



# Waitaki

DISTRICT COUNCIL

*TE KAUNIHERA Ā ROHE O WAITAKI*

## **2012 Policy on Development Contributions and Financial Contributions**

**(including edits made by Council resolution on 3 September 2014 and proposed amendments approved for consultation by Council resolution on 26 November 2014)**

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## Policy on Development Contributions and Financial Contributions

### Introduction

This Policy on Development Contributions and Financial Contributions replaces the 2009 Policy. It is proposed that these changes will apply to applications for resource consent, building consent or service connection as follows:

- For any application lodged after 10 April 2012 and granted on or after 1 July 2012, Council will apply the provisions of the 2012 Policy.
- For applications received prior to 10 April 2012, which are granted on or after 1 July 2012, Council will apply the provisions of the 2009 Policy.
- For applications which are granted prior to 1 July 2012, Council will apply the provisions of the 2009 Policy.

### Key Changes

This Policy is an update of the 2009 Policy. Key changes to the Policy are described below.

- The differentials for water supply development contributions have been amended to include a fire fighting component, referred to as the network charge factor.
- For the purpose of development contributions the following water supply schemes have been amalgamated. A single development contribution now applies for each entire amalgamated scheme.
  - Dunback, Goodwood and Palmerston have been amalgamated to form the Waihemo scheme.
  - Enfield and Weston have been amalgamated with Oamaru.

- The roading differential has been amended to include improvements to the roading cost allocation model, correction of inaccurate cost allocation to Primary Industry and Primary Industry-Dairy and updated information and expert opinion on vehicle movements for commercial, industrial and accommodation land use categories.
- The growth apportionments for each activity have been refined and updated.
- Dunrobin water supply scheme has been excluded from the development contributions schedule as this is not Council funded capital expenditure.

### Local Government Act Additions and Amendments

This Policy was amended to comply with clause 10 of Schedule 1AA on 3 September 2014

This policy has also been updated to comply with the requirements of clause 9, Schedule 1AA, Local Government Act 2002. These amendments include:

- Adding specific references to the purpose and principles of development contributions
- Correcting references to community infrastructure to align with the new statutory definition.

These changes can be found on pages 1, 2 and 4 of this document.

### Overview

Growth in the population (permanent and seasonal) and economic activity of the District will ultimately lead to major additions to the existing urban areas, new greenfields development in the rural environment and in-fill development of existing urban areas. Greater demand for water and improvements in roading will place a

significant strain on existing reticulation and roading networks as well as on community infrastructure ~~such as~~ and reserves.

The Development Contributions Policy provides a transparent and consistent basis for requiring contributions from developers towards capital expenditure for this infrastructure.

Council is required to have a Development Contributions Policy as a component of its Funding and Financial Policies in the Waitaki Community Plan.

The Policy is intended to set the baseline for financial and development contributions from developers and is likely to be amended and updated over time as assumptions are developed, and as the growth predictions are refined. These growth predictions will also alter as scenarios change the expected effect on our community, e.g. the cancellation of Project Aqua.

This policy contributes to community outcomes by ensuring the provision of appropriate infrastructure to meet the needs of growth.

Historically, Council has sought a contribution towards the expansion of the District's reserves, community facilities and infrastructure from those developments which place additional demand on these services. In order to levy these contributions Council may employ either of the following:

- Financial Contributions imposed as a condition of a resource consent pursuant to Section 108 of the Resource Management Act (RMA) 1991. Chapter 14 of the District Plan and any subsequent variations shall be considered in this policy.
- Development Contributions as defined by the provisions of Part 8 Subpart 5 and Schedule 13 of the Local Government Act 2002 (LGA 2002). To make use of these provisions Council must adopt a Policy on Development Contributions as part of the Council's Long Term Council Community Plan ("CCP"). Development Contributions are based on the fiscal implications of growth.

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

- (i) Resource Consent
- (ii) Building Consent
- (iii) Authorisation for a Service Connection

Council can require a contribution at any of these trigger points.

This policy has been prepared to meet the requirements of Section 106(2) of the LGA 2002. The full methodology that demonstrates how the calculations for development contributions were made is contained in a separate document which is available to the public as per section 106 (3) of the Act.

### **Purpose and Principles**

The purpose of development contributions is set out in section 197AA of the Local Government Act 2002. This policy is consistent with that purpose.

The principles guiding the use of development contributions are set out in section 197AB of the Local Government Act 2002. This policy is consistent with those principles.

### **Reasons for using Development and Financial Contributions**

Council intends to entirely fund the portion of capital expenditure (CAPEX) that is attributable to growth by either Financial or Development Contributions wherever it is legally, fairly, reasonably and practically possible to do so.

Council considers that Development and Financial Contributions are the best mechanism available to ensure the cost of growth sits with those who have created

the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of new growth.

Section 101(3) of the LGA 2002 requires that the following be considered:

*The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:*

*a) in relation to each activity to be funded,-*

- (i) the community outcomes to which the activity primarily contributes; and*
- (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and*
- (iii) the period in or over which those benefits are expected to occur; and*
- (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and*
- (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and*

*b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.*

Responses to these requirements in relation to the Development Contributions and Financial Contributions Policy are:

#### **Community outcomes**

This policy contributes to:

- Our infrastructure enables and responds to economic growth.
- We have affordable, reliable and accessible transport services that meet the needs of the community.

- Our local and central governments demonstrate efficient and effective use of resources.

#### ***Distribution of benefits***

Council apportions all capital expenditure into the classifications of growth, renewal, level of service and statutory obligations, by the geographic areas of benefit. This apportionment represents the distribution of benefit to the community as a whole, to identifiable parts of the community and to individuals.

