

# Development & Financial Contributions Policy

## 1. Introduction

### 1.1 Background

The population of Ashburton District is growing and is expected to continue to grow in the future. Council must plan for this growth by investing in infrastructure that will enable new homes and businesses to connect to Council water and wastewater infrastructure, and provide the opportunity for new residents to use community facilities.

Development contributions enable Council to charge developers of new residential and business units a share of the cost of providing capacity to cater for growth.

This policy sets out the development contributions payable; how and when these are calculated and paid, and includes a summary of the methodology used to calculate contributions.

### 1.2 Policy objectives

This policy is intended to assist Council to achieve the following objectives:

- enable Council to plan for and fund infrastructure and facilities provision that meets the anticipated growth requirements of the district,
- provide predictability and certainty regarding the infrastructure required to cater for growth,
- enable a share of the costs Council incurs to provide infrastructure to cater for growth to be fairly and equitably recovered from those directly benefiting from Council infrastructure – i.e. developers,
- provide for the wider ratepayer base to contribute to funding infrastructure provision that raises service standards, and

- to promote understanding and awareness of what Council intends to fund and how this applies to a particular development.

### 1.3 Legislative context

Local authorities are required, under section 102 of the Local Government Act 2002, (“the Act”) to adopt funding and financial policies as part of their financial management obligations. As part of the requirements for funding and financial policies, section 102(4)(d) of the Act requires a policy on development contributions or financial contributions.

The purpose of the development contributions provisions in the Act is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

The Act requires any development contributions policy to be prepared taking into account principles detailed in section 197AB. In summary these are:

- development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for provision of new or additional assets, or assets of increased capacity,
- development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended,
- cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets,
- development contributions must be used for or towards the purpose of the activity or the group of activities for which the

contributions were required, and for the benefit of the district or the part of the district that is identified in the development contributions policy in which the development contributions were required, and

- territorial authorities should make sufficient information available to demonstrate what development contributions are being used for and why they are being used.

#### 1.4 Financial management policies

This policy has been prepared within the wider context of the Council's overall financial management policies.

This policy is consistent with the provisions of Council's Revenue and Financing Policy and provides for development contributions and financial contributions to be used as part of Council's overall approach to funding capital expenditure.

#### 1.5 Funding to provide for growth

Development contributions and financial contributions are used by Council to fund some of the costs associated with providing infrastructure that caters for demand from growth. Council aims to take a balanced and fair approach to how it raises funding required for new developments.

Other sources of funding of capital expenditure may include:

- outside sources such as New Zealand Transport Agency (NZTA) subsidies, grants, regional council or central government funding; and
- funding from sources such as rates and sale of assets.

## 2. Policy on Development Contributions

### 2.1 Requirement for a development contribution

Under section 198 of the Act, Council may require a development contribution to be made when:

- resource consent is granted under the Resource Management Act 1991 for a development in Ashburton District,
- building consent is granted under the Building Act 2004 for building work situated in Ashburton District,
- authorisation for a service connection is granted without a building consent being issued\*, and
- a change in use of a business unit.

\*An example of this is where a tap is connected to the piped water system for watering or a temporary connection to the sewer system is made. In both cases the connection can be used without a building consent but requires a development contribution to be made.

Development contributions can only be required where a development as defined by section 197 of the Act is to occur. Under section 197, development means:

- “(a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) does not include the pipes or lines of a network utility operator.”

On receiving an application for subdivision consent, resource consent, or building consent, Council will first:

- a) test that the application represents a development under section 197,

- b) determine whether alone or in combination with other developments the application under consideration will have the effect of requiring new or additional assets or assets of increased capacity and, as a consequence, the council will incur capital expenditure to provide appropriately for this, and
- c) ensure that any development contribution that may be required, is provided for in this policy.

If Council is satisfied that the application meets the legal requirements above, it will assess contributions following the process set out in the Assessment section.

**2.1.1 Exceptions:** For clarity, development contributions are not required for:

- an addition or alteration to a residential unit that does not result in any additional unit or units
- an addition or alteration to a non-residential unit that does not result in any additional unit or units and the development does not result in an increase in demand on the water or wastewater schemes servicing the property
- change of use for a non-residential unit that does not result in an increase in demand on the water or wastewater schemes servicing the property
- a new or replacement out-building or ancillary building servicing a non-residential unit that does not result in any additional unit or units and the development does not result in an increase in demand on the water or wastewater schemes servicing the property.
- a new residential or business unit that is replacing like with like.
- a Crown development - the Crown is exempt from the provisions of this policy by virtue of section 8 of the Local Government Act 2002.

