

# Ashburton District Council

## AGENDA

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### **Notice of Meeting:**

A meeting of the Ashburton District Council will be held on:

**Date:** Thursday 25 June 2020

**Time:** 1.00pm

**Venue:** Council Chamber

### **Membership**

Mayor	Neil Brown
Deputy Mayor	Liz McMillan
Members	Leen Braam
	Carolyn Cameron
	John Falloon
	Rodger Letham
	Lynette Lovett
	Angus McKay
	Diane Rawlinson
	Stuart Wilson

Meeting Timetable	
Time	Item
1pm	Meeting commences
2.30pm	Tuia representative and Global Ambassador– Jasaiah Claydon-Wade
2.50pm	Welcome to new and long-serving staff
4pm	ACL Quarterly report

## 1 Apologies

## 2 Extraordinary Business

## 3 Declarations of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

## Minutes

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6	COVID-19 Response Committee – 18/05/20	9
7	COVID-19 Response Committee – 28/05/20 - Recommendation Review of Library Collection Policy	11
8	COVID-19 Response Committee – 4/06/20 - Recommendation Revenue & Financing Policy stockwater rate	17
9	COVID-19 Response Committee – 18/06/20 - Recommendation Suspend Covid-19 Response Committee	19

## Reports

10	Annual Plan 2020-21	22
11	Setting of Rates for 2020-21	25
12	Draft Development and Financial Contributions Policy	34
13	Draft Revenue and Financing Policy	82
14	Methven Community Board	Verbal
15	Mayor's report	100

## Business Transacted with the Public Excluded

16	<b>Council – 21/05/20</b>	<b>103</b>
	• Land acquisition	Section 7(2)(h) Commercial activities
	• Ashburton Contracting Ltd	Section 7(2)(h) Commercial activities
	[Now in open meeting]	
	• Compulsory land acquisition	

Cont'd

<b>17</b>	<b>Council (extraordinary) – 11/06/20</b>		<b>105</b>
	• Land acquisition	Section 7(2)(h) Commercial activities	
<b>18</b>	<b>COVID-19 Response Committee 18/05/20</b>		<b>106</b>
	• Ashburton Community Water Trust	Section 7(2)(h) Commercial activities	
<b>19</b>	<b>COVID-19 Response Committee 28/05/20</b>		<b>107</b>
	• Library & Civic Centre PCG – 18/05/20	Section 7(2)(h) Commercial activities	
	• C-19 Economic Recovery Advisory Group – 20/05/20	Section 7(2)(h) Commercial activities	
<b>20</b>	<b>COVID-19 Response Committee 18/06/20</b>		<b>109</b>
	• C-19 Economic Recovery Advisory Group – 3/06/20	Section 7(2)(h) Commercial activities	
<b>21</b>	<b>Library &amp; Civic Centre Project Control Group – 15/06/20</b>		<b>110</b>
	Section 7(2)(h) Commercial activities		
<b>22</b>	<b>Ashburton Contracting Ltd Quarterly Report</b>	<i>(ACL Report to be circulated)</i>	<b>Verbal</b>
	Section 7(2)(h) Commercial activities		

**19 June 2020**

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## **4. Council Meeting – 21/05/20**

Minutes of the Council meeting held on Thursday 21 May 2020, commencing at 9.30am, in the Council Chamber, 137 Havelock Street, Ashburton.

### **Present**

His Worship the Mayor, Neil Brown; Councillors Leen Braam, Carolyn Cameron, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Liz McMillan, Diane Rawlinson and Stuart Wilson.

### **In attendance**

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Neil McCann (GM Infrastructure Services), Sarah Mosley (Manager People & Capability), Ruben Garcia (Communications Manager) and Phillipa Clark (Governance Team Leader).

Staff present for the duration of their reports: Rick Catchpowle (Environmental Monitoring Manager), Michael Wong (Building Services Manager), Bevan Rickerby (Economic Development Manager), Colin Windleborn (Commercial Manager).

### **Presentations**

- Methven Community Board – 9.35am to 9.42am
- EMC Board– 9.56am – 10.15am

#### **1 Apologies**

Nil.

#### **2 Extraordinary Business**

Items 10 and 22 were withdrawn from agenda. The minutes will be included in the Covid-19 Response Committee agenda on 28 May.

Item 21 - ACL representatives will be in attendance.

#### **3 Declarations of Interest**

Nil.

#### **4 Confirmation of Minutes – 9/04/20**

**That** the minutes of the Council meeting held on 9 April 2020, be taken as read and confirmed.

Wilson/McMillan

Carried

#### **5 COVID-19 Response Committee – 16/04/20**

**That** the minutes of the COVID-19 Response Committee meeting held on 16 April 2020, be received.

Rawlinson/Cameron

Carried

#### **6 COVID-19 Response Committee – 23/04/20**

**That** the minutes of the COVID-19 Response Committee meeting held on 23 April 2020, be received.

McMillan/Lovett

Carried

**7 COVID-19 Response Committee – 30/04/20**

**That** the minutes of the COVID-19 Response Committee meeting held on 30 April 2020, be received.

Wilson/Braam

Carried

**8 COVID-19 Response Committee – 7/05/20**

**That** the minutes of the COVID-19 Response Committee meeting held on 7 May 2020, be received.

Cameron/Rawlinson

Carried

**9 COVID-19 Response Committee – 14/05/20**

**That** the minutes of the COVID-19 Response Committee meeting held on 14 May 2020, be received.

McMillan/Braam

Carried

**11 Dog Control Services – Fees and charges for 2020/21**

1 **That** Council adopts the dog registration and control fees and charges for 2020/21 as set out in Appendix 1.

2 **That** the dog registration and control fees and charges for 2020/21 are publically notified.

McKay/Rawlinson

Carried

**14 Methven Community Board**

Dan McLaughlin and Kelvin Holmes briefly updated Council on Community Board matters. With meetings currently suspended, the Board's focus has been on promoting the Methven 'Ignite Change' programme and actively promoting Methven. The Board recognises the impact that Covid-19 will have on tourism, retail and hospitality in Methven.

The Board will be advised on the outcome of Council's 'shovel-ready' grant applications for the Methven water projects. Should the applications be unsuccessful Council will be proceeding with both projects.

The Board acknowledged Council's decision to increase its discretionary fund.

**12 IANZ Accreditation Audit**

1. **That** Council receives the IANZ report.

2. **That** Council be notified when the non-compliances are cleared by IANZ.

Braam/Wilson

Carried

**15 Mayor's Report**

• **LGNZ annual general meeting**

**That** the Mayor be authorised to have Council's proxy vote at the Local Government New Zealand annual general meeting 2020, and the Deputy Mayor be the alternate proxy.

Wilson/McMillan

Carried

• **Meetings**

It was noted that the Mayor was unable to attend the Advance Ashburton meeting on 18 May, and the Anzac Day wreath laying took place on 28 April.

**That** Council receives the Mayor's report.

Mayor/McMillan

Carried

### 13 Experience Mid Canterbury Quarterly Update – May 2020

James Urquhart and Bruce Moffat joined the meeting via Zoom. Key points from the update and EMC's response to the coronavirus pandemic noted -

- Tourism, hospitality and retail has taken a hit
- EMC reacted quickly with its campaign as soon as Level 3 was lifted. Currently have a major campaign across South Island and moving into North Island on Monday. Using platform of YouTube
- Supporting with another campaign on Facebook called Through-place – across Auckland, Wellington, Waikato, Christchurch, Queenstown, Southland districts. Expect the growth through the domestic market to be slow.
- Expect by Mid June likely to see more people willing to travel around wider Canterbury area and South Island.
- Looking at positives - have a lot of work to do to get domestic visitor to understand value.
- Some operators in district have stopped as they can't currently meet compliance costs.
- EMC have started work with Flight Centre as a strategic partner – looking to build some packages (ski Mt Hutt / accommodation).
- NZSki don't do packages but are partnering with House of Travel and are looking at another opportunity with a local accommodation provider.
- Freedom camping statistics reflect a number of tourists temporarily staying in district as they moved closer to Christchurch awaiting flights out of NZ.
- Pre C-19, 89% of district's spend was by the domestic market – hope to see that support again.

**That** the Experience Mid Canterbury report be received.

McMillan/Letham

Carried

Council adjourned for morning tea from 10.15am to 10.35am.

#### **Business transacted with the public excluded – 10.35am**

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
16	Council 9/04/20	Section 7(2)(h)	Commercial activities
17	COVID-19 Response Committee 16/04/20 [Now in open meeting]	Section 7(2)(h)	Commercial activities
18	COVID-19 Response Committee 23/04/20	Section 7(2)(a)	Protection privacy natural persons
19	COVID-19 Response Committee 30/04/20	Section 7(2)(h)	Commercial activities
20	Land Acquisition	Section 7(2)(h)	Commercial activities
21	Ashburton Contracting Ltd	Section 7(2)(h)	Commercial activities

**That** the Ashburton Contracting Limited Board Chair and Manager be present for their report as part of item 21.

McMillan/Letham

Carried

#### **Business transacted with the public excluded now in open meeting**

- **Compulsory land acquisition**

**That** Council:

1. In exercise of the powers conferred on it by the Local Government Act 2002 and the Public Works Act 1981 ("PWA"), Council resolves to acquire the Land described in the Schedule for Road.
2. The Council resolves to commence the compulsory acquisition process for the Land pursuant to its powers under section 189 of the Local Government Act 2002 and Section 16 of the PWA by:
  - a. Publicly advertising for the known whereabouts of the registered owners;

- b. If, after a period of 3 months, no one has come forward to claim title, then the Chief Executive be authorised to serve notices under Section 23 of the PWA by way of public notification;
  - c. If, after the closing of the objection period, no one has come forward to claim title and no objections have been lodged with the Environment Court, then the Chief Executive be authorised to take the Land by Proclamation in accordance with Section 26 PWA.
3. If persons are identified who have the right to claim title to the Land, or objections to the taking are received, then Council Officers are authorised to negotiate land purchase with the claimant, subject to final approval of any agreement by Council.

#### **SCHEDULE**

##### Area Description

0.0040 ha      Part Rural Section 4391 comprised in part Records of Title CB32/159 and CB32/160

Braam/Letham

Carried

The meeting concluded at 12.30pm.

Confirmed 25 June 2020

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MAYOR

## Extraordinary Council

11 June 2020



### ***5. Extraordinary Council Meeting – 11/06/20***

Minutes of the Extraordinary Council meeting held on Thursday 11 June 2020, commencing at 9am, in the Council Chamber, 137 Havelock Street, Ashburton.

#### **Present**

His Worship the Mayor, Neil Brown; Councillors Leen Braam, Carolyn Cameron, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Liz McMillan, Diane Rawlinson and Stuart Wilson.

#### **In attendance**

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Colin Windleborn (Commercial Manager), Tania Paddock (In-house Counsel) and Phillipa Clark (Governance Team Leader).

