

FUNDING AND PROCUREMENT OF PUBLIC INFRASTRUCTURE WORKS POLICY

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| Policy Number: | 3.1.3 |
| Approved by: | Council |
| Date Approved: | 3 June 2025 |
| Date of Next Review: | May 2027 |
| Applicable to: | Planning and Building Built Environment |
| Responsible Officer: | Manager Planning and Building Manager Built Environment |
| Related Policies: | Procurement Policy |
| Related Documents: | Any Council adopted strategic document (including the Residential Stocktake and Facilitation Strategy) Infrastructure Funding (Developer Contribution) document Wellington Planning Scheme Any relevant planning permit/section 173 agreement |
| Statutory Reference: | <i>Local Government Act 2020</i> <i>Planning and Environment Act 1987</i> <i>Subdivision Act 1988</i> |

OVERVIEW

This Policy provides for a consistent, orderly and equitable approach to the funding and procurement of Public Infrastructure Works required to facilitate desired urban growth outcomes.

Via this Policy, Council will consider forward funding of key Public Infrastructure Works to be assessed on a 'case by case' basis with funds to be recovered from developers as development progresses.

This Policy aims to better facilitate a diversity of residential and employment land release across the municipality to achieve the strategic growth directions identified in the 2021-2025 Council Plan.

THE POLICY

Overall Policy Objective

To facilitate a diversity of residential and employment land release across the main urban centres of the municipality by supporting the forward funding and orderly procurement of Public Infrastructure Works.

Background

The need for housing and employment land release is a key strategic objective of the 2021-2025 Council Plan.

At the 1 February 2022 Council meeting, Council adopted the Residential Stocktake and Facilitation Strategy Report ('Report'). This Report identified the challenges in bringing residential and employment land to market in a Wellington Shire context, particularly where costly infrastructure items of shared benefit (e.g., drainage retention basins and road intersection upgrades) are required at initial stages of development. The Report recommended that Council

take a forward funding approach to key infrastructure items of shared benefit, with funds to be equitably recovered from developers as stages of development progress.

This Policy provides assessment criteria for future decisions to be made in relation to Council's forward funding of infrastructure of shared benefit (Public Infrastructure Works) and also provides for a consistent and orderly approach to the procurement and implementation of required infrastructure.

Scope

This Policy applies to residential and employment land across the main urban areas (or future urban areas) of the municipality which require significant new infrastructure investment of shared benefit to activate development and bring land to market.

The Policy applies in circumstances where Public Infrastructure Works are required by Council as a result of, or in association with, a new use and/or development approved or required by Council under an approved development plan, planning permit, section 173 agreement or other adopted Council document such as an Infrastructure Funding Arrangement (Developer Contribution) Report.

Definitions

Under this Policy, Public Infrastructure Works means key public infrastructure items (and any associated land requirement) of shared benefit such as drainage retention basins and road intersection upgrades. Public Infrastructure Works do not include usual subdivision permit works (e.g., internal subdivision roads and service connections) required to be provided directly by the developer.

Policy Criteria for Forward Funding of Public Infrastructure Works

Council (or an Officer delegated under this Policy) may elect to forward fund Public Infrastructure Works subject to a documented evaluation against the criteria below.

- Are the Public Infrastructure Works located in a clearly identified (or Council adopted) growth area?
- Are the Public Infrastructure Works identified in a Council adopted Infrastructure Funding Mechanism (Developer Contribution) document and has the developer agreed to contribute their share of required costs (or via works in kind)?
- Are the Public Infrastructure Works considered to be essential infrastructure of shared benefit, providing for the orderly and logical development of the growth area?
- Will delivery of the Public Infrastructure Works support Council's policy objectives and adopted strategic documents?
- Does the developer have a track record in successful delivery of subdivisional/infrastructure development and an appropriate business case/financial credentials?
- Will delivery of the Public Infrastructure Works assist in the creation of an appropriate lot yield (delivered in stages); a diversity of lot sizes to meet changing demographic needs; any social or affordable housing outcomes; and/or job creation?
- Are there broader community benefits (outside of the immediate development catchment) which may result?
- Will delivery of the Public Infrastructure Works enable delivery of related infrastructure to achieve cost and timing efficiencies?
- Are the Public Infrastructure Works appropriately costed and budgeted?

Procurement Policy

In procuring Public Infrastructure Works, the principles and requirements of Council's Procurement Policy 2.2.4 must be considered, in addition to the matters contained in this Policy.

Record keeping

It is policy that an Officer's report (or Council report) for funding and procurement supported via this Policy be kept which includes:

- the basic facts of the procurement
- the Council Officers responsible
- the amount of Council funding provided and details of required developer contributions (or infrastructure works to be provided in kind)
- the process followed, including preparing and costing the final design of Public Infrastructure Works and a review/independent probity audit of the business case submitted.
- any conflicts of interest declared
- any other relevant matters.

Implementation

The delivery of Public Infrastructure Works approved via this Policy should be managed via a legal agreement with the developer to manage relevant facts and circumstances including:

- the tender process for the provision of Public Infrastructure Works
- the purchase or acquisition of any land required for Public Infrastructure Works
- details of all infrastructure works, responsibilities, timings and costs
- details of financial contributions required by the developer, Council or any other party
- any other matters relating to implementation.

Delegations

Under this Policy, the following delegations are provided:

- Chief Executive Officer - \$400,000
- General Manager Development/General Manager Built and Natural Environment - \$250,000 for payments/services and \$300,000 for contracts

All monetary amounts specified in this Policy are inclusive of GST.

Compliance

In any circumstance where the relevant Council Officer responsible for funding, procurement or implementation of Public Infrastructure Works is concerned regarding compliance with any legislation, this Policy or any other matter, legal advice should be obtained or the matter be referred to Council's Audit and Risk Committee.

REVISION HISTORY

| VERSION | DATE | SUMMARY OF CHANGES |
|---------|----------|--|
| 1.0 | May 2022 | Policy remains current |
| 2.0 | May 2023 | Increased review period to 2 yearly from annually |
| 2.1 | May 2025 | Update to review date and titles to reflect new organisation structure |