## 2.2 Activities

Council requires a development contribution for the following infrastructure services:

- **Drinking water** – applies to Council drinking water supplies where Council has incurred or plans to incur capital expenditure to cater for growth.
- **Wastewater**– applies to Council wastewater schemes where Council has incurred or plans to incur capital expenditure to cater for growth.
- **Community infrastructure** - applies to Council community infrastructure projects where Council has incurred or plans to incur capital expenditure to cater for growth – EA Networks Centre and Ashburton Art Gallery and Heritage Centre.

## 2.3 Catchments

A catchment is the area served by the network infrastructure or community infrastructure asset where common benefits are received. The following are treated as catchments for the purposes of assessing development contributions:

- **Drinking Water** – each of the Council's drinking water supplies is a separate catchment.
- **Wastewater** – each of the Council's wastewater schemes is a separate catchment.
- **Community Infrastructure** – the district as a whole is treated as a single catchment.

## 2.4 Units of demand

The calculation of the development contribution required for water and wastewater is based on the average demand of a single residential housing unit using the average household size of 2.5 residents (based on 2013 Census data for Ashburton District). This unit of demand is referred to as a “Household Unit Equivalent” or HUE.

### Residential

Each single residential unit (regardless of size or number of occupants) is treated as being 1 HUE for assessing drinking water, wastewater and community infrastructure development contributions.

### Non-residential

Each single non-residential unit will be assessed for the demand it is expected to place on the water and wastewater networks based on the type of business. This assessment will determine demand relative to a residential unit and a HUE derived from that assessment. The assessment uses the information in the Water Consumption Non-residential Properties table in Schedule 4 of this policy as the base line demand for various uses.

For assessing community infrastructure development contribution each non-residential unit is treated as being 1 HUE.

## 2.5 Capacity Credit

Where a new development is replacing an existing residential or non-residential unit the demand on infrastructure generated by the previous use will be recognised in any assessment of development contributions with units of demand from existing development deducted from the total units of demand assessed to be generated by the new development.

This credit applies only to a building which has been inhabited or used for

the stated purpose within the last two years or the building has been used as a place of business within the last two years.

A credit can be transferred from one property title to another as long as the two properties are regarded as contiguous (effectively operating as a single property) as described in section 20 of the Local Government (Rating) Act 2002.

## 2.6 Calculation of development contribution

An assessment of requirement to pay development contribution will be made at the time Council receives an application for:

- building consent for a new residential or non-residential unit, or
- building consent or resource consent for an addition, alteration, or change of use for a business unit.

If a development meets the requirement for a development contribution detailed in section 2.1 of this policy, Council will undertake a development contribution calculation using the calculations detailed in Schedule 3 of the Policy.

## 2.7 Limits on Development Contributions

As part of seeking a balanced and fair approach to funding capital expenditure required to cater for growth, Council may decide to limit the level of development contributions for a particular contribution. Any such limit will be detailed in the section of the Policy regarding calculation of development contributions. Where a limit is in place the funding that would normally come from development contributions is instead funded by rates from the existing community.

## 2.8 Reconsideration of requirement for development contribution

An applicant may request Council to reconsider a requirement to make a development contribution if the applicant has grounds to believe that:

- a) the development contribution was incorrectly calculated or assessed under this policy,
- b) Council incorrectly applied provisions of this policy, or
- c) the information used to assess the applicant's development, or the way Council has recorded or used information when requiring the development contribution, was incomplete or contained errors.

A request for reconsideration must be made within 10 working days after the date on which the applicant receives notice from Council (invoice) of the level of development contribution required.

A reconsideration cannot be requested if an objection under section 199C and Schedule 13A of the Act has already been lodged.

A request for reconsideration must be made in writing to the chief executive and identify the basis on which the reconsideration is sought together with, as appropriate, the legal and evidential grounds supporting the application.

Council may, within 10 working days of receiving the request for reconsideration, request further information from the requester to support the grounds stated in the reconsideration.

Council will proceed to determine the request for reconsideration if:

- a) it has, in its view, received all required information relating to the request; or
- b) the requester refuses to provide any further information requested by Council (as set out above).

In considering the request for reconsideration, Council will make its

decision without convening a hearing.

In all cases, Council will give written notice of the outcome of its reconsideration to the applicant within 15 working days after:

- a) the date the application for reconsideration is received, if all required information is provided in that application; or
- b) the date the application for reconsideration is received, if the applicant refuses to provide further information; or
- c) the date the further information is received from the applicant.

An applicant requesting a reconsideration may object to the outcome of that reconsideration by lodging an objection under section 199C of the Act.

## 2.9 Objection to assessed amount of development contribution

An applicant may object to the assessed amount of development contribution required.