#### **1 Apologies**

Nil.

#### **2 Extraordinary Business**

Nil.

#### **3 Declarations of Interest**

Nil.

#### **Business transacted with the public excluded – 9.02am**

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
4	Land acquisition	Sections 7(2)(h)	Commercial activities

Mayor/Wilson

Carried

The meeting concluded at 9.26am.

Confirmed 25 June 2020

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## 6. COVID-19 Response Committee- 18/05/20

Minutes of the COVID-19 Response Committee meeting held on Monday 18 May 2020, commencing at 1.00pm, in the Council Chamber, 137 Havelock Street, and Ashburton.

### Present

His Worship the Mayor, Neil Brown; Councillors Leen Braam, Carolyn Cameron, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Liz McMillan, Diane Rawlinson and Stuart Wilson.

### In attendance

Hamish Riach (Chief Executive), Jane Donaldson (GM Strategy & Compliance), Paul Brake (GM Business Support), Neil McCann (GM Infrastructure Services), Toni Durham (Strategy & Policy Manager), Andy Guthrie (Assets Manager) and Phillipa Clark (Governance Team Leader).

Bevan Rickerby (Economic Development Manager) – via Zoom.

Presenters: John Wright (BCI) and Ian Mackenzie (ACWT)

Media present: Linda Clarke (The Courier)

### 1 Apologies

Nil.

Sustained

### 2 Extraordinary Business

Nil.

### 3 Declarations of Interest

**Item 6:** The Mayor declared an interest as a shareholder of BCI. Cr Wilson declared interest as an associate member of the Ashburton Community Water Trust.

### 4 Confirmation of Minutes

**That** the minutes of the COVID-19 Response Committee meeting held on 14 May 2020, be taken as read and confirmed.

McMillan/Braam

Carried

### 5 Covid-19 Economic Recovery Advisory Group

The minutes will be amended to clarify the Mayor's comment that Council has reduced the rate increase.

**That** the minutes of the Covid-19 Economic Recovery Advisory Group meeting held on 13 May 2020, be received.

Cameron/Braam

Carried

### Business transacted with the public excluded – 1.05pm

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

1.

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
6	Ashburton Community Water Trust	Sections 7(2)(h)	Commercial activities

**That** Ian Mackenzie and John Wright be present for discussion on the ACWT item.

Cameron/Lovett

Carried

The meeting concluded at 2.17pm.

### **7. COVID-19 Response Committee**

Minutes of the COVID-19 Response Committee meeting held on Thursday 28 May 2020, commencing at 9.34am, in the Council Chamber, 137 Havelock Street, Ashburton.

#### **Present**

His Worship the Mayor, Neil Brown; Councillors Leen Braam, Carolyn Cameron, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Liz McMillan, Diane Rawlinson and Stuart Wilson.

#### **In attendance**

Hamish Riach (Chief Executive), Sarah Mosley (Manager People & Capability), Neil McCann (GM Infrastructure Services), Ruben Garcia (Communications Manager) and Phillippa Clark (Governance Team Leader).

Staff present for the duration of their reports: Toni Durham (Strategy & Policy Manager), Richard Mabon (Senior Policy Advisor) and Bevan Rickerby (Economic Development Manager).

#### **1 Apologies**

Nil.

#### **2 Extraordinary business**

Nil.

#### **3 Declarations of Interest**

Nil.

#### **4 Confirmation of Minutes**

**That** the minutes of the COVID-19 Response Committee meeting held on 18 May 2020, be taken as read and confirmed.

Letham/Cameron

Carried

#### **5 Development and Financial Contributions (DFC) Policy Review 2021 – Phase One**

The Audit, Risk & Finance Committee, on 19 March 2020, resolved that this report be left on the table for discussion at the next Audit, Risk & Finance Committee meeting. With the interim Covid-19 Response Committee arrangement, the report will instead be considered today.

**That** Standing Order 24.6 be temporarily suspended to enable the Development & Financial Contributions Policy report to be uplifted by the Covid-19 Response Committee.

Braam/McMillan

Carried

Officers presented a range of development contribution options and costs with provision for future growth.

The Senior Policy Advisor explained that if development contributions are abandoned altogether, the revenue lost would equate to 3% of the rates (based on 2019-20). He cautioned that building activity is expected to soften, further reducing development contribution revenue.

The option to introduce a development contribution for roading (transportation) was not fully supported and it was agreed not to progress this.

There was concern that the two year credit period for development contributions applied to earthquake prone buildings is too restrictive and could penalise building owners who are unable to complete demolition or rebuilding in this time. It was suggested that the timeframe be extended to five years and after that, consider on a case by case basis.

A draft policy will be prepared and Council will have the opportunity to reconsider the options before public consultation is undertaken.

**That** the motion be taken in parts.

Wilson/McKay

Carried

**That** Council approves that the range of options for detailed assessment of overall development contributions in Phase Two include Option B (maintain overall quantum at 2018 levels), Option C (increase overall quantum by up to \$2,500) and Option D (increase overall quantum by \$5,000 but excluding the transportation development contribution).

Lovett/Cameron

Carried

#### **Amendment**

**That** Council approves that the range of options for detailed assessment of overall development contributions in Phase Two shall include Option C (increase overall quantum by up to \$2,500).

Wilson/Rawlinson

Amendment lost and the original motion was carried.

**That** Council approves further work being undertaken in Phase Two to close the development contribution loophole on network extensions by using service connection as a trigger for network extensions only.

Mayor/Braam

Carried

**That** Council approves further work being undertaken on the wider aspects of network extensions as a separate issue outside the review of the development funding contribution policy.

Cameron/Falloon

Carried

**That** no further work shall be undertaken in Phase Two on the issues of indexation and catchments and Council will maintain the status quo on those issues.

Braam/Cameron

Carried

**That** Council approves further work being undertaken in Phase Two on the issue of longer timeframes for development contribution credits for earthquake-prone buildings.

Rawlinson/Braam

Carried

## **6 Review of Library Collection Policy**

The Senior Policy Advisor reported that no major changes are proposed for the collection policy and public engagement is not considered necessary.

The policy will be amended to clarify the requirements for satellite library borrowing and further questions/amendments may be asked of the Library Manager before the policy is adopted by Council on 25 June.

#### **Recommendation to Council**

**That** Council approves the Library Collection Policy 2020 attached as Appendix One.

Lovett/McMillan

Carried

**Business transacted with the public excluded – 10.34am.**

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>Item No</b>	<b>General subject of each matter to be considered:</b>	<b>In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:</b>	
<b>8</b>	Confirmation of minutes 18/05/20	Sections 7(2)(h)	Commercial activities
<b>9</b>	Library & Civic Centre PCG 18/05/20	Sections 7(2)(h)	Commercial activities
<b>10</b>	Covid-19 Economic Advisory Group 20/05/20	Section 7(2)(h) Section 7(2)(a)	Commercial activities Protection of privacy of natural persons

Mayor/Cameron

Carried

Council adjourned from 10.34am to 10.52am.

The meeting concluded at 12.10am.

# *Policy (Recommended)*

## LIBRARY COLLECTION POLICY

<b>TEAM:</b>	Library
<b>RESPONSIBILITY:</b>	Library Manager
<b>ADOPTED:</b>	25 June 2020
<b>REVIEW:</b>	Every three years, or as required
<b>CONSULTATION:</b>	None required
<b>RELATED DOCUMENTS:</b>	Asset Disposal Policy 2020 Procurement Policy 2020 Films, Videos and Publications Classification Act 1993 Copyright Act 1994 LIANZA Statement on Intellectual Freedom,

### Policy Objective

To maintain a relevant and high quality public library collection that meets the needs of Ashburton District residents.

### Definitions

**Council** means Ashburton District Council.

**Digital resources** means books, serials, databases and other information published in digital form. Some of these resources may have no printed equivalent.

**Library collection** means the print, digital, and other resources of the Ashburton Public Library (the Library).

**Stack** means the section of the library collection which houses resources which are not used often but still relevant. This can include extra copies of popular items and items of limited availability.

### Library Collection Principles

#### Community needs

- The Library collection supports the learning and recreational needs of the Ashburton District community.
- The Library collection will reflect the local culture, history and creative output of the district and region.

#### Access

- The Library collection will provide resources in a variety of formats, representing a range of views and explore new collections and formats where feasible.

## Best Value

- The Library ensures the best value for Ashburton ratepayers by exercising fiscal responsibility in collection development and observing Council's procurement policy.
- The Library commits to making cost effective collection management decisions, balancing renewal of the collection with the retention of the key items for the future.

## Policy Statement

### 1. Selection Criteria

1.1 The selection of print and digital resources for the Library collection will follow the principles and incorporate the following criteria:

- Customer and community demand and interest
- Suitability for the intended audience
- Scope or depth of coverage
- Balance and diversity of views
- Relevance to the Ashburton community
- Existing similar library stock
- Author reputation and popularity
- Part of a series currently held in the collection
- Literary standard

The Library will not normally acquire the following for its collection:

- Text books
- Specialist works
- Rare books and collectors editions with no local association
- Musical scores and recordings

### 2. Intellectual Freedom

2.1 The Library supports the LIANZA Statement on Intellectual Freedom which states:

*"No information resources should be excluded from libraries because of the opinions they express; nor because of who the author is; nor on the grounds of the political, social, moral or other views of the author"*

2.2 The Library collection will include items from a wide spectrum of opinion and present a variety of styles and viewpoints.

### 3. The Library Collection

3.1 The Library collection will include a range of print, digital and other resources for the community, including specific material for children and young adults.

3.2 The Library collection will also include resources of the following types:

- Local history
- Selected local and regional newspapers
- Materials for the print-disabled

## 4. Stack

4.1 The Library will maintain resources in the stack collection. This collection will include, but is not limited to:

- extra copies of very popular items
- “Classics” which the public would expect to have available, but for which there is normally low demand, and
- items of limited availability, particularly New Zealand material.

## 5. Donations

5.1 Offers of donation need to meet the collection criteria.

5.2 Once added to the collection, donations will be managed like all other resources and subject to the same conditions of loan, use and retention.

## 6. Collection Review

6.1 The library collection is subject to ongoing review by library staff. Criteria used to determine whether an item should remain in the collection include:

- demand and usage
- physical condition
- continued relevance
- number of copies held
- availability of a newer edition
- available space, and
- cost of repair.

## 7. Deselection

7.1. Items that no longer meet the collection criteria and/or are no longer required may be:

- sold
- donated to district community libraries and district charities, or
- recycled or otherwise disposed of.

7.2. Items will be disposed of in a manner that observes Council’s Assets Disposal Policy.



## ***8. COVID-19 Response Committee – 4 June 2020***

Minutes of the COVID-19 Response Committee meeting held on Thursday 4 June 2020, commencing at 9.30am, in the Council Chamber, 137 Havelock Street, Ashburton.

