

FOR IMMEDIATE RELEASE

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Questions raised around the validity of Tauranga's increasing development contribution fees

Property Council New Zealand's Bay of Plenty members are questioning Tauranga City Council's reasons for increasing Citywide development contributions, also known as building impact fees, by more than \$16,000, saying one of the projects identified for funding has already been previously budgeted for.

"The Tauranga City Long-term Plan 2021-2031 notes that the Citywide development contributions increase will be used to fund the Waiāri Water Supply Scheme to ensure a reliable and adequate water supply. However, the Waiāri Water Treatment Plant, which is part of the same water supply scheme, was previously funded by the [Housing Infrastructure Fund](#) via a 10-year interest free loan back in 2018", says Property Council spokesperson Scott Adams.

"We have recently been notified that the Housing Infrastructure Fund has never been spent on the Waiāri Water Treatment Plant. We'd like the Council to clarify whether this money has been spent, and if so, what on? It is concerning that the Council would see fit to use this project as a reason for increasing Citywide development contributions when there has already been funding allocated that seems to have disappeared. Why should developers, and therefore homeowners, pay for a project that has already been funded?"

"By our estimation, there will be approximately 200 new builds affected by the proposed increase. It is critical to ensure that the numbers are accurate and there is no double-dipping.

"Our members, who are primarily property developers, investors, managers and professionals, fundamentally support improving the city's infrastructure. What we don't appreciate is the Council's lack of transparency around what these funds will be used for. We encourage the Council to review its funding of the capital programme taking this into account", says Adams.

"The Council has used commercial developers and owners as a bank for many years, with a constantly increasing commercial rates differential and additional costs to development. Often, the level of commercial rates paid is disproportionate to the level of services received.

"If we want more homes for our community and successful delivery of supporting infrastructure to meet demand, we need to strike a balance. The Council must make better use of alternative funding tools, such as user charges, public private partnerships, special purpose vehicles and asset recycling amongst others", says Adams.

ENDS

For further comment please contact:

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NOTES TO THE EDITOR

About Property Council New Zealand

Property Council New Zealand is the leading advocate for New Zealand's largest industry - property.

A not-for-profit organisation, the Property Council connects more than 15,000 property professionals, championing the interests of over 500 member companies who have a collective \$50 billion investment in New Zealand property.

Our membership is broad and includes some of the largest commercial and residential property owners and developers in New Zealand. The property industry comes together at our 80+ Property Council events, which offer professional development, exceptional networking and access to industry-leading research.

Property Council acts as a collective voice, giving our members a seat at the table with policy makers, ensuring they make informed decisions that benefit our industry whilst enabling a strong economy and thriving communities.

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