An objection may be made only on the following grounds:

- a) Council has failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the district or parts of the district; or
- b) Council has required a development contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
- c) Council has required a development contribution in breach of section 200 of the Act; or
- d) Council has incorrectly applied its development contributions policy to the objector's development.

An objection may be lodged irrespective of whether a reconsideration of the requirement for a development contribution has been requested.

The right of objection does not apply to challenges to the content of this policy.

Schedule 13A of the Act details the procedure relating to development contribution objections.

Council may (under section 252 of the Act) recover actual and reasonable costs from an applicant lodging an objection that relate to the following costs it incurs:

- a) the selection, engagement, and employment of the development contributions commissioners; and
- b) the secretarial and administrative support of the objection process; and
- c) preparing for, organising, and holding the hearing

## 2.10 Postponement of development contribution payment

Postponements may be allowed for substantial developments at the discretion of Council. A request for postponement must be made in writing to the Chief Executive stating the reasons why a postponement is sought. Requests for postponement will be considered on a case by case basis by the Finance and Business Support Committee.

## 2.11 Refund of development contribution

A development contribution will be refunded if:

- i) the building consent or resource consent that triggered the requirement for a development contribution lapses or is surrendered
- ii) the development does not proceed
- iii) Council does not provide infrastructure for which a development contribution was required.

An administration fee of \$150 will be charged in the case of (i) and (ii) above.

## 2.12 Payment of development contribution

Following assessment of the requirement for a development contribution and a calculation of applicable development contribution required an invoice will be issued at the time of:

- a building consent being uplifted
- a resource consent for a change in use deemed to result an increase in demand for service for water or wastewater services being granted

Payment is treated as any Council charge and is due by the 20th of the following month.

Non-payment of development contributions will be treated the same as other Council debt and will result in penalties, debt collection fees and court costs as applicable.

In addition, in situations of non-payment Council may take the following actions:

- Code of Compliance Certificate (section 95 of the Building Act 2004) will not be issued
- Network connections will not be completed
- Statutory Land Charge may be lodged against the property.

## 2.13 Development contribution for Council development

Development carried out by Council will be subject to any applicable development contribution except for any required for the same activity as the development.

## 2.14 Private development agreements

Council may enter into private development agreements in circumstances where there is a need to allocate responsibility between developers and Council for the construction and funding of public works associated with a development.

This policy is a funding policy for planned capital expenditure on community facilities. Private development agreements will not be used to reduce the amount of any contribution charge calculated under this policy.

Any private development agreement entered into must show how costs payable to a developer for public works will be funded.

## 2.15 Financial contributions

The Resource Management Act 1991 (RMA) authorises local authorities to require financial contributions from developers in certain situations.

Council's District Plan provides for developments to be assessed for financial contributions at the resource consent application stage. In particular, Council can require developers to provide cash or land for the provision of open space and recreation areas for the following purposes:

- provision of new neighbourhood parks in areas where there are existing or potential deficiencies in the provision of local parks,
- development of neighbourhood and District parks to a level at which they are usable and enjoyable for children's play, general recreation and visual amenity, and
- provision and development of neighbourhood walking and cycling linkages.

The full provisions relating to financial contribution requirements are contained in section 9 (policy 9.3C) of the Ashburton District Council District Plan.

Council cannot require a development contribution to fund an asset for

which a financial contribution has been paid.

Council's District Plan is available for inspection from:

- Council's website [www.ashburtondc.govt.nz](http://www.ashburtondc.govt.nz)
- Council offices, 5 Baring Square West, Ashburton.

Please note – Council will no longer be able to require financial contributions to be paid under the Resource Management Act from 18 April 2022. Council intends to review the mechanism for charging financial contributions prior to this date.

## 2.16 Limitations applying to requirement for development contribution

Council must not require a development contribution for a reserve, network infrastructure, or community infrastructure if:

- it has, under section 108(2)(a) of the Resource Management Act 1991, imposed a condition on a resource consent in relation to the same development for the same purpose;
- the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure;
- Council has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance; or
- a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure, or community infrastructure.

## 2.17 Public inspection of development contributions policy information

This policy and its supporting information is available on Council's website [www.ashburtondc.govt.nz](http://www.ashburtondc.govt.nz) or on request from the Council offices.

## 2.18 Policy review

This policy will be adopted in conjunction with Ashburton District Council's Long Term Plan 2018-28. The policy must be reviewed at least every three years and may be amended at any time if required. Any review of the policy must be undertaken using a consultation process that gives effect to the requirements of section 82 of the Act.

This policy has been prepared to comply with relevant legislation including the requirements of the Local Government Act 2002 Amendment Act 2014 and the Local Government Act 2002.

## Appendix 1. Definitions

**Accommodation unit:** means units, apartments, rooms in one or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation.