### **Present**

His Worship the Mayor, Neil Brown; Councillors Leen Braam, Carolyn Cameron, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Liz McMillan, Diane Rawlinson and Stuart Wilson.

### **In attendance**

Hamish Riach (Chief Executive), Sarah Mosley (Manager People & Capability), Jane Donaldson (GM Strategy & Compliance), Neil McCann (GM Infrastructure Services), Ruben Garcia (Communications Manager) and Carol McAtamney (Governance Support Officer).

Staff present for the duration of their reports: Toni Durham (Strategy & Policy Manager), Rachel Thomas (Policy Advisor), Andrew Guthrie (Assets Manager), Bert Hofmans (Open Spaces Planner), Jim Henderson (People & Capability Advisor), James Lamb (Emergency Management Office/H&S Advisor) and Tanya Paddock (Legal Counsel).

### **1 Apologies**

Nil.

### **2 Extraordinary business**

**That** pursuant to section 46A(7) of the Local Government Official Information and Meeting Act 1987 the following item be introduced as extraordinary business and taken at item 7:

- Easement request from NZTA for the Rakaia weigh station

Cameron/McMillan

Carried

### **3 Declarations of Interest**

Nil.

### **4 Confirmation of Minutes**

**That** the minutes of the COVID-19 Response Committee meeting held on 28 May 2020, be taken as read and confirmed.

Lovett/Rawlinson

Carried

### **5 Revenue & Financing Policy – Stockwater Rate**

There was general support for there to be a rating of the stockwater service and the various rating options presented were debated to ascertain a fair charge for all affected properties.

1. **That** Council receives the report.
2. **That** Council removes the charge for 'stockwater services' and requires those properties paying for services to pay the minimum charge.
3. **That** Council supports Option 2B, which increases the minimum amount paid to \$431.06 and uses the \$0.4311 rate.

4. **That** the stockwater race system be closed

McKay/Lovett

#### **Amendment**

#### **Recommendation to Council – 25/06/20**

1. **That** Council receives the report.
2. **That** Council removes the charge for 'stockwater services' and requires those properties paying for services to pay the minimum charge.
3. **That** Council supports Option 3, which increases the minimum amount paid to \$600.00 and uses the \$0.1665 rate.

Letham/Cameron

Carried

#### **The amendment became the substantive motion.**

Cr McKay recorded his vote against the motion.

#### **6 Ashton Beach Enhancement Project**

Concerns were expressed regarding the need to continue with this project. It was explained that a health and safety issue has been identified from erosion in this area, which is currently being used for recreational activities by motorbikes and four wheel drive enthusiasts. This poses significant risk and liability to Council as the landowners because the risks are not currently being managed appropriately.

**That** the Ashton Beach Enhancement project lies on the table until a site visit has been undertaken.

McKay/Falloon

Carried

#### **7 Extraordinary Business**

- **NZTA easement request, Rakaia weigh station**

With the Committee's agreement the Mayor withdrew the extraordinary business item pending further information being obtained.

#### **Business transacted with the public excluded – 10.38am**

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>Item No</b>	<b>General subject of each matter to be considered:</b>	<b>In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:</b>	
<b>7</b>	Confirmation of minutes 28/05/20	Sections 7(2)(h)	Commercial activities

Mayor/McMillan

Carried

There being no resolutions passed the Committee resumed in open meeting and concluded at 10.41am.

### ***9. COVID-19 Response Committee – 18 June 2020***

Minutes of the COVID-19 Response Committee meeting held on Thursday 18 June 2020, commencing at 9.30am, in the Council Chamber, 137 Havelock Street, Ashburton.

#### **Present**

His Worship the Mayor, Neil Brown; Councillors Leen Braam, Carolyn Cameron, John Falloon, Rodger Letham, Lynette Lovett, Angus McKay, Liz McMillan, Diane Rawlinson and Stuart Wilson.

#### **In attendance**

Hamish Riach (Chief Executive), Sarah Mosley (Manager People & Capability), Jane Donaldson (GM Strategy & Compliance), Neil McCann (GM Infrastructure Services), Toni Durham (Strategy & Policy Manager), Bevan Rickerby (Economic Development Manager) and Phillipa Clark (Governance Team Leader).

Staff present for the duration of their reports:, Rachel Thomas (Policy Advisor), Andrew Guthrie (Assets Manager), Bert Hofmans (Open Spaces Planner) and Jim Henderson (People & Capability Advisor).

#### **1 Apologies**

Nil.

#### **2 Extraordinary business**

Nil.

#### **3 Declarations of Interest**

Item 5 - Cr Wilson an interest as a residential D property owner, noting he would participate in debate and decision.

#### **4 Confirmation of Minutes**

**That** the minutes of the COVID-19 Response Committee meeting held on 4 June 2020, be taken as read and confirmed.

Braam/Rawlinson

Carried

#### **• Ashton Beach enhancement project**

**That** the matter be uplifted for discussion and decision.

McKay/Cameron

Carried

Council undertook a site visit to Ashton Beach on 11 June. Following this there was general agreement that the preferred approach would be to fence the land around the donga and biodiversity areas and work with the motorcycle club to provide a recreational area for public use on the adjacent Ocean Farm land.

Sarah Mosley outlined the feasibility study proposal which will include asking the motorcycle club to prepare a track plan and setting up a Council-led stakeholder group with representation from DOC, ECan, Forest & Bird, Aoraki Environmental Consultancy and the motorcycle club. The group will be required to engage with the community and report to Council on the outcome of the project's feasibility. Council officers would commence work to ensure legislative compliance and maximise external funding opportunities.

The Committee heard that, in addition to the \$15k fencing cost, a further \$50k may be required to comply with biodiversity management legislation and to ensure the project is sufficiently resourced. It was noted that the Wildlife Act requires the management plan and permitting process for protected species and areas of ecological value, however DOC have suggested that the lizard survey component may be achieved at less cost if it is part of the salvage operation. Stakeholder meetings will be able to refine the details and confirm what can be achieved.

In supporting the proposal the Committee agreed to elected member representation on the stakeholder group and that further consideration will need to be given to the additional funding requirements when the stakeholder group reports back.

**That** Council supports further work and consultation to enable the establishment of an alternative area for recreational motorbike riding on Council owned land within the Ashton beach area.

McKay/Cameron

Carried

**That** Crs Leen Braam and Lynette Lovett be appointed to the Ashton Beach project stakeholder group.

McKay/Cameron

Carried

## 5 Drinking water allocation – ‘residential extraordinary’ connections

The Committee was reminded that a decision is required today to meet the Annual Plan timeframe and any change to allocations would be captured in Annual Plan 2020/21. Officers propose the Annual Plan defines Residential D and Rural A zones as ‘residential extraordinary connections’. A high level definition of extra-ordinary connection (including commercial and industrial) is already included in the Water Supply Bylaw.

Cr Wilson questioned the report figures. He referred to consumption figures for Lake Hood properties (6,000L/day) and asked why that information hadn’t been included.

The Assets Manager advised that smart metering data show the actual use from a property boundary and referring to bulk figures is misleading.

The Assets Manager also responded to the suggestion that properties could be given a ‘credit’ for allocated water that is unused which could be carried forward to the next quarter. Mr Guthrie confirmed that Council could change its policy to allow this but cautioned that it would then need to determine whether the allocation should be smaller. He explained the purpose of the current approach is to try to protect schemes at the height of summer but acknowledged that if demand is equivalent to what is being seen, cost increases may be eventually offset.

It was further noted that an increased allocation would allow more water to go unchecked and that would assume more water would be used which, in turn, may affect how soon planned extensions and bore upgrades are required.

1. **That** Council defines ‘residential extra-ordinary’ connections in the Annual Plan 2020-21 to include Residential D and Rural A properties.
2. **That** Council approves the quarterly allocation for ‘residential extra-ordinary connections’ at 108m<sup>3</sup> per quarter (on average, 1,200 litres per day).

Rawlinson/Lovett

Carried

### Amendment

1. **That** Council defines ‘residential extra-ordinary’ connections in the Annual Plan 2020-21 to include Residential D and Rural A properties.
2. **That** Council maintains the status quo quarterly allocation for ‘residential extra-ordinary connections’ at 90m<sup>3</sup> per quarter (on average, 1,000 litres per day).

Braam/Letham

A show of hands gave 4 for and 6 against and the amendment was lost.

The original motion became the substantive motion.

The Committee generally agreed to an increase in the allocation threshold but the suggestion of 'credits' and annual invoicing was not fully supported.

The Assets Manager advised that an assessment of annual use could be undertaken, at Council's request, to show the impact on revenue and water consumption from invoicing annually rather than quarterly.

**That** meters for Residential D and Rural A meters be read quarterly but invoiced annually.

Wilson/Rawlinson

Carried

A show of hands gave 6 for and 4 against and the motion was passed.

**Post meeting note:** while Residential D properties will be invoiced annually, quarterly readings will continue to pick up any extraordinary usage that might indicate a leak or changed activity. At the end of the year, the total of the four quarterly readings will be matched with the annual allocation. Properties where use has been more than the annual allocation will be invoiced the difference.

## 6 Suspending the Covid-19 Response Committee

In receiving the report, the Committee agreed that weekly meetings of the Covid-19 Response Committee had shown benefits through having all Councillors present and being able to deal with issues in a timely way. The Committee supported reinstating the standing committees but agreed that a review of the committee structure would be useful.

The Chief Executive confirmed the intention to undertake this review later in the year when Council has completed the first 12 months of the term.

### Recommendation to Council

1. **That** Council receives the report.
2. **That** Council suspends the Covid-19 Response Committee, effective immediately.
3. **That** Council reinstates the Standing Committees, with committee meetings to resume as scheduled on the 2020 meeting calendar
4. **That** Council gives notice to the Methven Community Board that Board meetings will resume as scheduled on the 2020 meeting calendar, with the next meeting being Monday 29 June.

McMillan/Braam

Carried

## 7 Business transacted with the public excluded – 10.48am

That the public be excluded from the following parts of the proceedings of this meeting, namely – the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
7	Covid-19 Economic Recovery Advisory Group 3/06/20	Sections 7(2)(h)	Commercial activities

McMillan/Braam

Carried

The meeting concluded at 10.50am.

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## ***10. Annual Plan 2020/21***

Author	<i>Emily Reed; Corporate Planner</i>
Activity manager	<i>Toni Durham; Strategy &amp; Policy Manager</i>
Group manager	<i>Jane Donaldson; Strategy &amp; Compliance</i>
	<i>Paul Brake; Business Support</i>

### **Summary**

- The purpose of this report is to adopt the Ashburton District Council Annual Plan for 2020/21, along with the Fees & Charges Schedule 2020/21.