#### ***Period over which the benefits are expected to occur***

Once a Development or Financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely (at a set level of service for that asset, service, or environmental enhancement as defined at any one time).

#### ***Action or inaction that contributes to the need for this activity***

The provision of assets, services, or environmental standards that promote the community outcomes may not be willingly provided by the development community. In addition Council is often the only viable supplier (often legally required to provide services) of these services and therefore Council has a moral and legal obligation to supply additional assets, services to meet the new community needs.

#### ***Costs and benefits of funding this activity (Development and Financial Contributions)***

The benefits to the existing community are significantly greater than the cost of policymaking, calculations, collection, accounting and distribution of funding for development and financial contributions.

#### ***Allocation of liability for revenue needs***

The liability for revenue falls directly with the development community. At the effective date of this Policy, Council does not perceive any impact on the social,

economic, environmental and cultural well-being of this particular sector of the community. At any stage in the future where there may be impacts of this nature, Council may revisit this Policy.

### **Assets Included in the Development Contributions and Financial Contributions Policy**

Assets included in this policy are:

Development Contributions: Pursuant to the provisions of Part 8, Subpart 5 LGA 2002.

- Network infrastructure for water supplies, wastewater and roading – Development Contributions.

Financial Contributions: Pursuant to S108 of the RMA 1991.

- Open Space and Recreation – Financial Contributions
- Services – Financial Contributions for any of the following
  - Water supply system,
  - Stormwater collection and disposal system,
  - Wastewater collection, treatment and disposal system,
  - Trade waste collection and disposal system,
  - Energy supply system,
  - Telecommunications system,
  - Works to avoid, remedy or mediate natural hazards,
  - Landscaping, including planting of vegetation,

- Provision of access to land in the subdivision (including roads, cycleways, accessways, service ways, private access, street lighting and associated works).

- Esplanade Strips – Financial Contributions
- Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth, Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 14 of the District Plan and any subsequent variations shall be considered in this policy.

~~Community Infrastructure~~ Development contributions for community infrastructure and reserves have been excluded from the Policy at this time.

## **Which Contributions Will Apply**

The Financial Contributions rules, policies and objectives under the provisions of Part 14 of the Waitaki District Plan are operative. These will be used for open space and recreation, and services where appropriate development contributions are not available.

The Council cannot require a Development Contribution for a reserve; network infrastructure or community infrastructure if and to the extent that it has under Section 108, 407 or 409 of the RMA imposed a condition on a resource consent in relation to the same development for the same purpose.

Council will retain the right to use all, some or none of the provisions in this Policy notwithstanding that the rules, policies and objectives of the Financial Contributions provisions of Part 14 on the District Plan. Council shall in requiring contributions, clearly identify under what circumstances and upon which legislation (RMA 1991, LGA 2002) a contribution is required.

The following tables indicate:

- Where Financial and Development Contributions are to be sought such that no duplication of levy for the same effect/benefit will occur.
- The development contributions per household equivalent unit for each asset type within each area. The water supply contributions for rural restricted schemes are shown per cubic meter (m<sup>3</sup> or 1,000L) of water.
- The contributions for the amalgamated water schemes are shown per household equivalent unit or point (1,800L) of water



**Table 1: Development Contributions Required By Geographic Area - Within All District Plan Zones (Ex GST)**

Water Supply		Wastewater		Stormwater	Roading	Open Space and Recreation	Other Services/Miscellaneous
Development Contributions		Development Contributions		No Development Contributions	Development Contributions	No Development Contributions	No Development Contributions
<b>Urban - Unrestricted</b>	<b>Per HEU</b>		<b>Per HEU</b>	Council has no capital expenditure programme.	District Wide		
Kurow	\$2,136	Kakanui	\$3,268		\$906 per HEU		
Omarama	\$3,173	Kurow	\$694				
Otematata	\$2,753	Moeraki	\$5,206				
<b>Rural - Restricted</b>	<b>Per 1m<sup>3</sup> of Water</b>	Oamaru	\$2,626				
Awamoko	\$1,275	Ohau	\$424				
Duntroon	\$1,000	Omarama	\$2,128				
Hampden/Moeraki	\$2,063	Otematata	\$2,195				
Herbert/Waianakarua	\$1,342	Palmerston	\$2,360				
Kakanui	\$564						
Kauru	\$1,658						
Lower Waitaki	\$1,210						
Ohau	\$12,449						
Otekaike	\$982						
Stoneburn	\$1,485						
Tokarahi	\$1,096						
Windsor	\$982						
<b>Amalgamated</b>	<b>Per HEU/point</b>						
Oamaru(Enfield,Weston)	\$3,350						
Waihemo	\$2,935						
Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2009.		Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2009.			Assess and collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2009.		
Scheme charge to apply and any network extension costs.		Scheme charge to apply and any network extension costs.					

**Notes:**

1. Development Contributions are contributions defined by the provisions of Part 8 Subpart 5 and Schedule 13 of LGA 2002.
2. As the sequence of development is not always consistent, development contributions shall be required at the first available opportunity. At each and every subsequent opportunity the development will be reviewed and additional contributions required if the units of demand assessed for the development exceed those previously paid for.
3. Development contributions are triggered on the granting of:
  - a. A Resource Consent
  - b. A Building Consent
  - c. An authorisation for a service connection for sewer or stormwater
  - d. An authorization for a service connection for water, including additional units of water by volume supplied to existing consumers
4. The development contributions for the amalgamated water schemes are based on a weighted average approach, and on the premise that 1 HEU is equivalent to 1 point.