**Act:** means the Local Government Act 2002.

**Activity:** means a good or service provided by Council (as per section 5 of the Local Government Act 2002), and for which development contributions are collected.

**Allotment:** has the meaning given to it in section 218(2) of the Resource Management Act.

**Authorised Officer:** is an officer authorised in accordance with Council's delegations register to carry out functions under this policy.

**Catchment:** is a defined area of the district that receives a discrete service subject to development contributions as detailed in this policy.

**Business property:** a non-residential development using land or buildings for the provision of services in the course of a trade or business.

**Community facilities:** reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199 of the LGA

**Community infrastructure:** means the following assets when owned, operated, or controlled by Council:

- a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated,
- b) play equipment located on a neighbourhood reserve,
- c) toilets for use by the public,
- d) other community infrastructure projects covered by schedule 1A (8) of the Local Government Act 2002.

**Development:** means any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but does not include the pipes or lines of a network utility operator

**Development agreement:** is a voluntary contractual agreement made (under sections 207A to 207F of the LGA) between one or more developers and one or more territorial authorities for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in one or more districts or a part of a district.

**Development contribution:** a contribution—

- (a) provided for in a development contribution policy of a territorial authority; and
- (b) calculated in accordance with the methodology; and
- (c) comprising—
  - (i) money; or
  - (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or
  - (iii) both.

**Development contribution objection:** an objection lodged under clause 1 of Schedule 13A of the LGA against a requirement to make a development contribution.

**Development contributions commissioner:** a person appointed under section 199F of the LGA.

**District Plan:** means the Operative Ashburton District Plan

including any proposed plan or variation.

**Household unit:** is a building or part of a building capable of being used as an independent residence and includes apartments, semi-detached or detached houses, units, town houses, granny flats (or similar), and caravans (where used as a place of residence or occupied for a period of time exceeding six months in a calendar year).

**Household Unit Equivalent (HUE):** is a unit of demand representing one average household unit.

**Methodology:** is the methodology for calculating development contributions set out in Schedule 13 of the LGA.

**Network infrastructure:** means the provision of roads and other transport, water, wastewater, and stormwater collection and management.

**Network utility operator:** has the meaning given to it by section 166 of the Resource Management Act 1991.

**Non-residential development** any development that is not for residential purposes. This includes:

- all buildings that are considered a fundamental place of work such as dairy milking sheds, shearing sheds and indoor farming facilities such as for chickens or pigs
- all buildings for the provision of sport, recreation or entertainment
- all buildings for the provision of social or cultural pursuits.

**Objector:** means a person who lodges a development contribution objection.

**Residential development** use of land and buildings by people for the purpose of permanent living accommodation in a household unit where the majority of occupiers intend to live at the site for a period of one month or more of continuous occupation per annum and will generally refer to the site as their home and permanent address.

It includes accessory buildings and leisure activities associated with needs generated principally from living on the site.

**Resource consent:** has the meaning given to it in section 2(1) of the Resource Management Act 1991 and includes a change to a condition of a resource consent under section 127 of that Act.

**Service connection:** means a physical connection to a service provided by, or on behalf of, Council.

## **Appendix 2. Key Assumptions**

The following assumptions have been used in the preparation of this policy:

### **Capital expenditure**

Future capital expenditure costs are based on the best available knowledge at the time of preparation. These take into account known or likely construction costs and assumed inflation rates.

### **Population growth**

Council has prepared population growth forecasts based on Statistics NZ medium population projections.

### **Inflation**

All project costs in the Development Contributions Policy are based on current estimates of infrastructure construction prices in 2018 dollars with inflation of all capital costs over the period using local government cost adjusters supplied by BERL.

### **Cost of capital**

No cost of capital (including interest) is included in the cost of providing for growth and therefore is not included in development contribution calculations. The cost of capital is carried by the relevant ratepayer body.

### **Residential household size and household demand**

Each residential unit is assumed to have the same number of residents living at the property. This is the average household size in Ashburton District from the 2013 Census – 2.5 residents (1 HUE).

Each household is assumed to place the same demand on Council infrastructure.

## Appendix 3. Calculation methodology

Development contribution for residential unit for water and wastewater

1. Determine the overall growth capacity of the applicable scheme  
Maximum connections (HUEs) - current connections (HUEs)  
= Growth Capacity (GC) (HUEs)  
GC as a ratio of maximum connections = Scheme Growth Factor (SGF %)
2. Identify capital projects (and the cost of those projects) that include a cost to provide capacity for future growth = Capital Expenditure (CE).