#### **Recommendation**

1. **That** Council adopts the Ashburton District Council Annual Plan 2020/21.
2. **That** Council adopts the Fees & Charges Schedule for the 2020/21 financial year as scheduled in the Ashburton District Council Annual Plan 2020/21.
3. **That** Council delegates to the Chief Executive the authority and responsibility to make minor editorial changes and correction of minor errors to the Annual Plan 2020/21 document.

#### **Appendix**

**Annual Plan 2020/21** (*circulated separately*)

## Background

### The current situation

1. The Ashburton District Council Annual Plan 2020/21 has been prepared based on Year 3 of Council's Long-Term Plan 2018-28.
2. There were no significant variances from the Long-Term Plan, which meant that there was no requirement for community consultation.
3. All activity updates for this financial year have been explained in the document.

### Previous Council decisions

4. On 21 May 2020, Council adopted the dog control fees (fees 21.1 – 21.3) ahead of the Annual Plan 2020. This was due to the requirement for dog control fees to be publically notified for the registration year, under Section 37 of the Dog Control Act 1996.

## Options analysis

### **Option one – adopt the Annual Plan 2020/21, along with the Fees & Charges Schedule and give the Chief Executive the authority to make minor editorial changes and correction of minor errors**

5. Council would adopt the Annual Plan that has been produced in accordance with the Local Government Act 2002, and meet its legislative obligations under this Act.

### **Option two – adopt the Annual Plan 2020/21 and Fees & Charges Schedule with amendments, and give the Chief Executive the authority to make minor editorial changes and correction of minor errors**

6. Council would adopt the Annual Plan but make amendments to the fees and charges. The proposed fees and charges have already been considered by the Council as part of the Annual Plan process, and any further changes at this point will require consequential amendments to budgeted income projections.

### **Option three – do not adopt the Annual Plan 2020/21**

7. This option would mean Council fails to meet its legislative obligations under the Local Government Act 2002.

## Legal/policy implications

8. Council is required, under section 95 of the Local Government Act 2002, to adopt an Annual Plan for the 2020/21 year before the commencement of the year to which it relates.

9. The Annual Plan 2020/21 has been prepared within the requirements of the Local Government Act 2002.
10. Council is required, under section 103 of the Local Government Act 2002, to include its fees and charges as a basis for the Revenue and Finance Policy for the financial year, before the commencement of the Annual Plan.

## Financial implications

Requirement	Explanation
What is the cost?	Revised and up-to-date financial and rating information is included in the Annual Plan 2020/21.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	See Annual Plan 2020/21 for details.
Are there any future budget implications?	No
Reviewed by Finance	Not required.

## Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	Yes
Level of significance	Low
Level of engagement selected	1. Inform – one way communication
Rationale for selecting level of engagement	Adoption is considered significant due to the number of people affected. However, as there are no significant changes being made from the Long-Term Plan 2018-28, the level of significance is low.
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

## Next steps

11. There are no further steps for Council following adoption. Officers will share the plan with the community.



## 11. Setting of the rates 2020/21

Author	<i>Rachel Sparks; Finance Manager</i>
Activity manager	<i>Rachel Sparks; Finance Manager</i>
General manager	<i>Paul Brake; Group Manager – Business Support</i>

### Summary

- The purpose of this report is to set the rates for the 2020/21 year.

### Recommendation

**That** Council sets the following rates under the Local Government (Rating) Act 2002 on rating units in the district for the financial year commencing 1 July 2020 and ending on 30 June 2021.

All section references are to sections in the Local Government (Rating) Act 2002. All amounts are GST inclusive.

- The definition of connected and serviceable is contained in Council's Funding Impact Statement – Rating Policy and Schedule of Rates.
- The definition of separately used or inhabited part of a rating unit is contained in Council's Funding Impact Statement – Rating Policy and Schedule of Rates.
- The definition for the amenity rating area is contained within Council's Funding Impact Statement – Rating Policy and Schedule of Rates.

#### *Uniform Annual General Charge (UAGC)*

A uniform annual general charge of \$594.90 per separately used or inhabited part of a rating unit, set under section 15.

The Uniform Annual General Charge (UAGC) funds wholly or in part the following activities of Council:

- |                         |                            |
|-------------------------|----------------------------|
| • Recreation facilities | • Library                  |
| • Community development | • Public conveniences      |
| • Arts and culture      | • Democracy and governance |
| • Civil defence         | • Environmental health     |
| • Community grants      |                            |

### *General rate*

A general rate set under section 13 of \$0.000335 per dollar of capital value on each separately used or inhabited part of a rating unit in the district.

The general rate will be used to fund either wholly or in part the following activities of Council:

- Footpaths
- Stormwater
- Solid waste management
- Civil defence
- Community development
- Memorial halls
- Environmental services
- Water zone committee
- Solid waste collection
- Forestry
- Cemeteries
- Stockwater
- Reserve boards
- Reserves and campgrounds
- Parks and reserves
- Democracy and governance
- Commercial property
- Business development
- District promotion
- Non allocated

### *Roading rate*

A targeted rate for road services set under section 16 of \$0.000458 per dollar of capital value on each separately used or inhabited part of a rating unit in the district.

### *Water supply rates*

The following differential targeted rates are set under section 16 for each water supply area listed below. In each case the differential categories are:

- a) Connected rating units
- b) Serviceable rating units

The targeted rates are set as a fixed amount per separately used or inhabited part of a rating unit. Rating units outside the defined water supply areas listed below, but which are nonetheless connected to a water supply scheme servicing a particular water supply area, will be charged the connected rate for that water supply area.

	<b>Connected</b>	<b>Serviceable</b>
Ashburton urban	\$415.30	\$207.70
Lake Hood	\$415.30	\$207.70
Methven	\$415.30	\$207.70
Rakaia	\$415.30	\$207.70
Fairton	\$415.30	\$207.70
Hakatere	\$415.30	\$207.70
Hinds	\$415.30	\$207.70
Mayfield	\$415.30	\$207.70
Chertsey	\$415.30	\$207.70
Mt Somers	\$415.30	\$207.70
Dromore	\$415.30	\$207.70

#### *Water meters – Extraordinary supply*

In addition to the above targeted rates, a targeted rate for water supply, set under section 19, will apply for:

- a) Rating units which fall outside a defined water supply area, but which are nonetheless connected to a water supply scheme servicing a water supply area (except Methven-Springfield, Montalto, Lyndhurst and Barrhill).
- b) Rating units which are used for non-residential purposes and which are connected to a water supply scheme in a water supply area (except Methven-Springfield, Montalto, Lyndhurst and Barrhill).

The rate is 96 cents per 1,000 litres of water consumed in excess of 90 cubic metres consumed in the quarterly periods during each year. The quarterly periods are 1 July to 30 September, 1 October to 31 December, 1 January to 31 March, and 1 April to 30 June.

#### *Water meters – Residential D and Rural A supply*

In addition to the above targeted rates, a targeted rate for water supply, set under section 19, will apply for:

- c) Rating units which fall outside a defined water supply area, but which are nonetheless connected to a water supply scheme servicing a water supply area (except Methven-Springfield, Montalto, Lyndhurst and Barrhill).
- d) Rating units which are used for non-residential purposes and which are connected to a water supply scheme in a water supply area (except Methven-Springfield, Montalto, Lyndhurst and Barrhill).

The rate is 96 cents per 1,000 litres of water consumed in excess of 438 cubic metres per annum. The period is 1 July – 30 June.

#### *Methven-Springfield water supply rate*

A targeted rate under section 16 of \$2,199.90 on all rating units connected to the Methven-Springfield water supply scheme, plus \$183.40 per 1,000 litres of water supplied in excess of 12,000 litres to any rating unit within the Methven/Springfield water supply scheme.

#### *Montalto water supply rate*

A targeted rate under section 16 of \$1,069.70 per rating unit in the Montalto water supply scheme, plus \$33.70 per hectare of land in the Montalto water supply scheme.

#### *Lyndhurst water rate*

A targeted rate under section 16 of \$189.80 on all rating units connected to the Lyndhurst water supply.

#### *Barrhill village water rate*

A targeted rate under section 16 of \$453.00 on all rating units within the proposed scheme boundary for the Barrhill Village water supply.

### *Wastewater disposal rates*

The following differential targeted rates are set under section 16 for wastewater (sewage) disposal for the Ashburton urban area, Methven and Rakaia townships, and a further loan rate in the Rakaia township, as listed below. In each case the differential categories are:

- a) Connected rating units
- b) Serviceable rating units

The targeted rates are set as a fixed amount per separately used or inhabited part of a rating unit.

	<b>Connected</b>	<b>Serviceable</b>
Ashburton	\$428.40	\$214.20
Methven	\$273.50	\$136.80
Rakaia	\$418.10	\$209.10
Rakaia loan rate	\$173.10	\$86.60

The following additional targeted rates are set under section 16 for wastewater disposal on connected rating units within the Ashburton urban area, Methven and Rakaia townships as listed below. These rates are set differentially based on location and the number of urinals / pans in excess of three, in each rating unit, as listed below.

	<b>Urinal / pan charge from 4+</b>
Ashburton	\$142.80
Methven	\$91.20
Rakaia	\$139.40

### *Solid waste collection rates*

The following rates are set under section 16 for waste collection for each area to which the service is provided as listed below. The targeted rates are set as a fixed amount per separately used or inhabited part of a rating unit.

Ashburton urban	\$232.30
Ashburton CBD (inner)	\$432.80
Methven	\$232.30
Rakaia	\$232.30
Hinds	\$232.30
Mayfield	\$232.30
Mt Somers	\$232.30
Chertsey	\$232.30
Lake Clearwater	\$32.20
Rangitata	\$66.40
Ashburton District extended	\$232.30

#### *Stockwater rate*

A targeted rate under section 16 on all rating units within the general stockwater scheme. The rate is to be determined in accordance with the following factors:

- a) A rate of \$109.60 where the total length of any stockwater races, aqueducts or water channels that pass through, along, or adjacent to, or abuts the rating unit does not exceed 161 metres in length; and
- b) A rate of 68 cents per metre where the total length of any stockwater races, aqueducts or water channels that pass through, along or adjacent to, or abuts the rating unit exceeds 161 metres in length; and
- c) A rate of \$136.20 for each pond service, pipe service, ram service, pump service, water wheel or windmill; and
- d) A rate of \$68.10 for each dip service or extension pump service using water from the Council's water race system.

#### *Amenity rates*

Targeted rates for amenity services under section 16 are as follows.

##### *Ashburton CBD (inner) footpath cleaning rate*

\$0.000389 per dollar on the capital value of every business rating unit within the Ashburton CBD (inner) rating area (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book), for footpath services.

##### *Ashburton urban amenity rate*

\$0.000807 per dollar of capital value of every rating unit in the Ashburton urban area excluding Lake Hood (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book) to meet the costs of stormwater services, footpaths and parks and open spaces funding.

*Ashburton urban amenity rate – Lake Hood*

\$0.000807 per dollar of capital value of every rating unit in the Ashburton (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book) to meet the costs of stormwater services, footpaths, and parks and open spaces funding.