**Table 2: Financial Contributions Required By Geographic Area - Within All District Plan Zones (Ex GST)**

Water Supply	Wastewater	Stormwater	Roading	Open Space and Recreation	Other Services/ Miscellaneous
Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations.	Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations.	Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations.	Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations.	Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations.  <u>Subdivision:</u> 1) Residential and Township Zones - 7.5% of Land Value - Land, Money, Works or Combination of all  2) Business Zones - 10% of Land Value - Land, Money, Works or Combination of all  <u>Developments</u> 1) Residential (In all zones) - 7.5% of Land Value  <u>Other Developments</u> 0.5% of value of development exceeding \$200,000.  (Refer 14.5.4 and 14.5.5 of the Waitaki District Plan)  Land, Money, Works or Combination of all.	Other Services as described by 14.1 of the District Plan.  Financial Contributions where appropriate. Environmental Effects – Chapter 14 District Plan. Environmental Considerations. <ul style="list-style-type: none"> <li>o Trade waste collection and disposal system,</li> <li>o Energy supply system,</li> <li>o Telecommunications system,</li> <li>o Works to avoid, remedy or mediate natural hazards,</li> <li>o Landscaping, including planting of vegetation,</li> <li>o Provision of access to land in the subdivision (including roads, cycleways, accessways, service ways, private access, street lighting and associated works).</li> <li>o Esplanade Strips</li> </ul>

**Notes:**

1. Financial Contributions are defined by Section 108 of the Resource Management Act (RMA) 1991 and collected using the provisions of the District Plan. Contributions are assessed based on the environmental effects of growth. These are defined in Chapter 14 of the Waitaki District Plan. Chapter 14 of the District Plan is particularly relevant for contributions of a non-fiscal nature. These will generally be of an environmental nature, including public access, provision of parking and protection of environmentally sensitive sites.

### Overview of Calculation Methodology

A brief introduction to the development contributions calculation method is presented herein. A full disclosure of the methodology and calculations is in the detailed supporting document and is available from Council for public inspection at:

- Waitaki District Council, Thames Street, Oamaru.
- Palmerston Service Centre.
- Website - <http://www.waitaki.govt.nz>

The Development Contributions model applies to Water Supply, Wastewater, and Roding.

The key concept of the approach is to define the total capital expenditure (CAPEX) for growth consumed by the growth population over a period of time. This consumption of CAPEX for growth is then apportioned among the increased number of units of demand (household equivalent units) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the household equivalent unit contribution. This can be represented by the following formula.

<p><b>Household Equivalent Units Contribution</b></p>	<p>= <math>\frac{\text{Sum of CAPEX for Growth Consumed In Analysis Period}}{\text{Sum of New Household Equivalent Units in Analysis Period}}</math></p>
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The calculation method can be simplified according to the following steps:

- Step 1: Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure.
- Step 2: Apportion capital expenditure for growth by the growth population (household equivalent units) over the design life of the asset, to assess the \$/unit of demand.

Step 3: For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – \$/unit of demand x the number units of demand.

Step 4: Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in \$.

Step 5: Sum each year in the ten year analysis period and divide by the growth population (new household equivalent units) projected over the analysis period to determine the household equivalent unit contribution.

### Capital Expenditure

Only capital expenditure (CAPEX) is considered in the model. All Operational Expenditure is excluded, including internal overheads.

Capital expenditure is identified from two sources, namely.

- a) Activity Management Plans (formally Asset Management plans) and
- b) Financial Reports.

The Activity Management Plans are used for assessing projected CAPEX. The AMPs are formal planning documents that include long term expenditure forecasts.

### CAPEX for Growth Apportionments

The CAPEX identified above has been apportioned into five cost drivers. These being Growth, Renewal, Level of Service, Statutory and Deferred Works/Other. The growth apportionment is the significant driver for assessing development contributions. The cost drivers have been assessed using several methods.

These are:

- Asset Capacity.
- Using Design Life of New Assets to Approximate Growth Percentage.
- Assessed using professional judgement.

## Land Use Differentials

Land use differentials are an important part of the calculations. They enable all development and subdivision types (residential and non-residential) to be considered. Non-residential subdivisions or developments can be described using a common unit of demand, which in this case is the Household Equivalent Unit (HEU).

The following table summarises the differentials for each activity. These can be used to calculate the number of HEU's for non-residential subdivisions or developments based on a standard measure of size.

**Table 3: Land Use Differentials**

Land Category	Use	Household Equivalent Units per Measure of Size Shown		
		Water Supply <sup>(i)</sup>	Wastewater <sup>(ii)</sup>	Roading
Residential		1 HEU / dwelling	1 HEU / dwelling	1 HEU / dwelling
Rural Residential		1 HEU / dwelling	1 HEU / dwelling	1.14 HEU / dwelling
Commercial		0.17 HEU / 100m <sup>2</sup> + 1.17 HEU /property	0.43 HEU / 100m <sup>2</sup>	4.18 HEU / 100m <sup>2</sup> GFA
Industrial		0.14 HEU / 100m <sup>2</sup> + 1.17 HEU /property	0.34 HEU / 100m <sup>2</sup>	3.34 HEU / 100m <sup>2</sup> GFA
Accommodation		0.29 HEU / 100m <sup>2</sup> + 1.30 HEU /property	0.49 HEU / 100m <sup>2</sup>	0.65 HEU / accomm unit
Primary Industry - Dairy		N/A - Assumed to be rural schemes only.		5.44 HEU / 100 Ha <sup>(iii)</sup>

<sup>(i)</sup> These water supply differentials are only required to assess urban unrestricted schemes. Rural restricted water supply schemes are based on a development contribution per cubic meter of water.