The projects identified will be:

- completed capital projects with identified residual growth capacity and which are not fully paid for – i.e. have an outstanding loan
  - current capital projects with identified cost component to provide growth capacity
  - planned capital projects included in the Council's Long Term Plan with identified cost component to provide growth capacity and that will be given effect to within the next 10 years
3. Identify the proportion of CE for each project that is provided to cater for growth to get a Project Growth Factor (PGF%)  
Scheme Growth Factor (GF%) is used for completed projects and a project growth factor (PGF%) is used for current and future projects.  
The lower of the project growth factor or the scheme growth factor is used for calculations – Applied Growth Factor (AGF%).  
Cost associated with component capacity over and above current

scheme capacity will be recovered when the scheme capacity is increased or will be funded by the scheme as a whole.

4. Multiply capital expenditure identified in step 2 by the Growth Factor = Net Growth Expenditure (NGE \$)
5. Divide Net Growth Expenditure (NGE) by the Excess Capacity in Household equivalents (EC) = Development Contribution to be levied per household equivalent.
  - The cost of maintaining or increasing capacity within each scheme for development growth is shared equally among the household equivalents which are able to connect to the scheme.

$CE \times GF\% \div EC = \text{development contribution amount.}$

Calculation methodology to determine non-residential development contribution for water and wastewater (HUEs)

The demand impact of a non-residential unit for both water and wastewater is determined by assessed water consumption.

### 1. Determine water consumption per person per day based on the use of the property.

Water consumption is determined by typical water consumption based on the property uses listed in Appendix IV.

If there is no suitable property use listed in Appendix IV on which to make a fair assessment, the developer will be requested to provide an assessment of water consumption.

If this assessment is not deemed appropriate the assessment will be determined by a Council officer with delegated authority.

### 2. Determine the expected maximum occupancy of the property (persons)

This assessment is based on information and design drawings submitted as part of the development approval process i.e. management plans, bed or seating plans or other such plan as

agreed by Council, or where not available fire service occupancy rates may be used.

**3. Determine total water consumption**

Total Water Consumption (litres per day) =

$$\frac{\text{water consumption per person (litres per day)}}{\text{maximum occupancy (persons)}}$$

**4. Convert to household unit equivalent (HUEs)**

$$\frac{\text{Demand Impact (HUEs)}}{\text{Total Water Consumption (litres per day) / HUE consumption}}$$

Household Unit Equivalent water consumption is 550 litres per day

- Assumed water demand of 1 person = 220 litres per day
- Assumed household of 2.5 persons

Normal rounding protocols shall be applied to the result to yield a whole number.

**5. Determine non-residential development contribution for applied property**

$$\text{Non-residential development contribution} = \text{Demand Impact (HUEs)} \times \text{Development Contribution (per HUE)}$$

Calculation methodology to determine development contribution for community infrastructure – per HUE

The development contribution for community infrastructure is levied on all new developments within the district at a uniform rate per property unit.

**Methodology**

1. Determine the growth capacity of each asset to be levied that is designed to accommodate future development growth = Growth Factor (GF%).
  - District population for which the asset has been designed minus current district population = Excess Capacity (EC) in household equivalent units
2. Identify capital expenditure which has a growth component = CE.
  - Any capital expenditure which maintains Excess Capacity (EC) has a growth component equal to the Growth Factor. If the capital expenditure results in an increase in Excess Capacity then the Growth Factor will also increase proportionately.
3. Multiply capital spending identified in Step 2 by the Growth Factor = Net Growth Expenditure (NGE).
  - The growth related component of the capital expenditure in dollars is identified
4. Divide Net Growth Capital Expenditure (NGE) by the Excess Capacity in Household equivalents (EC) = Development Contribution to be levied per household equivalent
  - The cost of maintaining or increasing capacity within each scheme for development growth is shared equally among the household equivalents which are able to connect to the scheme.

CE x GF% EC

**Important Note:** The above methodology has been applied to establish the maximum development contribution for community infrastructure.

Council has decided that the community infrastructure development contribution will be capped at \$2,500 excluding GST per HUE. This limit has been introduced to ensure the level of development contributions does not inhibit development, therefore promoting the economic well-being of the district.

Council indicates a desire to increase this limit in 2021.

## Schedule 1 – Development Contributions for Community Facilities

### 1. Development contributions by location

This table shows the development contributions by location under the current policy and under the proposed policy.

Catchment	Water	Wastewater	Community Infrastructure	Total
Ashburton	\$925	\$3,227	\$2,500	\$6,652
Lake Hood	\$925	\$3,227	\$2,500	\$6,652
Methven	\$3,635	\$385	\$2,500	\$6,520
Rakaia	\$113	-	\$2,500	\$2,613
Hinds	\$1,121	-	\$2,500	\$3,621
Fairton	\$2,573	-	\$2,500	\$5,073
All Other	-	-	\$2,500	\$2,500

### 2. Event giving rise to requirement for development contributions

An assessment of liability to pay development contributions will be made at the time Council receives an application for:

- building consent for a new residential unit
- building consent for a new non-residential unit
- building consent or resource consent for an addition, alteration, or change of use for a non-residential unit.