*Ashburton business amenity rate*

\$0.000292 per dollar of capital value of every business rating unit within the Ashburton urban area excluding Lake Hood (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book) for the provision of district promotion and public conveniences.

*Ashburton business amenity rate – Lake Hood*

\$0.000292 per dollar on the capital value of every business rating unit within the Ashburton urban area for Lake Hood (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book) for the provision of district promotion and public conveniences.

*Methven business amenity rate*

\$0.000323 per dollar on the capital value of every business rating unit within the Methven township area (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book) for the purposes of district promotion and public conveniences.

*Methven amenity rate*

\$0.000607 per dollar on the capital value of every rating unit within the Methven township (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book) to meet the costs of stormwater services, footpaths, parks and open spaces and reserve board funding.

*Rakaia business amenity rate*

\$0.000345 per dollar on the capital value of every business rating unit within the Rakaia township area (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book) for the provision of district promotion and public conveniences.

*Rakaia amenity rate*

\$0.000615 per dollar on the capital value of every rating unit within the Rakaia township (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book) to meet the costs of stormwater services, footpaths, parks and open spaces and reserve board funding.

*Hinds stormwater rate*

\$0.000063 per dollar on the capital value of every rating unit within the Hinds township area for the provision of stormwater services.

#### *Rural amenity rate*

\$0.000018 per dollar on the capital value of every rating unit within the rural area, excluding the townships of Methven and Rakaia, for the provision of footpaths and parks and open spaces.

#### *Methven Community Board rate*

A targeted rate to fund the Methven Community Board under section 16 of \$107.20 per rating unit within the Methven township (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book).

#### *Mt Hutt Memorial Hall rate*

A targeted rate to partially fund the Mt Hutt Memorial Hall under section 16 of \$0.000000 per dollar on the capital value of each rating unit in the Methven township (as more particularly described by reference to the Ashburton District Council Rating Areas Map Book).

#### *Due dates for payment of rates*

The rates will be payable in four equal instalments due on:

- 20 August 2020
- 20 November 2020
- 20 February 2021
- 20 May 2021

Where the 20<sup>th</sup> of a month in which rates are due does not fall on a working day, rate payments will be accepted without penalty up to and including the first working day after the 20<sup>th</sup> of that month.

#### *Due dates for payment of water meter charges*

That water by meter charges are due on:

Quarterly period	Reading dates completed	Invoice date
1 July to 30 September 2020	15 October 2020	20 November 2020
1 October to 31 December 2020	15 January 2021	20 February 2021
1 January to 31 March 2021	15 April 2021	20 May 2021
1 April to 30 June 2021	15 July 2021	20 August 2021

#### *Penalties*

In accordance with sections 57 and 58, the Council authorises the Finance Manager to add the following penalties on rates unpaid by the due date.

A 10% penalty will be added to instalment balances remaining unpaid as at the following dates:

- 21 August 2020

- 21 November 2020
- 21 February 2021
- 21 May 2021

In addition a further penalty of 10% will be added to any unpaid rates and charges levied prior to 30 June 2020, if still unpaid as at 31 August 2020.

## Background

1. The Ashburton District Council Rates 2020/21 have been set based on Council's Annual Plan 2020/21. The setting of rates meets the requirements of the Local Government (Rating) Act 2002.

## Options analysis

### **Option one – set the rates 2020/21 by resolution of Council – recommended**

2. Council would set the rates in accordance with the Local Government (Rating) Act 2002. This option would mean the Council would be able to levy rates for the 2020/21 year.

### **Option two – do not set the rates 2020/21 by resolution of Council**

3. This option would mean Council would be unable to levy rates for the 2020/21 year.

## Legal/policy implications

4. Council is required, under section 23 of the Local Government Act (rating) 2002, to set rates by a resolution of Council.

## Financial implications

Requirement	Explanation
What is the cost?	Revised and up-to-date financial and rating information is included in the Annual Plan 2020/21.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	See Annual Plan 2020/21 for details.
Are there any future budget implications?	No
Reviewed by Finance	Rachel Sparks, Finance Manager



5. If rates are not set for the 2020/21 year, Council will be unable to levy rates and, therefore, will not have revenue available to undertake the work programmes outlines in the Annual Plan 2020/21.

## Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	Yes
Level of significance	Low
Level of engagement selected	1. Inform – one way communication
Rationale for selecting level of engagement	Setting the rates is significant due to the number of people affected, but considered of low significance due to no significant differences to that stated in the Long-Term Plan 2018-28.
Reviewed by Strategy & Policy	Toni Durham, Strategy & Policy Manager

## Next steps

6. There are no further steps required of Council.

## ***12. Draft Development and Financial Contributions Policy***

Author	<i>Richard Mabon; Senior Policy Adviser</i>
Activity manager	<i>Toni Durham; Strategy and Policy Manager</i> <i>Andrew Guthrie; Assets Manager</i>
Group manager	<i>Jane Donaldson; Strategy and Compliance</i> <i>Paul Brake; Business Support</i>

### **Summary**

- The purpose of this report is to recommend Council adopt the draft Development and Financial Contributions Policy 2021 (Appendix 1) and the associated Consultation Document (Appendix 2) for consultation 26 June – 26 July.
- The key changes proposed are:
  - Changes to the quantum of development contributions in all locations.
  - Changes to the triggers for requiring a DC, which confirms that Council will require a development contribution when a consented building joins the water or wastewater network by way of network extension.
  - Changes to the rules regarding capacity credits extending the term from two years to five years, and also confirming that the five year term applies to vacant land from which a building was removed or demolished.
- Please note that the DC calculations included in the draft Policy are indicative but not final. These figures will be revised for decisions made in the 2021-31 long-term plan (LTP), the value of projects completed before the 2021-31 LTP is adopted, and the extent of capacity consumed and added between 1 July 2018 and the adoption of the LTP.

#### **Recommendation**

- 1. That** Council adopts the draft Development and Financial Contributions Policy 2021 and Consultation Document for consultation from 26 June to 26 July 2020 under s.82 of the Local Government Act 2002.

## Background

### The current situation

1. The Local Government Act 2002 requires all councils adopt a Development and Financial Contributions Policy outlining the Councils approach to recovering a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term from persons undertaking development. The policy is reviewed once every three years as part of Council's strategic planning for the next ten years.
2. Officers reviewed the policy and identified a number of issues. On closer examination, some of those issues were taken no further while others were addressed in the Phase Two assessment. Table One details the proposed changes and rationale. This report also notes other Options considered.
3. The full detail of the draft Policy, including the revised schedules and development contributions calculations, is contained in Appendix One.
4. There are three changes to note.
  - Changes to the quantum of development contributions in all locations.
  - Changes to the triggers for requiring a DC, which confirms that Council will require a development contribution when a consented building joins the water or wastewater network by way of network extension.
  - Changes to the rules regarding capacity credits extending the term from two years to five years, and also confirming that the five year term applies to vacant land from which a building was removed or demolished.

### Development Contributions \$ value

5. Council considered three options in regard to the DC \$ value.
6. These Options were:
  - 6.1 Option One – Status Quo – retain \$ values at 2018 levels
  - 6.2 Option Two – Increase DCs by up to \$2,500
  - 6.3 Option Three – Increase DCs by up to \$5,000
7. The following tables sets out those Options:

Location	Option One – Status Quo	Option Two – Increase by up to \$2,500	Option Three – Increase by up to \$5,000
Ashburton	\$7,357	\$9,857	\$11,068
Methven	\$6,929	\$9,216	\$10,427
Rakaia	\$3,131	\$5,097	\$6,308
Hinds	\$3,792	\$5,775	\$6,986
Fairton	\$5,242	\$7,207	\$8,418
Rest of District	\$2,875	\$4,841	\$6,052

8. Option Two was preferred as it better reflects the ongoing investment in infrastructure for growth than the status quo or the larger increase options.
9. During discussions, it was noted that there was a historic pattern of increases in DCs, and the increases outlined in Option Two are consistent with that pattern. Officers have reviewed the data and can report that there is no pattern typical of DCs as a whole. See table below.

Location	2006 DC	2009 DC	2012 DC	2015 DC	2018 DC	2021 DC (proposed)	Average Increase 06-18	Increase 18-21
Ashburton	\$4,453	\$6,623	\$7,141	\$7,420	\$7,357	\$9,857	\$726.10	\$2,500
Methven	\$2,298	\$5,468	\$7,712	\$7,268	\$6,936	\$9,216	\$1,159.56	\$2,280
Rakaia	\$3,583	\$3,358	\$4,222	\$2,775	\$3,131	\$5,097	-\$113.10	\$1,966
Hinds	\$7,478	\$4,508	\$5,083	\$3,934	\$3,792	\$5,775	-\$921.70	\$1,983
Fairton	\$2,920	\$5,136	\$6,416	\$5,604	\$5,242	\$7,207	\$580.42	\$1,965
Rest of District	\$844	\$1,500	\$4,106	\$2,645	\$2,875	\$4,841	\$507.73	\$1,966

10. Council may wish to revise the preferred Option either prior to, or after considering, public submissions.

Table 1 - Summary of changes proposed

Activity	Proposed change	Rationale
Key changes		
Ashburton water supply DC	Increase from \$878 to \$1,266	<ul style="list-style-type: none"> <li>Increased water supply CAPEX</li> </ul>
Ashburton wastewater DC	Increase from \$3,604 to \$3,750	<ul style="list-style-type: none"> <li>Increased wastewater CAPEX</li> </ul>
Methven water supply DC	Increase from \$3,718 to \$3,983	<ul style="list-style-type: none"> <li>Increased water supply CAPEX</li> </ul>
Methven wastewater DC	Increase from \$336 to \$392	<ul style="list-style-type: none"> <li>Increased wastewater CAPEX</li> </ul>
Rakaia water supply DC	No change. DC remains at \$256	<ul style="list-style-type: none"> <li>No change to water supply CAPEX</li> </ul>
Hinds water supply DC	Increase from \$917 to \$934	<ul style="list-style-type: none"> <li>No change to water supply CAPEX</li> <li>Minor error in 2018 DC calculation corrected</li> </ul>
Fairton water supply DC	Decrease from \$2,367 to \$2,366	<ul style="list-style-type: none"> <li>No change to water supply CAPEX</li> <li>Minor error in 2018 DC calculation corrected</li> </ul>
Ashburton District community infrastructure DC	Increase from \$2,875 to \$4,841	<ul style="list-style-type: none"> <li>Increase in community infrastructure CAPEX</li> <li>Cap lifted from \$2,875 to \$4,841 to ensure maximum increase of \$2,500 overall</li> </ul>
Service connection added as a trigger in the event of network extensions	<p>Amendment to bullet 3 of clause 2.6 to read:</p> <ul style="list-style-type: none"> <li><i>Service connection for an existing residential or non-residential unit, which has been added to the network as a consequence of Council approving an extension to the water or wastewater network.</i></li> </ul> <p>Footnote added to clause 2 cross-referencing the change to clause 2.6</p>	<ul style="list-style-type: none"> <li>To close a potential loophole by aligning the DC policy with Council's practise around network extensions</li> </ul>
Capacity credit	Amended clause 2.5 to read:	<ul style="list-style-type: none"> <li>To extend the period before expiry of a capacity credit from two years to five years</li> </ul>