<sup>(ii)</sup> These differentials are to be used to assess the demand on wastewater infrastructure for wastewater that does not fall within the definition of trade waste contained in the operative Waitaki District Trade Waste Bylaw applying at the time

consent is granted. Development contributions payable for discharge of trade wastes will be the subject of an individual assessment.

<sup>(iii)</sup> The roading differential for Primary Industry – Dairy has already accounted for the existing pastoral use of a dairy conversion.

## Assessment of Unknown Size

If the Gross Floor Area (GFA) is unknown, which may be the case at the subdivision or land use consent stage, then the following table will be used to estimate the GFA.

**Table 4: Estimation of Gross Floor Area**

Category	Building Coverage	No. of Floors
Residential	1 dwelling / lot	
Rural Residential Accommodation	1 dwelling / lot	
Commercial	45%	2
Industrial	75%	1
	75%	1

Note: When an estimate of the GFA is used in the development contribution assessment then Council will only charge 75% of the calculated contribution at this stage.

## Family Flat

A family flat is defined as a self contained residential building being part of and located on the same site as a residential unit, and occupied by dependent relatives of the household living in the residential unit.

Development contributions payable for family flats are as follows:

Gross Floor Area (GFA) equal or less than 60m<sup>2</sup> = ½ x HEU

Gross Floor Area (GFA) greater than 60m<sup>2</sup> = 1 x HEU

## Assumptions Used in the Calculation of Development Contributions

All information used in the calculations of either development or financial contributions is the best available at the time. Council is proceeding with numerous

strategic studies which will aid in delivering improved information. Council is committed to updating its contribution calculations as the results of these studies become available. Council considers it fiscally prudent to have contributions in place now to ensure the recovery of growth costs. Further delays in the implementation of these contributions are considered unacceptable and would unfairly burden the existing population with extra costs.

### Financial Considerations

The following are key financial considerations applied in the model:

- All figures are in current New Zealand dollars – effective 1 July 2012.
- Inflation is applied to past capital projects only.
- Interest costs have been assessed based on the weighted average cost of capital (WACC) over the first 10 year period from 1 July 2012. The cumulative net deficit between the contributions anticipated to be collected and the growth costs over the 10 year period are used to determine the proportion of the growth cost that will be funded by debt. A 7.5% interest rate has been applied.
- Capital expenditure projections are those that have been applied in the Long Term Plan effective at 1 July 2012. The public nature and auditability of these capital projections provides additional confidence to the process. Schedule 10 of the LGA 2002 prescribes a number of disclosures including growth, renewal and level of service apportionments.

### Risks

The risks relating to the Policy are listed below. The steps required to mitigate these risks are also shown. This ensures that the correct contributions are collected by Council.

**Subsidies:** The future portion of the development contributions are based on Council's 10 year Long Term Plan Capital budget. There are a number of projects in the budget that may be fully or partial subsidised by non Council entities. Examples

of these are roading projects and water treatment projects which may have significant levels of Central Government funding. The actual capital expenditure will be input to the calculation model on an annual basis as soon as it is available. This will ensure the contributions are based on Council's most up to date information and reflect the actual growth related expenditure.

**Legislative Improvements:** The Policy and calculation model needs to be updated to incorporate any legislation changes.

**Growth lower or higher than anticipated:** If the growth in the District is more or less than projected, Council risk under or over collecting contributions. The growth projections need to be reviewed regularly to ensure they are as accurate as possible.

**Growth Apportionment:** Any changes in the growth rates may affect the apportionment of some capital projects and hence the growth CAPEX to be recovered via contributions.

**Inflation:** If actual inflation is significantly different to the figures used in the calculation model. The figures used to model inflation are taken from the most up to date BERL data and can be updated regularly.

The above variables can be reviewed every year via the annual plan update process or via the 3 yearly Long Term Plan review process. This ensures that the contributions are based on the most up to date information possible.

### Growth Projections – Source Data

The WDC Growth Projections Study May 2008 – Rationale Ltd was updated in September 2011. This study has been adopted by Council to ensure consistent projections. These have been applied for projecting residential and non- residential growth with the exception of the sources below.

The Rural Water Supplies, Future Design Assessment report, Waugh August 2009 has been used to project the growth in demand for the rural/restricted water supplies.

Growth projections are converted into units of demand which are used to apportion the growth cost to define a household equivalent unit (HEU's) development contribution. Assessing total HEU's involves converting non-residential land uses into HEU's and adding this to the number of dwellings. This is completed using land use conversion factors or land use differentials.

Note: The unit of demand for restricted rural water schemes is a cubic meter of water. The contribution per point, half point or crib point can be calculated based on the applicable volume for each scheme.

### Monitoring and Review of Development Contributions Policy

Council will monitor and review the following:

- Annual Calculation Updates:
  - Identify capital expenditure actually undertaken and whether the projections remain reasonable. This may include adding or deleting capital projects.
  - Update capital costs to reflect a year of inflation. This will be based on SNZ Labour cost index and Producer Price Index.
  - Review population projections.
  - Any asset planning initiatives including changing levels of service, updated capital projections.
  - Update any new information that has become available. This may include updated population projections, additional zoning and scheme boundary changes.
  - Correction of any errors or omissions.
- Annual Policy Reviews:

- Any changes to the policy direction of Council that affects this policy. This may include changes to the Long Term Plan, Revenue and Financing Policy and strategic studies.
- New information affecting the land use differential analysis.
- Amendments to the District Plan.