### 3. Schedule of assets for which a development contribution is required

Details of the community infrastructure assets for which development contributions are required are included in Schedule 2 of this policy.

## Schedule 2 – Development contribution by activity and location

### Development contribution - Ashburton water supply

HUE calculation	Maximum connections	10,197	Scheme growth factor	12.77%
	Current connections	8,894		
	Growth capacity (HUEs)	1,302		

Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Cost of providing for growth (\$)	Development contribution per HUE (\$)
Recent	Internal loan	2004/17	4,753,076	22.22%	12.77%	4,145,997	607,079	466.14
	External loan	2004/17	1,340,000	22.22%	12.77%	1,168,851	171,149	131.41
Current	Tarbottons Road Extension	2017/18	560,000	47.00%	12.77%	488,475	71,525	54.92
Future LTP- 2018-28	New Bore Development	2023/24	550,000	100.00%	12.77%	479,752	70,248	53.94
	Chalmers Ave	2018/19	355,800	15.59%	12.77%	310,356	45,444	34.89
	Chalmers Ave	2022-24	228,400	15.59%	12.77%	199,228	29,172	22.40
<b>Ashburton water supply – development contribution (excl GST)</b>								<b>763.70</b>
<b>GST</b>								<b>114.56</b>
<b>Ashburton water supply – development contribution (inc GST)</b>								<b>\$878.00</b>

**Development contribution - Methven water supply**

**HUE calculation**

Maximum connections 1,057  
 Current connections 965  
 Growth capacity 92  
 (HUEs)

**Scheme growth factor 8.70%**

Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Cost of providing for growth (\$)	Development contribution per HUE (\$)
<b>Recent</b>	Internal loan	2004/17	1,515,074	12.34%	8.70%	1,383,289	131,785	1,432.94
	External loan	2004/17	65,000	12.34%	8.70%	59,346	5,654	61.48
<b>Current</b>	Chapman Street Renewal	2017/18	97,199	5.00%	5.00%	92,239	4,860	52.84
	Patton Street Renewal	2017/18	5,102	5.00%	5.00%	4,847	255	2.77
<b>Future LTP- 2018-28</b>	Patton Street Renewal	2018/19	171,114	25.00%	8.70%	156,230	14,884	161.84
	Reservoir Upgrade	2018/20	794,000	7.51%	7.51%	734,371	59,629	648.37
	Trunkmain Renewal (WTP End)	2018/20	550,620	5.00%	5.00%	523,089	27,531	299.35
	McDonald St Renewal	2019/20	117,620	5.00%	5.00%	111,739	5,881	63.95
	Main St Renewal	2019/20	68,950	5.00%	5.00%	65,503	3,448	37.49
	McKerrow St Renewal	2020/22	164,000	5.00%	5.00%	155,800	8,200	89.16
	Mackie St Renewal	2021/23	130,080	5.00%	5.00%	123,576	6,504	70.72
	Spaxton Street Renewal	2022/24	136,800	5.00%	5.00%	129,960	6,840	74.37
	Cameron St Renewal	2024/26	145,870	5.00%	5.00%	138,577	7,294	79.30

PART EIGHT – KEY COUNCIL POLICIES

	Jackson St Renewal	2025/27	150,350	5.00%	5.00%	142,833	7,518	81.74
	Spaxton Street Renewal	2026/28	130,480	5.00%	5.00%	123,956	6,524	70.94
	Year 11 Project Design	2027/28	4,038	5.00%	5.00%	3,836	202	2.20
<b>Methven water supply – development contribution (excl GST)</b>								<b>3,238.82</b>
<b>GST</b>								<b>484.92</b>
<b>Methven water supply – development contribution (inc GST)</b>								<b>3,718.00</b>

PART EIGHT – KEY COUNCIL POLICIES

**Development contribution - Rakaia water supply**

**HUE calculation**

Maximum connections 682  
 Current connections 571  
 Growth capacity (HUEs) 111

**Scheme growth factor** 16.33%

Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Funding from development contributions (\$)	Development contribution per HUE (\$)
<b>Recent</b>	Internal loan							
<b>Current</b>	No growth related expenditure							
<b>Future LTP- 2018-28</b>	Scheme extensions	2018/19	151,800	50.00%	16.33%	127,012	24,788	222.61
<b>Rakaia water supply – development contribution (excl GST)</b>								<b>222.61</b>
<b>GST</b>								<b>33.39</b>
<b>Rakaia water supply – development contribution (inc GST)</b>								<b>256.00</b>