	<p><i>This credit applies to:</i></p> <ul style="list-style-type: none"> <li>• <i>a building which has been inhabited or used for the stated purpose within the last five years, or</i></li> <li>• <i>a building which has been used as a place of business within the last five years; or</i></li> <li>• <i>a vacant site from which a building meeting either of the above descriptions has been removed or demolished.</i></li> </ul> <p>Addition to clause 2.5 to read:</p> <p><i>Requests to extend a capacity credit beyond five years will be considered by Council or a standing committee with appropriate delegated authority.</i></p>	<ul style="list-style-type: none"> <li>• To clarify that a capacity credit applies to the vacant lot when a building is demolished or removed</li> <li>• To grant Council authority to consider requests for an extension to capacity credits beyond five years on a case-by-case basis.</li> </ul>
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## Options analysis

### **Option One – Adopt the policy as a draft for consultation (RECOMMENDED)**

**11.** The advantages are:

- Consulting on the DFC Policy in 2020 means budgets can be set with any changes to DC funding incorporated (budget information is aiming to be completed in October therefore it is imperative that the DFC Policy is adopted by then to ensure LTP projects are correctly funded).
- De-coupling the policy from the LTP enables Council to give this policy attention in its own right without being overshadowed by the LTP.
- Officers have planned a schedule for engagement to ensure projects are spread throughout the year, and a timetable for the LTP. It is important to adhere to these timeframes for project continuity and efficient management of resources.

**12.** The disadvantages are:

- It could be argued that consulting now is pointless given that the detail of the schedules will not be final until the LTP is adopted.

### **Option Two – Adopt an amended policy as a draft for consultation**

**13.** Council could decide to delay consulting on this policy until 2021, in line with LTP consultation. There is no legal requirement to consult on a DFC Policy prior to consulting on an LTP. However, this option is strongly discouraged.

**14.** The advantages are :

- Delaying consultation until 2021 would provide greater clarity on the impact of Covid-19 on the ability to pay DCs for individuals and businesses.

**15.** Disadvantages: running consultation concurrent to LTP has proven to be problematic in the past for a number of reasons.

- Deferring a decision on DCs means that the budgets would be prepared on the basis of a policy that could change materially after consultation. This may affect many projects that are funded, in part, through DCs. This creates a possibility of substantial re-work of the LTP, especially LTP budgets.
- The community can suffer from ‘consultation fatigue’ if DFC Policy consultation is run too close to LTP.
- There is little time to make changes to the LTP if there are changes to the DFC Policy, which puts pressure on decision-makers and impacts on the Council’s ability to meet statutory timeframes.

## Legal/policy implications

### Local Government Act 2002

1. Section 106 and Part 8, subpart 5 of the Local Government Act 2002 give effect to the DFC Policy. This has been considered throughout the decision-making process to ensure all decisions are legally compliant.

## Financial implications

Requirement	Explanation
What is the cost?	<p>The immediate costs of the decision to adopt the DFC Policy for consultation relate to the cost of carrying out engagement. Specifically, these are for printing consultation material such as booklets (local suppliers to be used), and holding engagement meetings (where a venue or catering may be required), and advertising.</p> <p>When the policy is adopted as part of the LTP 2021-31, it will have financial effect as a source of revenue. The impact is likely to be effected by the Covid-19 pandemic and its economic after-effects.</p>
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Funding will be met from within existing budgets (Strategy & Compliance and Communications)
Are there any future budget implications?	No
Reviewed by Finance	<p>Not required – no additional funds required. This consultation is considered ‘business as usual’ as far as engagement is concerned.</p> <p>Revenue impacts will be considered in the LTP budget process.</p>



## Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	Yes
Level of significance	High
Level of engagement selected	4. Involve – participatory process
Rationale for selecting level of engagement	Given the extent of changes proposed, officers suggest a participatory process is required where the community are given multiple opportunities to provide feedback.
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

## Next steps

Date	Action / milestone	Comments
25 June 2020	Council adopt DFC Policy for consultation	
26 June – 26 July	Consultation period	
18 August	Hearings	
19 August	Deliberation	
Mid to late August	Policy amended	Following community feedback and deliberation
3 September	Policy adopted (Audit Risk & Finance Committee)	
24 September	Policy adopted (Council)	Stakeholders advised and communication loop closed
June 2021	LTP adopted (Council)	LTP will include the DFC Policy. Any changes to DCs will be as of 1 July 2021

# Draft policy

## DEVELOPMENT & FINANCIAL CONTRIBUTIONS

<b>TEAM:</b>	Assets
<b>RESPONSIBILITY:</b>	Assets Manager
<b>ADOPTED:</b>	TBC (effective 1 July 2021)
<b>REVIEW:</b>	Every three years or as required
<b>CONSULTATION:</b>	Special Consultative Procedure undertaken
<b>RELATED DOCUMENTS:</b>	Ashburton District Council Long-Term Plan 2018-28, Building Act 2004, Local Government Act 2002, Local Government (Rating) Act 2002, Resource Management Act 1991.

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

This draft policy is consistent with the provisions of Council's Revenue and Financing Draft policy (which is being consulted on at the same time) 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
- borrowing, rates, reserves and sale of assets.

# **2. Draft 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:

- 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."

On receiving an application for subdivision consent, resource consent, building consent or service connection<sup>1</sup>, Council will first:

- test that the application represents a development under section 197,
- 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
- ensure that any development contribution that may be required, is provided for in this draft 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

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<sup>1</sup> Service connection is defined in clause 2.6 of this policy as "service connection for an existing residential or non-residential unit, which has been added to the network as a consequence of Council approving an extension to the water or wastewater network"

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 draft 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 2018 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 draft 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 to:

- a building which has been inhabited or used for the stated purpose within the last five years, or
- a building which has been used as a place of business within the last five years; or
- a vacant site from which a building meeting either of the above descriptions has been removed or demolished

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.

Requests to extend a capacity credit beyond five years will be considered by Council or a standing committee with appropriate delegated authority.

## 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.
- Service connection for an existing residential or non-residential unit, which has been added to the network as a consequence of Council approving an extension to the water or wastewater network.

If a development meets the requirement for a development contribution detailed in section 2.1 of this draft policy, Council will undertake a development contribution calculation using the calculations detailed in Schedule 3 of the Draft 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 Draft 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 collected under Council's revenue and financing policy.

## 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 draft policy,
- b) Council incorrectly applied provisions of this draft 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 network infrastructure and/or 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 draft 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 draft 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 Council or a standing committee acting under delegated authority.

## **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 draft 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 draft 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. Government has introduced the Resource Management Amendment Bill to repeal this provision, and the Bill is part way through parliamentary process. If it does not pass into law, Council will need to review whether it introduces a development contribution for Open Spaces.

### 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 draft policy information**

This draft 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 draft policy will be adopted in conjunction with Ashburton District Council's Long Term Plan 2021-31.

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 draft policy has been prepared to comply with relevant legislation including the requirements of the Local Government Act 2002 and all subsequent amendments

## 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 draft policy.

**Catchment:** is a defined area of the district that receives a discrete service subject to development contributions as detailed in this draft 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 land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities; and includes land that the Council will acquire for that purpose.

**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 change 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 draft 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 Draft policy are based on current estimates of infrastructure construction prices in 2020 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 set of ratepayers who fund the rates for that activity under Council's revenue and financing policy.

### 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 2018 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 Applied 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 waste water 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

$$\begin{aligned} \text{Total Water Consumption (litres per day)} &= \\ &\text{water consumption per person (litres per day)} \\ &\quad \times \\ &\quad \text{maximum occupancy (persons)} \end{aligned}$$

4. Convert to household unit equivalent (HUEs)

$$\begin{aligned} \text{Demand Impact (HUEs)} &= \\ &\text{Total Water Consumption (litres per day)} / \\ &\quad \text{HUE consumption} \end{aligned}$$

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

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

### **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.

$$CE \times GF\% EC$$

**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 \$4,841 (including GST) per HUE and at 1 HUE per development. 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.

## Schedule 1 – Development Contributions for Community Facilities

### 1. Development contributions by location

This table shows the development contributions by location under the proposed draft policy. Figures shown are inclusive of GST.

Catchment	Water (\$)	Waste Water (\$)	Community Infrastructure (\$)	Total (\$) 2021/22
<b>Ashburton *</b>	1,266.00	3,750.00	4,841.00	9,857.00
<b>Methven</b>	\$3,983.00	392.00	4,841.00	9,216.00
<b>Rakaia</b>	\$256.00	0	4,841.00	5,097.00
<b>Hinds</b>	\$934.00	0	4,841.00	5,775.00
<b>Fairton</b>	\$2,366.00	0	4,841.00	7,207.00
<b>All Other</b>	0	0	4,841.00	4,841.00

\*Ashburton includes Lake Hood.

### 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.
- service connection for a fully consented residential unit or non-residential unit that is joining the network due to network extension.