### Reconsiderations

An applicant may request council to reconsider the requirement if the applicant has grounds to believe that:

- (a) the development contribution was incorrectly calculated or assessed under the council's development contributions policy; or
- (b) council incorrectly applied its development contributions policy; or
- (c) the information used to assess the person's development against the development contributions policy, or the way council has recorded or used it when requiring a development contribution, was incomplete or contained errors.

A request for Reconsideration must be made in writing stating clearly which of the above grounds the applicant believes the council has erred. The request for Reconsideration must be made within ten working days after the date on which the person lodging the request receives notice from council of the level of development contribution that council requires. This request should be addressed to:

- Chief Executive Waitaki District Council
- Private Bag 50058
- OAMARU 9444
- Email: [service@waitaki.govt.nz](mailto:service@waitaki.govt.nz)
- Fax: 03 433 0301

The steps that council will apply when reconsidering the requirement to make a development contribution are:

- The appropriate Council officer shall review the reconsideration request,
- The Council officer may request further relevant information from the applicant,
- The Council officer will make a recommendation to the delegated authority,
- Council will, within 15 working days after the date on which it receives all required relevant information relating to a request, give written notice of the outcome of its Reconsideration to the person who made the request.

A reconsideration cannot be requested if the applicant has already lodged an Objection. If the applicant is not satisfied with the outcome of the Reconsideration, they may lodge an Objection as specified in the Local Government Act 2002 Amendment Act (No 3) 2014, s199C to s199N.

### Remissions

Council will provide the following remissions:

- A 100 % remission for the roading contribution will be provided for any primary industry dairy housing for each new dwelling constructed as part of the property development.
- A 50% remission on Ohau water supply development contributions will be provided for any Ohau properties paying a water half-charge.
- A 50% remission on Moeraki wastewater development contributions will be provided for any Moeraki properties paying a wastewater half-charge.

Council will also consider requests for remissions on a case-by-case basis where it is satisfied that such remission will promote the economic, environmental, social or cultural wellbeing of the district. These remissions may be on the basis of activity, land use or location.

The schedule of contributions within this policy show the full development contribution. The above remissions will be applied to these figures. Any remissions will be funded from rates.

### Refund Policy

Council may allow for refund of contributions in the following circumstances:

- a) Where Council required a development/financial contribution as part of subdivision or development activities and where the documentation (resource consent, building consent or connection authorisation) permitting that subdivision or development has lapsed, Council will refund the contribution. This does not prevent Council from requiring development/financial contributions in the future. Council may retain a portion of the contribution of a value equivalent to the costs incurred by the Council in processing/assessing the contribution required by the subdivision or development.

All applications for Refunds must be made in writing to the Chief Executive Officer of the Council.

### Developer Provision of Assets - Liability

Council may accept or require a contribution to the equivalent value in the form of land or infrastructure. It may be appropriate, for example, to allow water supply assets to vest in Council through the subdivision consent process, where they meet Council's requirements, and credit them against the contributions required. Any such proposals will need to be the subject of an agreement with Council before the consent is issued, and will be dealt with on a case by case basis.

### Unusual Developments

Council reserves the right to individually assess contributions on any development or activity that it deems to create a significantly different demand on infrastructure

than could usually be expected under their relevant land use category (an unusual development).

### **When Will Payment be Required?**

Development contributions will be notified on granting of consent with a due date for payment as follows:

- Resource consent (subdivision) – prior to the issue of S224c certificate;
- Resource consent (other) – prior to commencement of the consent except where a building consent is required then payment shall be prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first;
- Building consent – prior to the issue of the code of compliance certificate or prior to the connection to Council services, whichever comes first;
- Service connection – prior to connection.

If payment is not received the Council may (under section 208 of the LGA):

- Withhold S224c Certificate on a subdivision;
- Prevent the commencement of a resource consent for a development
- Withhold a code of compliance certificate under the Building Act
- Withhold a service connection to a development.

Council may agree to enter into a deferred payment arrangement at the time of issuing a s224c Certificate. Such arrangement would defer payment on terms and conditions approved by Council or approved by officers under delegated authority in accordance with policy approved by Council

In each case the Council may register the Development Contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land for which the contribution was required.

### **Deferral of Payment**

Council will consider requests for deferral of contribution payments on a case-by-case basis.

When considering deferred payment arrangements, Council will have regard to tools including, but not limited to, bank guaranteed bonds, bonds as first charge, statutory land charges and use of the normal debtor recoveries systems.

When considering deferred payment arrangements, Council will also have regard to matters including, but not limited to, application of interest on deferred revenue, cost recovery via administrative charges, and maximum periods of deferral. Council reserves the discretion to waive or reduce charges and/or extend a deferral period where it is satisfied that the exercise of such discretion promotes the economic, environmental, social or cultural wellbeing of the district.

### **Credits**

There are two types of credits anticipated:

1. Actual Credits will apply to those subdivisions or developments where contributions have been paid under this, the 2009 or the 2006 Policy on Development and Financial Contributions.
2. Deemed credits will apply for the redevelopment of an existing site. Existing activities will be given deemed credits based on the HEU's assessed in terms of the relevant unit (i.e. GFA, dwelling) prior to redevelopment. A development contribution will only be levied if the redevelopment creates additional demand.

Where the Chief Executive considers there is a special case to be considered for granting of a credit or credits, this matter will be referred to Council's Hearings Committee for decision.



## **Delegations**

Council shall determine where a development or financial contribution will be sought. Council has the authority to set the quantum of those contributions. If Council so wishes, it may delegate this authority, wholly or in part to a committee, by resolution of Council.