PART EIGHT – KEY COUNCIL POLICIES

**Development contribution - Hinds water supply**

**HUE calculation**

Maximum connections 147  
 Current connections 139  
 Growth capacity (HUEs) 8

**Scheme growth factor** 5.53%

Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Funding from development contributions (\$)	Development contribution per HUE (\$)
<b>Recent</b>	Internal loan	2003/17	117,537	17.81%	5.53%	111,033	6,504	797.08
<b>Current</b>	No growth related expenditure							
<b>Future LTP- 2018-28</b>	No growth related expenditure							
<b>Hinds water supply – development contribution (excl GST)</b>								<b>797.08</b>
<b>GST</b>								<b>119.56</b>
<b>Hinds water supply – development contribution (inc GST)</b>								<b>917.00</b>

**Development contribution - Fairton water supply**

**HUE calculation**

Maximum connections 84  
 Current connections 77  
 Growth capacity (HUEs) 7

**Scheme growth factor** 8.62%

Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Funding from development contributions (\$)	Development contribution per HUE (\$)
<b>Recent</b>	Internal loan	2008/17	145,510	13.25%	8.62%	132,960	12,550	1,735.77
	External loan	2008/17	27,000	13.25%	8.62%	24,671	2,329	322.08
<b>Current</b>	No growth related expenditure							
<b>Future LTP- 2018-28</b>	No growth related expenditure							
<b>Fairton water supply – development contribution (excl GST)</b>								<b>2,057.86</b>
<b>GST</b>								<b>308.68</b>
<b>Fairton water supply – development contribution (inc GST)</b>								<b>2,367.00</b>

PART EIGHT – KEY COUNCIL POLICIES

**Development contribution - Ashburton wastewater** (Includes Lake Hood)

**HUE calculation**

Maximum connections 9,534  
 Current connections 8,962  
 Growth capacity (HUEs) 572

**Scheme growth factor** 6.00%

Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Funding from development contributions (\$)	Development contribution per HUE (\$)
<b>Recent</b>	Internal loan	2005/17	7,714,981	11.08%	6.00%	7,252,393	462,588	809.22
	External loan	2005/17	6,120,000	25.00%	6.00%	5,753,047	366,953	641.93
<b>Current</b>	ARS & River Crossing	2017/18	3,000,000	25.00%	6.00%	2,820,121	179,879	314.67
	Ocean Farm - Effluent Irrigation Extension	2017/18	10,000	4.74%	4.74%	9,526	474	0.83
<b>Future LTP- 2018-28</b>	Ocean Farm - Effluent Irrigation Extension	2018/19	190,000	4.74%	4.74%	180,991	9,009	15.76
	Walnut Ave Renewal (Creek to West)	2018/19	423,444	4.74%	4.74%	403,367	20,077	35.12
	Chalmers Ave Renewal (Victoria/Walnut)	2018/19	462,726	4.74%	4.74%	440,787	21,939	38.38
	ARS & River Crossing	2018/20	6,300,000	25.00%	6.00%	5,922,254	377,746	660.81
	Farm, Allens & Carters Road Sewermain Extensions + Pump Station	2018/21	1,897,000	100.00%	6.00%	1,783,256	113,744	198.98
	Chalmers Ave Renewal (Cameron/Victoria)	2018/20	541,770	4.74%	4.74%	516,083	25,687	44.94

PART EIGHT – KEY COUNCIL POLICIES

	Cameron St (William/Chalmers)	2018/20	277,090	4.74%	4.74%	263,952	13,138	22.98
	William St Renewal (Dobson/Burnett)	2019/21	771,630	4.74%	4.74%	735,044	36,586	64.00
	Grit Chamber Pipeline Renewal (Chamber/River Crossing)	2019/21	3,143,600	4.74%	4.74%	2,994,552	149,048	260.74
	William St Renewal (Burnett/Cameron)	2020/22	307,720	4.74%	4.74%	293,130	14,590	25.52
<b>Ashburton Wastewater Scheme – development contribution (excl GST)</b>								<b>3,133.87</b>
<b>GST</b>								<b>470.08</b>
<b>Ashburton Wastewater Scheme – development contribution (inc GST)</b>								<b>3,604.00</b>

PART EIGHT – KEY COUNCIL POLICIES

**Development contribution - Methven wastewater**

**HUE calculation**

Maximum connections 1,454  
 Current connections 1,058  
 Growth capacity (HUEs) 396