Schedule of assets for which a development contribution is required

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

## Schedule 2 – Development contribution by activity and location

### Development contribution - Ashburton water supply

#### HUE calculation

Maximum connections 10,197  
Current connections 8,894  
Growth capacity 1,302  
(HUEs)

**Scheme growth factor** 12.77%

Ashburton water supply development contribution calculation								
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	4,753,076	22.22%	12.77%	4,145,997	607,079	466.18
	External loan	2004/17	1,340,000	22.22%	12.77%	1,168,851	171,149	131.43
	Tarbottons Road Extension	2017/18	560,000	47.00%	12.77%	488,475	71,525	54.92
<b>Current</b>	Chalmers Ave	2018/19	355,800	15.59%	12.77%	310,356	45,444	34.90
<b>Future LTP- 2018-28</b>	Chalmers Ave	2022-24	228,400	15.59%	12.77%	199,228	29,172	22.40
	New Bore Development	2023/24	550,000	100.00%	12.77%	479,752	70,248	53.94
	North East Water Servicing	2026-27	3,083,000		12.77%	2,689,301	393,699	302.38
<b>Ashburton water supply – development contribution (excl GST)</b>								<b>1,066.16</b>
<b>GST</b>								<b>159.82</b>
<b>Ashburton water supply – development contribution (inc GST)</b>								<b>1,226.00</b>

## Development contribution - Methven water supply

<b>HUE calculation</b>	Maximum connections	1,057	<b>Scheme growth factor</b>	8.70%
	Current connections	965		
	Growth capacity (HUEs)	92		

Methven water supply development contribution calculation								
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	1,432.73
	External loan	2004/17	65,000	12.34%	8.70%	59,346	5,654	61.47
	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
	Patton Street Renewal	2018/19	171,114	25.00%	8.70%	156,230	14,884	161.81
<b>Current</b>	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

<b>Future LTP- 2018-28</b>	McKerrow St Renewal	2020/22	164,000	5.00%	5.00%	155,800	8,200	89.13
	Mackie St Renewal	2021/23	130,080	5.00%	5.00%	123,576	6,504	70.70
	Spaxton Street Renewal	2022/24	136,800	5.00%	5.00%	129,960	6,840	74.35
	Cameron St Renewal	2024/26	145,870	5.00%	5.00%	138,577	7,294	79.28
	Jackson St Renewal	2025/27	150,350	5.00%	5.00%	142,833	7,518	81.71
	Spaxton Street Renewal	2026/28	130,480	5.00%	5.00%	123,956	6,524	70.91
	Year 8 Renewal Project	2027/28	142,900	5.00%	5.00%	3,836	7,145	77.66
	Year 9 Renewal Project	2027/28	142,900	5.00%	5.00%	3,836	7,145	77.66
	Year 10 Renewal Project	2027/28	142,900	5.00%	5.00%	3,836	7,145	77.66
	Year 11 Renewal Project - Design	2027/28	7,145	5.00%	5.00%	3,836	357	3.88
<b>Methven water supply – development contribution (excl GST)</b>								3,238.82
<b>GST</b>								484.92
<b>Methven water supply – development contribution (inc GST)</b>								<b>3,718.00</b>

## Development contribution - Rakaia water supply

### HUE calculation

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

**Scheme growth factor** 16.33%

Rakaia water supply development contribution calculation								
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							0.00
								0.00
<b>Current</b>	Watermain extension	2018/19	151,800	50.00%	16.33%	127,012	24,789	223.32
<b>Future LTP- 2018-28</b>	No growth related expenditure							
<b>Rakaia water supply – development contribution (excl GST)</b>								223.32
<b>GST</b>								33.50
<b>Rakaia water supply – development contribution (inc GST)</b>								<b>256.00</b>

## Development contribution - Hinds water supply

### HUE calculation

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

**Scheme growth factor** 5.53%

Hinds water supply development contribution calculation								
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 (\$)
Recent	Internal loan	2003/17	117,537	17.81%	5.53%	111,037	6,500	812.47
Current	No growth related expenditure							0.00
								0.00
Future LTP- 2018-28	No growth related expenditure							
Hinds water supply – development contribution (excl GST)								812.47
GST								121.87
Hinds water supply – development contribution (inc GST)								934.35

## Development contribution - Fairton water supply

### HUE calculation

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

**Scheme growth factor** 8.62%

Fairton water supply development contribution calculation								
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 (\$)
Recent	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
Current	No growth related expenditure							0.00
Future LTP- 2021-31	No growth related expenditure							0.00
Fairton water supply – development contribution (excl GST)								2,057.85
GST								308.68
Fairton water supply – development contribution (inc GST)								2,366.00



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

<b>HUE calculation</b>	Maximum connections	9,534	<b>Scheme growth factor</b> 6.00%
	Current connections	8,962	
	Growth capacity (HUEs)	572	

Ashburton wastewater development contribution calculation								
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%	7,252,082	462,899	809.26
	External loan	2005/17	6,120,000	25.00%	6.00%	5,752,800	367,200	641.96
	ARS & River Crossing	2017/18	3,000,000	25.00%	6.00%	2,820,121	179,879	314.47
	Walnut Ave Renewal (Creek to West)	2018/19	423,444	4.74%	4.74%	403,373	20,071	35.09
	Chalmers Ave Renewal (Victoria/Walnut)	2018/19	462,726	4.74%	4.74%	440,793	21,933	38.34
<b>Current</b>	ARS & River Crossing	2018/20	6,300,000	25.00%	6.00%	5,922,254	377,746	660.81
	Farm, Allens & Carters Road Sewer main Extensions + Pump Station	2018/22	1,897,000	100.00%	6.00%	1,783,180	113,820	198.99

	Chalmers Ave Renewal (Cameron/ Victoria)	2018/20	541,770	4.74%	4.74%	516,090	25,680	44.89
	Cameron St (William/ Chalmers)	2018/20	277,090	4.74%	4.74%	263,956	13,134	22.96
	William St Renewal (Dobson/Burnett)	2019/21	771,630	4.74%	4.74%	735,055	36,575	63.94
	Grit Chamber Pipeline Renewal (Chamber/River Crossing)	2019/21	3,143,600	4.74%	4.74%	2,994,593	149,007	260.50
	William St Renewal (Burnett/ Cameron)	2020/22	307,720	4.74%	4.74%	293,134	14,586	25.50
<b>Future LTP- 2018-28</b>	Tuarangi Road servicing	2026-28	1,380,000		4.74%	1,297,200	82,800	144.76
<b>Ashburton Wastewater Scheme – development contribution (excl GST)</b>								<b>3,261.51</b>
<b>GST</b>								<b>489.23</b>
<b>Ashburton Wastewater Scheme – development contribution (inc GST)</b>								<b>3,750.00</b>

## Development contribution - Methven wastewater

### HUE calculation

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

**Scheme growth factor** 27.25%

Methven wastewater development contribution calculation								
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%	225,156	84,337	212.97
	External loan							0.00
	Barkers Rd Renewal	2016/18	90,725	5.00%	5.00%	86,189	4,536	11.46
	Dolma St Renewal	2018/19	179,284	5.00%	5.00%	170,320	8,964	22.64
<b>Current</b>	No growth related expenditure							0.00
<b>Future LTP- 2018-28</b>	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	15.82
	Cameron Street Rear Sewer main Renewal (29 to 7)	2023/25	106,510	5.00%	5.00%	101,185	5,326	13.45
	McDonald St Rear Main Renewal	2027/28	142,500	5.00%	5.00%	135,375	7,125	17.99
	Year Nine sewer main renewal	2028/30	123,900	5.00%	5.00%	117,705	6,195	15.64
	Year Ten sewer main renewal	2029/31	123,900	5.00%	5.00%	117,705	6,195	15.64
	Year Eleven sewer main renewal - design	2030/31	6,195	5.00%	5.00%	5,885	310	0.78
	<b>Methven Wastewater Scheme – development contribution (excl GST)</b>							341.73
	<b>GST</b>							51.26
	<b>Methven Wastewater Scheme – development contribution (inc GST)</b>							<b>392.00</b>

## Development contribution – Ashburton District community infrastructure

<b>HUE calculation</b>	Projected population	38,620 <sup>2</sup>	Persons per household	2.5	Projected households	15,448
	Less current population	35,779 <sup>3</sup>			Less current households	14,312
	Growth capacity (residents)	2,841			Growth capacity (HUEs)	1,136
					<b>District growth factor</b>	<b>7.35%</b>

Ashburton District community infrastructure development contribution calculation									
Period of CAPEX	Project description	Years incurred / proposed	Amount (\$)	Project growth factor	Applied growth factor	Funding from third parties (\$)	Funding from other ADC sources (\$)	Funding from development contributions (\$)	DC per HUE (\$)
<b>Recent</b>	Ashburton Art Gallery and Heritage Centre	2012-15	10,200,000	11.50%	11.50%	0	9,200,400	999,600	675.41
	EA Networks Centre	2009-2015	34,500,000	11.50%	11.50%	0	31,119,000	3,381,000	2,284.46
<b>Current</b>	Ashburton Library & Civic Centre	2019/20	873,000	14.16%	7.35%	24,609	784,225	64,166	43.36
		2020/21	6,097,000	14.16%	7.35%	171,857	5,477,013	448,130	302.79
<b>Future</b>	Library & Civic Centre	2021/22	38,295,000	14.16%	7.35%	1,079,416	34,400,901	2,814,683	1,901.81
	Library & Civic Centre	2022/23	6,335,000	14.16%	7.35%	178,562	5,690,815	465,623	314.61

<sup>2</sup> Source: Statistics New Zealand Population Projections for 2028 (2013 Census as a base – medium population projection)

<sup>3</sup> Source: Statistics New Zealand Population Estimates for 30 June 2017

<b>LTP- 2021-31</b>	EANC - Stadium Extension	2024-25	4,500,000	5.25%%	5.25%%	0	4,263,750	236,250	159.63
	EA Network Centre - Climbing Wall	2025/26	307,000	5.25%	5.25%	0	290,883	16,118	185.17
	EANC - Swim school extension and interactive splash zone	2030/31	5,220,000	5.25%	5.25%	0	4,945,950	274,050	185.17
<b>Community Infrastructure - development contribution (excluding GST)</b>									\$6,052.41
<b>Community Infrastructure development contribution payable capped per HUE</b>									\$4,209.56
<b>(GST)</b>									\$631.43
<b>Development contribution payable (including GST)</b>									\$4841.00

**Notes:**

- With a cap on the amount of development contributions able to be charged set at \$4,841 (including GST) the amount of funding coming from development contributions for the projects captured is 20% less than it would otherwise be.

## 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		
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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.

Draft for consultation



# Statement of Proposal – Draft Development and Financial Contributions Policy

## Front cover text

**Title: Our Place – How we fund our investment for growth**

***Tell us what you think about our Development and Financial Contributions Policy***

Ashburton District Council is reviewing its development and financial contributions policy and is proposing some changes. This booklet includes a summary of the proposed new policy, an outline of the changes and a submission form for your feedback.

Elected member 1 QUOTE – “A growing district needs the infrastructure that supports growth. The aim of the policy is to ensure that developers and ratepayers each pay their fair share towards infrastructure for growth.”

We are accepting feedback until 5.00pm, 26 July 2020.

## Background

### Development Contributions

***What is a development contribution?***

Development contributions (DCs) are a fee that Council charges for new building developments. The fee contributes to the costs of building the infrastructure that supports them.

***When is a DC charged?***

DCs are charged at building consent to the person that is building the house (or non-residential building). Council issues an invoice when it grants building consent.

***What does it pay for?***

The fee contributes to the costs of building the infrastructure that supports the property. To be more precise, it pays for PART of the CAPITAL COST of that infrastructure.

It pays for NO OPERATING COSTS of water, wastewater or community infrastructure.

***What capital spending does it pay for?***

There are three types of capital spending in local government.

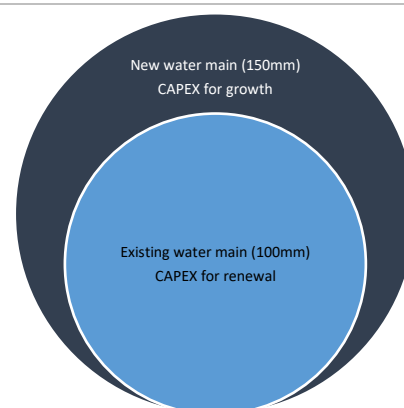
**CAPEX for growth** - capital spending to meet additional demand for an activity. This is the only capital spending that can be funded from development contributions.