The Chief Executive Officer will ensure the Policy is implemented.

## **Capital Expenditure Attributed to Growth**

The following tables show a summary of each contributing area for the 10 year period between 2012/13 and 2021/22. The tables demonstrate the nature and level of expected capital expenditure required by Council and the portion that is attributable to growth. A table is produced for each activity (asset type) which shows the CAPEX for each geographic area where a contribution has been assessed. The CAPEX attributable to growth is apportioned equitably among the growth population to define a set charge for each unit of demand. The unit of demand is expressed in terms of a household equivalent unit or cubic meter of water.

The following tables also detail the growth related debt levels by development contribution account. These define the interest component of the contributions. The tables show the growth CAPEX consumed by each contributing area and the growth, in HEU's or cubic meters, used to calculate the development contributions.

The tables included in the following section are summarised. The full tables can be found in the appendices of the detailed supporting document.

## Capital Expenditure and Debt Funding Disclosures

### Water Supply

**Table 5: Restricted Rural Schemes - Water Supply Capital Expenditure for Development Contributions (Excluding GST)**

Water Supply Contributing Area	Capital Cost				Percentage Attributable to Growth	Historic Expenditure Growth Cost (Capacity) Consumed 2012-2021	Future Expenditure Growth Cost (Capacity) Consumed 2012-2021	TOTAL Expenditure Growth Cost (Capacity) Consumed 2012-2021	Weighted Average No. of m <sup>3</sup> of Water Apportioning Growth Cost 2012-2021	Development Contribution Per Cubic Meter of Water (\$)
	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	Growth Funded Portion (2012/13 \$)	Funded by Other Sources (2012/13 \$)						
Awamoko	521,475	606,662	136,525	384,950	26%	19,006	30,957	49,963	39	1,275
Dunroon	270,461	292,178	81,138	189,323	30%	1,459	64,358	65,817	66	1,000
Hampden/Moeraki	966,630	1,028,291	318,008	648,622	33%	34,766	131,510	166,276	81	2,063
Herbert/Waianakarua	492,040	585,356	116,733	375,307	24%	96,266	29,144	125,410	93	1,342
Kakanui	267,187	334,361	71,396	195,792	27%	35,837	10,358	46,196	82	564
Kauru	460,655	533,184	125,947	334,708	27%	20,324	29,175	49,499	30	1,658
Lower Waitaki	221,599	288,472	66,480	155,119	30%	85,271	8,380	93,651	77	1,210
Ohau	392,606	392,606	261,465	131,141	67%	3,433	89,272	92,705	7	12,449
Otekaike	138,521	157,166	32,638	105,883	24%	2,874	9,448	12,322	13	982
Stoneburn	402,569	453,702	131,477	271,092	33%	9,905	26,026	35,930	24	1,485
Tokarahi	572,726	683,888	198,025	374,701	35%	70,132	29,151	99,283	91	1,096
Windsor	442,712	511,335	110,929	331,783	25%	2,754	33,860	36,614	37	982
<b>TOTAL</b>	<b>5,149,181</b>	<b>5,867,199</b>	<b>1,650,760</b>	<b>3,498,421</b>	<b>32%</b>	<b>382,025</b>	<b>491,639</b>	<b>873,664</b>	<b>640</b>	

**Table 6: Unrestricted Urban Schemes - Water Supply Capital Expenditure for Development Contributions (Excluding GST)**

Water Supply Contributing Area	Capital Cost				Percentage Attributable to Growth	Historic Expenditure Growth Cost (Capacity) Consumed 2012-2021	Future Expenditure Growth Cost (Capacity) Consumed 2012-2021	TOTAL Expenditure Growth Cost (Capacity) Consumed 2012-2021	Weighted Average No. of HEU's Apportioning Growth Cost 2012-2021	Development Contribution Per Household Equivalent Unit (\$)
	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	Growth Funded Portion (2012/13 \$)	Funded by Other Sources (2012/13 \$)						
Kurow	77,550	90,270	9,458	68,092	12%	36,559	3,621	40,180	19	2,136
Omarama	0	0	0	0	0%	60,117	0	60,117	19	3,173
Otematata	0	0	0	0	0%	27,826	0	27,826	10	2,753
<b>TOTAL</b>	<b>77,550</b>	<b>90,270</b>	<b>9,458</b>	<b>68,092</b>	<b>12%</b>	<b>124,502</b>	<b>3,621</b>	<b>128,123</b>	<b>48</b>	

**Table 7: Amalgamated Schemes - Water Supply Capital Expenditure for Development Contributions (Excluding GST)**

Water Supply Contributing Area	Capital Cost				Percentage Attributable to Growth	Historic Expenditure Growth Cost (Capacity) Consumed 2012-2021	Future Expenditure Growth Cost (Capacity) Consumed 2012-2021	TOTAL Expenditure Growth Cost (Capacity) Consumed 2012-2021	Weighted Average No. of HEU/Points Apportioning Growth Cost 2012-2021	Development Contribution Per Household Equivalent Unit or Point (\$)
	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	Growth Funded Portion (2012/13 \$)	Funded by Other Sources (2012/13 \$)						
Oamaru	6,138,715	7,580,377	1,032,823	5,105,892	17%	1,251,329	230,308	1,481,637	442	3,350
Waihemo	162,251	211,214	48,675	113,575	30%	119,557	5,294	124,851	43	2,935
<b>TOTAL</b>	<b>6,300,966</b>	<b>7,791,590</b>	<b>1,081,498</b>	<b>5,219,468</b>	<b>17%</b>	<b>1,370,886</b>	<b>235,602</b>	<b>1,606,489</b>	<b>485</b>	