**Scheme growth factor** 27.25%

Period of CAPEX	Project description	Year incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Funding from development contributions (\$)	Development contribution per HUE (\$)
<b>Recent</b>	Internal loan	2005/17	309,493	29.09%	27.25%	225,168	84,325	212.86
	External loan							
<b>Current</b>	Barkers Rd Renewal	2016/18	90,725	5.00%	5.00%	86,189	4,536	11.45
<b>Future LTP- 2018-28</b>	Dolma St Renewal	2018/19	179,284	5.00%	5.00%	170,320	8,964	22.63
	Mt Hutt College Main Renewal (Entrance/Courts)	2020/22	121,450	5.00%	5.00%	115,378	6,073	15.33
	Mt Hutt College Main Renewal (Courts/20 Main)	2021/23	125,270	5.00%	5.00%	119,007	6,264	15.81
	Cameron Street Rear Sewermain Renewal (29 to 7)	2023/25	106,510	5.00%	5.00%	101,185	5,326	13.44
	McDonald St Ream Main Renewal	2027/28	7,077	5.00%	5.00%	6,723	354	0.89
<b>Methven Wastewater Scheme – development contribution (excl GST)</b>								292.42
<b>GST</b>								43.86
<b>Methven Wastewater Scheme – development contribution (inc GST)</b>								<b>336.00</b>

**Development contribution – Ashburton District community infrastructure**

PART EIGHT – KEY COUNCIL POLICIES

<b>HUE calculation</b>	Projected population	37,800 <sup>1</sup>	Persons per household 2.5	Projected households	15,120
	Less current population	34,100 <sup>2</sup>		Less current households	13,640
	Growth capacity (residents)	3,700		Growth capacity (HUEs)	1,480
				<b>District growth factor</b>	<b>9.8%</b>

Period of CAPEX	Project description	Years incurred	Project capital (\$)	Project growth factor	Applied growth factor	Funding from other sources (\$)	Funding from development contributions (\$)	Less Development Contributions received (\$)	Development contribution per HUE (\$)
<b>Current</b>	Ashburton Art Gallery and Heritage Centre	2012-15	10,200,000	11.50%	11.50%	9,027,000	1,173,000	1,014,080	685.00
	EA Networks Centre	2009 - 2015	34,500,000	11.50%	11.50%	30,532,500	3,967,500	3,429,956	2,317.00
<b>Community Infrastructure – development contribution (excl GST)</b>									3,002.00
<b>Development contribution payable capped per HUE</b>									2,500.00
<b>GST</b>									375.00
<b>Development contribution payable per HUE (including GST)</b>									2,875.00

**Notes:**

- With a cap on the amount of development contributions able to be charged set at \$2,500 (+GST) the amount of funding coming from development contributions for the projects captured is less than it would otherwise be.
- Development contributions for the Council administration building extension project have not been included in the schedule above as this project no longer meets the criteria of the Local Government Act for development contributions to be taken. Funds collected to date for this project will be applied to that project.

<sup>1</sup> Source: Statistics New Zealand Population Projections for 2028 (2013 Census as a base – medium population projection)

<sup>2</sup> Source: Statistics New Zealand Population Estimates for 30 June 2017

## Schedule 4

### Water consumption of non-residential properties by functional use

Property Use	Water Consumption (Litres / Person / Day)	Property Use	Water Consumption (Litres / Person / Day)
<b>Household (per person)</b>	220	<b>Offices, Shops or Dry Industries</b>	
<b>Boarding Houses / Homestays</b>		• Per staff member	40
• Per bed	220	<b>Public Toilets (incl. hand wash)</b>	
<b>Camping Grounds (Per guest)</b>		• Per person	20
• Fully serviced	130	<b>Restaurants/ Bars/ Cafes (per customer)</b>	
• Recreation areas	65	• Dinner	30
<b>Community Halls (Per person)</b>		• Lunch	25
• With banquet facilities	30	• Bar	20
• Meetings	15	<b>Rest Home (Per bed + per staff member)</b>	
<b>Hospitals (Per bed + per staff member)</b>		• Per bed	250
• Per bed	250	• Per staff member	60
• Per staff member	60	<b>Retirement Home (self-contained units)</b>	
<b>Lunch Bars (Per customer + per staff member)</b>		• Resident	220
• With restroom facilities	25	• Staff	50
• Without restroom facilities	15	<b>School (per pupil + per staff member)</b>	
• Per staff member	40	• No gym, showers or cafeteria	20
<b>Motels / Hotels</b>		• Gym, showers and cafeteria	100
• Guests, resident staff	220	• Boarding	250
• Reception rooms	30	<b>Shopping Centre</b>	
• Restaurant (per customer)	30	• Per customer	25
• Bar (per customer)	20		

Note: Typical water consumption figures based on examples contained in "On-site Wastewater Systems: Design and Management Manual", Auckland Regional Council technical publication No.58, third edition, August 2004.