units and non-residential activity. Add table 1 to list proposed roading land use differentials.
Clause 2.15	• Rewrite of clause 2.15 to provide a more complete description of the Ashburton District Plan provisions on financial contributions.
Appendix 1. Definitions	• Definitions added for "Commercial development", "Gross floor area", Household unit", "Industrial development", "Retail development", and "Small stand-alone dwelling".
Appendix 2. Key assumptions	• Population growth paragraph rewritten to reflect use of 2023 census data. • Inflation paragraph amended to reflect 2025/26 dollars. • Residential household size and household demand paragraph amended to reflect use of 2023 census.
Appendix 3. Calculation methodology and special assessments	• Align the terms used in these appendices with the terms used in the disclosure schedules in Appendix 5. • The policy requirement to use the lesser of the project growth factor or the scheme growth factor has been removed, and replaced with the term "growth portion". • In Appendix 3, replace all references to "average occupancy" with "peak occupancy." • In Appendix 3, insert calculation methodologies for new roading DCs. • In Appendix 3, insert Part G. Special Assessment.
Appendix 4. Development contributions by location & Appendix 5. Development contribution by activity and location	• All disclosure schedules updated for use of medium-high population projections based on 2023 census. • Amended disclosure schedules provided for all existing DC activities and locations, including proposed policy changes. • All disclosure schedules updated for actual project costs where known and new capital expenditure identified. • New disclosure schedule provided for district roading DC.

More information about these changes can be found at ***itsourplace.nz***

What happens next?

Monday 13 April → **Consultation opens**
Council will accept feedback from the community on the proposal

Sunday 10 May → **Submissions close**
This is the last date for the community to lodge their feedback.

Tuesday 19 May → **Public Hearings**
Those who gave feedback can speak to their feedback in person.

Wednesday 3 June → **Deliberations**
Council will consider all feedback received and decide on any further changes.

Wednesday 17 June → **Council adopts policies**
Council will adopt the final version of the documents

Have your Say!

What's the best option for our community? Let us know!

Submissions close Sunday 10 May

Fill out the attached short survey and return it via:

FREEPOST
Ashburton District Council
Freepost 230444
PO Box 94
Ashburton 7740

IN PERSON
Dropping it off at:
Ashburton District Council
2 Baring Square East

You can also provide feedback:

ONLINE
ItsOurPlace.nz

EMAIL
submissions@adc.govt.nz

The easiest way to provide your feedback is online at

ItsOurPlace.nz

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Support for the policy

There are three key issues we are addressing through changes to the bylaw. We'd like to hear your thoughts on each of these.

1 New roading development contribution

Do you support the creation of a new roading development contribution to help fund new and upgraded roading assets?

- ◯ Yes, I support a new roading development contribution **(Council's preferred option)**
- ◯ No, I do not support a new roading development contribution
- ◯ I support a new roading development contribution, with some changes (explain below)

Please explain why you have chosen that option

_____

_____

_____

_____

YOUR DETAILS

Name:

Organisation (if applicable):

Address (optional):

Phone: Email:

2 Collecting development contributions at subdivision

Do you support Council collecting development contributions at subdivision:

- ◯ Effective from 1 July 2027 **(Council's preferred option)**
- ◯ Effective from 1 January 2026
- ◯ Effective from 1 July 2026
- ◯ Other (please explain. This may include keeping the status quo)

Why have you chosen that option? Please give details of any other changes you propose.

_____

_____

_____

3 Development contributions charges for 2026/27

What is your preferred option for this issue?

- ◯ Agree with the development contributions charges as set out in the consultation document **(Council's preferred option)**
- ◯ Cap the increase in charges
- ◯ Phase in the increase in charges
- ◯ Other change (please explain)

Why have you chosen that option? Please give details of any capping, phase-in or other changes you propose.

_____

_____

_____

4 Amendment of revenue and financing policy

What is your preferred option for this issue?

- ◯ Amend the revenue and financing policy to allow for a new roading development contribution **(Council's preferred option)**
- ◯ Do not amend the revenue and financing policy

Why have you chosen that option?

_____

_____

_____

You can also provide your feedback online at ***itsourplace.nz***

5 Other changes

Council has proposed other changes on page 11 of the consultation document. What are your thoughts on those changes?

6 Other comments

Are there any other comments you would like to make?

Do you wish to speak in support of your submission at the hearing?

(if no boxes are ticked, it will be considered that you do not wish to be heard)

☐ **Yes:** The hearing is expected to be held in Hine Paaka *(Council Chamber)* on 19 May 2026. Please note that hearings will be live-streamed to our online channels.

If yes, do you wish to present: ◯ In Person ◯ Virtually

☐ **No:** I do not wish to speak in support of my submission and ask that the following written submission be fully considered.

Please note that submissions are public documents and will be made available on Council's website, including names of submitters (but not contact details). Find out more at ashburtondc.govt.nz/privacy

Submissions presented in the form of a petition or accompanied by multiple signatures will be processed as a single submission.

Have more to say? Feel free to attach additional pages to your submission.



Learn more and share
your thoughts at

ItsOurPlace.nz

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