<b>DISTRICT TOTAL</b>	<b>11,527,696</b>	<b>13,749,059</b>	<b>2,741,716</b>	<b>8,785,980</b>	<b>24%</b>	<b>1,877,413</b>	<b>730,862</b>	<b>2,608,275</b>	
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**Table 8: Restricted Rural Schemes - Water Supply – Debt Funding Ratio – 2012 - 2021 Net Growth Cost vs. Revenue Assessment**

Water Supply Contributing Area	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	Growth Funded Portion (2012/13 \$)	New Cubic Meters of Water 2012-2021	2012-2021 Contributions Received (2012/13 \$)	2012-2021 Contributions Received (Adj \$)	Net Debt (2012/13 \$) + = deficit - = surplus	Debt Funding Ratio
Awamoko	521,475	606,662	136,525	39	49,963	59,577	88,768	52%
Dunroon	270,461	292,178	81,138	66	65,817	79,156	15,503	9%
Hampden/Moeraki	966,630	1,028,291	318,008	81	166,276	198,584	178,732	73%
Herbert/Waianakarua	492,040	585,356	116,733	93	125,410	149,580	51,880	49%
Kakanui	267,187	334,361	71,396	82	46,196	55,142	24,000	0%
Kauru	460,655	533,184	125,947	30	49,499	59,023	91,271	73%
Lower Waitaki	221,599	288,472	66,480	77	93,651	111,697	73,829	62%
Ohau	392,606	392,606	261,465	7	92,705	110,270	147,206	80%
Otekaike	138,521	157,166	32,638	13	12,322	14,686	22,835	72%
Stoneburn	402,569	453,702	131,477	24	35,930	42,837	107,865	82%
Tokarahi	572,726	683,888	198,025	91	99,283	118,381	140,724	66%
Windsor	442,712	511,335	110,929	37	36,614	43,699	75,996	60%
<b>TOTAL</b>	<b>5,149,181</b>	<b>5,867,199</b>	<b>1,650,760</b>	<b>640</b>	<b>873,664</b>	<b>1,042,632</b>	<b>1,018,609</b>	

**Table 9: Unrestricted Urban Schemes - Water Supply – Debt Funding Ratio – 2012 - 2021 Net Growth Cost vs. Revenue Assessment**

Water Supply Contributing Area	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	Growth Funded Portion (2012/13 \$)	New Household Equivalents Units 2012-2021	2012-2021 Contributions Received (2012/13 \$)	2012-2021 Contributions Received (Adj \$)	Net Debt (2012/13 \$) + = deficit - = surplus	Debt Funding Ratio
Kurow	77,550	90,270	9,458	19	40,180	47,901	6,278	60%
Omarama	0	0	0	19	60,117	71,679	-53,558	0%
Otematata	0	0	0	10	27,826	33,144	-9,754	31%
<b>TOTAL</b>	<b>77,550</b>	<b>90,270</b>	<b>9,458</b>	<b>48</b>	<b>128,123</b>	<b>152,724</b>	<b>-57,033</b>	

**Table 10: Amalgamated Schemes - Water Supply – Debt Funding Ratio – 2012 - 2021 Net Growth Cost vs. Revenue Assessment**

Water Supply Contributing Area	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	Growth Funded Portion (2012/13 \$)	New Household Equivalents Units/Points 2012-2021	2012-2021 Contributions Received (2012/13 \$)	2012-2021 Contributions Received (Adj \$)	Net Debt (2012/13 \$) + = deficit - = surplus	Debt Funding Ratio
Oamaru	6,138,715	7,580,377	1,032,823	442	1,481,637	1,767,188	-162,110	0%
Waihemo	162,251	211,214	48,675	43	124,851	148,959	-60,679	0%
<b>TOTAL</b>	<b>6,300,966</b>	<b>7,791,590</b>	<b>1,081,498</b>	<b>485</b>	<b>1,606,489</b>	<b>1,916,147</b>	<b>-222,790</b>	

<b>DISTRICT TOTAL</b>	<b>11,527,696</b>	<b>13,749,059</b>	<b>2,741,716</b>		<b>2,608,275</b>	<b>3,111,503</b>	<b>738,786</b>	
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**Wastewater**

**Table 11: Wastewater Capital Expenditure for Development Contributions (Excluding GST)**

Wastewater Contributing Area	Capital Cost				Percentage Attributable to Growth	Historic Expenditure Growth Cost (Capacity) Consumed 2012-2021	Future Expenditure Growth Cost (Capacity) Consumed 2012-2021	TOTAL Expenditure Growth Cost (Capacity) Consumed 2012-2021	Weighted Average No. of HEU's Apportioning Growth Cost 2012-2021	Development Contribution Per Household Equivalent Unit(\$)
	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	Growth Funded Portion (2012/13 \$)	Funded by Other Sources (2012/13 \$)						
Kakanui	413,531	436,676	110,713	302,818	27%	34,025	29,514	63,539	19	3,268
Kurow	36,936	43,934	4,532	32,404	12%	8,838	1,619	10,458	15	694
Moeraki	400,482	429,219	82,716	317,766	21%	56,061	36,840	92,901	18	5,206
Oamaru	848,020	1,008,386	86,317	761,704	10%	818,772	22,940	841,712	321	2,626
Ohau	31,408	37,360	12,508	18,901	40%	866	4,562	5,428	13	424
Omarama	554,256	688,289	187,584	366,672	34%	16,240	20,582	36,822	17	2,128
Otematata	22,712	27,016	968	21,744	4%	20,026	309	20,335	9	2,195
Palmerston	395,365	401,923	35,999	359,366	9%	10,649	11,612	22,260	9	2,360
<b>DISTRICT TOTAL</b>	<b>2,702,711</b>	<b>3,072,803</b>	<b>521,336</b>	<b>2,181,375</b>	<b>19.3%</b>	<b>965,477</b>	<b>127,978</b>	<b>1,093,455</b>	<b>422</b>	

**Table 12: Wastewater – Debt Funding Ratio - 2012 - 2021 Net Growth Cost vs. Revenue Assessment**

Wastewater Contributing Area	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	Growth Funded Portion (2012/13 \$)	New Household Equivalent Units 2012-2021	2012-2021 Contributions Received (2012/13 \$)	2012-2021 Contributions Received (Adj \$)	Net Debt (2012/13 \$) + = deficit - = surplus	Debt Funding Ratio
Kakanui	413,531	436,676	110,713	19	63,539	75,755	49,675	70%
Kurow	36,936	43,934	4,532	15	10,458	12,465	4,074	61%
Moeraki	400,482	429,219	82,716	18	92,901	110,936	-19,047	28%
Oamaru	848,020	1,008,386	86,317	321	841,712	1,002,984	-863,396	0%
Ohau	31,408	37,360	12,508	13	5,428	6,457	6,080	51%
Omarama	554,256	688,289	187,584	17	36,822	43,901	161,628	82%
Otematata	22,712	27,016	968	9	20,335	24,216	-6,566	33%
Palmerston	395,365	401,923	35,999	9	22,260	26,522	11,599	69%
<b>DISTRICT TOTAL</b>	<b>2,702,711</b>	<b>3,072,803</b>	<b>521,336</b>	<b>422</b>	<b>1,093,455</b>	<b>1,303,236</b>	<b>-655,954</b>	

**Roading**

**Table 13: Roading - Capital Expenditure for Development Contributions (Excluding GST)**

Roading	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	2012-21 Total Capital Net Cost to Council (2012/13 \$'s)	Growth Funded Portion (2012/13 \$)	Funded by Other Sources (2012/13 \$'s)	Percentage Attributable to Growth	Historic Expenditure Growth Cost (Capacity) Consumed 2012-2021	Future Expenditure Growth Cost (Capacity) Consumed 2012-2021	TOTAL Expenditure Growth Cost (Capacity) Consumed 2012-2021	Weighted Average No. of HEU's Apportioning Growth Cost 2012-2021	Development Contribution Per Household Equivalent Unit (\$)
District Wide	62,136,517	72,116,881	28,820,816	1,639,497	27,181,320	5.69%	682,740	577,496	1,260,236	1,390	906

**Table 14: Roading – Debt Funding Ratio: 2012 - 2021 Net Growth Cost vs. Revenue Assessment**

Year	2012-2021 Total Capital Cost (2012/13 \$)	2012-2021 Total Capital Cost (Adj \$)	Growth Funded Portion (2012/13 \$)	Cumulative Growth Cost (2012/13 \$)	New Household Equivalent Units 2012-2021	2012-2021 Contributions Received (2012/13 \$)	2012-2021 Contributions Received (Adj \$)	2012-2021 Cumulative Contributions Received (2012/13 \$)	Net Debt (2012/13 \$) + = deficit - = surplus	Debt Funding Ratio
2012	8,578,640	8,578,640	203,785	203,785	138	125,508	125,508	125,508	259,772	6%
2013	7,543,856	7,825,936	127,906	331,691	140	126,775	131,515	252,283	256,927	4%
2014	5,512,360	5,892,888	117,935	449,626	141	128,056	136,896	380,339	242,829	3%
2015	5,023,124	5,562,519	114,901	564,526	130	117,996	130,667	498,335	235,758	2%
2016	5,068,296	5,787,479	117,444	681,971	131	119,128	136,033	617,464	230,097	2%
2017	5,196,313	6,108,034	132,481	814,451	133	120,273	141,375	737,737	238,329	2%
2018	5,315,309	6,451,756	144,561	959,012	134	121,430	147,392	859,167	257,484	2%
2019	4,896,423	6,149,870	100,817	1,059,829	135	122,599	153,983	981,765	231,726	1%
2020	9,971,423	12,982,927	479,003	1,538,832	153	138,455	180,270	1,120,220	568,299	6%
2021	5,030,773	6,776,832	100,664	1,639,497	154	140,017	188,613	1,260,236	524,970	5%
<b>District Wide</b>	<b>62,136,517</b>	<b>72,116,881</b>	<b>1,639,497</b>		<b>1,390</b>	<b>1,260,236</b>	<b>1,472,252</b>	<b>Debt Funding Ratio</b>		<b>33%</b>

**Table 15: Total 10 Year Development Contribution Revenue Projections**

Activity	2012-2021 Contributions Received (2012/13 \$'s)	Total 10 Year Remission Estimate	Revised 2012-2021 Contributions Received (2012/13 \$'s)	Remission Explanation
Water Supply	2,608,275	46,352	2,561,923	Ohau Water Supply
Wastewater	1,093,455	46,451	1,047,004	Moeraki Wastewater
Roading	1,260,236	49,082	1,211,154	Residential dwellings on primary or dairy property developments
<b>TOTAL</b>	<b>4,961,966</b>	<b>141,885</b>	<b>4,820,081</b>	

### **Section 201A Schedules**

The schedules that provide the information required under Section 201A of the Local Government Act 2002, are available on the Waitaki District Council website. These include

Roading Assets

Wastewater Assets

Water Supply Assets