**CAPEX to improve level of service** - this is generally funded from loans, and the loans are repaid from rates.

**CAPEX for renewal** - capital cost to replace existing assets, or “replacing like with like”. This is usually funded from depreciation reserves and/or loans, which are in turn funded from rates. Depreciation reserves are funded over the life of the asset; loans are funded over their term, usually 20-25 years.

### Can you provide examples?

- If we replace a 100mm diameter water main with a 150mm water main because of expansion of housing due to new subdivisions, the marginal cost of the extra 50mm is capital expenditure to meet additional demand or CAPEX for growth.
- The balance of the cost of that 150mm pipe is the replacement of the original 100mm asset. That is capital spending to replace existing assets or renewal.
- An example of water expenditure to improve level of service (LOS) is the work done to raise bore heads. This work improves the safety of the water supply (hence improved LOS).



### Is it common for councils like Ashburton to charge financial contributions?

Short answer, yes. All territorial authorities and regional councils can have a financial contributions policy in the district or regional plan. According to DIA commissioned research (June 2008), 70 of 73 local authorities (96%) had such a policy.

### Is it common for councils like Ashburton to charge DCs?

Yes, it is. Our research indicates that 42/ 67 territorial authorities (TAs) have a development contributions policy that enables the collection of DCs. That is 63% of all TAs.

### What does Council charge development contributions for right now?

	<b>What?</b>	<b>Who pays?</b>
<b><u>Drinking water supply DC</u></b>	Developments in Ashburton, Rakaia, Methven, Fairton and Hinds	Properties who are connected to Council drinking water in those areas and which create the need for assets of greater capacity.
<b>Wastewater DC</b> – for properties in Ashburton and Methven with future connections to those wastewater systems.	Developments in Ashburton, and Methven	Properties who are connected to Council wastewater networks in those areas and which create the need for assets of greater capacity.
<b>Community infrastructure DC</b> - for developments in all parts of the district.	Developments in all parts of the District	Developments that create the need for greater capacity in community infrastructure

### What do we mean by ‘community infrastructure’?

The Local Government Act 2002 defines community infrastructure as ‘land or developments on land owned or controlled by the council for the purpose of providing public amenities’.

We currently collect a community infrastructure DC that funds some of the EA Networks Centre and some of the Art Gallery and Heritage Centre.

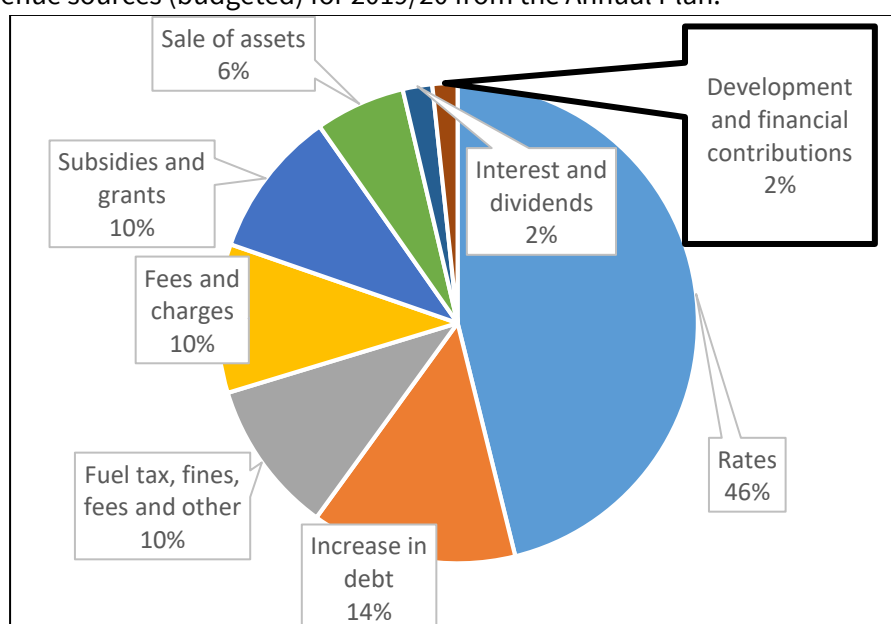
### **Where do we sit compared to other councils in terms of our DCs?**

Ashburton is one of the 63% of councils that collect DCs.

- Our DCs are cheap compared to other councils who charge DCs. On 2018 figures, ADC sits in and around the bottom quarter of councils.
- All councils that collect DCs, collect a water supply DC.
- Almost all councils (98%) that collect DCs, collect a wastewater DC.
- A majority of councils with DCs (57%) collect a community infrastructure DC.

### **How much of our revenue comes from DCs?**

- Around 2% from DCs. With FCs added it is more like 3%. The following pie chart shows all revenue sources (budgeted) for 2019/20 from the Annual Plan.



### **Do we have scope to change our DCs?**

Yes, we have legal scope to change DCs by lowering or raising them. The options available are discussed later in this document.

### **What are the consequences for reducing or increasing DCs?**

Consequences of reducing DCs	Consequences of increasing DCs
If DC revenue goes down, rates go up.	If DC revenue goes up, rates go down.
Over the years, we have reached around \$880,000 per year in DCs. Replacing the \$880,000 with rates puts rates overall up by 2.37%.	The size of the rates offset depends on the size of the DC increase.
DC revenue will vary from year-to-year depending on economic conditions. Revenue from DCs is likely to fall during the post-Covid economic recovery. Some years we will get less DC revenue than budgeted, some years we will get more. While rates are a steadier and more reliable source of income,	A funding approach that maintains a reasonable spread of income sources (including development contributions) reduces the risk of being too reliant on rates as an income source.

they do not fairly represent user-pays when we builds assets to deal with growth.	It is also prudent to avoid becoming too reliant on fees and charges as an income source.
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### Financial contributions

#### ***What is a financial contribution?***

Financial contributions (FCs) are a fee that Council charges for purposes set out in the District Plan. These help ensure positive effects on the environment to offset any adverse effect from a development.

#### ***When is a financial contribution charged?***

FCs are charged at subdivision, when the subdivision creates new lots. The charge is a cost to the person (usually the landowner) who applies for subdivision resource consent. The requirement to pay a financial contribution will be a condition of resource consent. A FC is only charged for subdivision for residential purposes under the Ashburton District Plan.

#### ***Can I make a submission about financial contributions to this consultation?***

The process for changing the rules on financial contributions is the review of the District Plan. The DFC Policy records what the District plan says about financial contributions, but this consultation cannot change the District Plan. That is a different process, under a different Act.

### Summary of the current policy

1. DCs are charged for water, wastewater and community infrastructure.
2. DCs are triggered by a building consent, or a resource consent for a change of use.
3. The catchment for water supply DCs is the area serviced by the drinking water supply. Five supplies have DCs – Ashburton (including Lake Hood), Methven, Rakaia, Hinds and Fairton.
4. The catchment for wastewater DCs is the area serviced by the wastewater system. Two schemes have DCs – Ashburton (including Lake Hood) and Methven.
5. The catchment for community infrastructure DCs is the whole district.
6. Properties connected to water supply or wastewater networks before the first development contribution policy in 2006 receive a capacity credit. Properties that are redeveloped at any time, will receive a capacity credit based on the previous use.
7. Capacity credits expire when a property has been uninhabited or unused for a two-year period.
8. An applicant may request Council to reconsider the requirement for a DC or object to the amount of a DC.
9. Council may agree to postpone or refund a DC.
10. Council may enter into a private developer agreement instead of requiring a DC.

### So, what has changed?

The first change of note is that the \$ value of DCs for most activities is proposed to increase.

### Changes to the amount of contributions

Development contribution	2018 \$	Proposed 2021 \$
Ashburton water supply	878	\$1,266
Methven water supply	3,718	3,919
Rakaia water supply	256	256
Hinds water supply	917	934
Fairton water supply	2,367	2,366
Ashburton wastewater	3,604	3,750
Methven wastewater	336	410
District community infrastructure	2,875	4,841

The \$ value of the overall increase varies from location to location.

### Proposed development contributions per HUE by location

Location	Water supply \$	Wastewater \$	Community infrastructure \$	2021 Total per HUE \$	Change from 2018 \$ per HEU
Ashburton	\$1,266	3,750	4,841	9,857	+\$2,500
Methven	3,983	392	4,841	9,216	+\$2,280
Rakaia	256	0	4,841	5,097	+1,966
Hinds	934	0	4,841	5,775	+1,983
Fairton	2,366	0	4,841	7,207	+1,965
Rest of District	0	0	4,841	4,841	+1,966

### Other key changes

Issue	Current Policy	Proposed Policy	Why?
<b>Triggers for collection of DCs</b>	DCs are triggered by an application for building consent or an application for resource consent for change of land use.	DCs will also be triggered by an application for service connection for water or wastewater services when a previously unconnected property with building consent is added to the network by way of a network extension project.	This change is to ensure that Council's decisions on network extensions are aligned with the DFC policy and to ensure that previously unconnected properties joining the network pay their fair share.
<b>Capacity credits</b>	A capacity credit expires if a property is vacant for two years.	A capacity credit will expire if a property is vacant for five years.	This change allows the owners of vacant properties (including earthquake-prone buildings) a longer period of time within which to repair or re-use a vacant property without losing the capacity credits.

### What options did Council consider?

#### Development contributions for other types of assets

During its work on the draft policy Council also looked at development contributions for parks and reserves, roads and footpaths and stormwater. Council decided not to introduce contributions in these areas at this time. For further information, please refer to the Phase One Report at [www.ashburton.govt.nz](http://www.ashburton.govt.nz).

#### Options for the size of contributions

Location	Option One – Status Quo	Option Two – Increase by up to \$2,500 <i>Preferred option</i>	Option Three – Increase by up to \$5,000
Ashburton	\$7,357	\$9,857	\$11,068
Methven	\$6,929	\$9,216	\$10,427
Rakaia	\$3,131	\$5,097	\$6,308
Hinds	\$3,792	\$5,775	\$6,986
Fairton	\$5,242	\$7,207	\$8,418
Rest of District	\$2,875	\$4,841	\$6,052

#### Why is Option Two preferred?

Option Two is the middle ground. It takes into account that spending on CAPEX to meet demand will continue, but it caps the maximum increase to lessen negative effects.

As Council is still investing in infrastructure to provide capacity for growing demand, we cannot fairly share the costs between developers and other ratepayers unless the \$ value of DCs is also growing. Maintaining the status quo means that the ratepayers' share of the costs is growing and the developer's share is frozen at 2018 levels. For that reason, status quo is not preferred.

In Option Three, all of the costs of growth are charged against developments. As this is a large increase, it is felt this may discourage development. Given the state of the economy post-Covid-19, and the desire to promote economic recovery, Council did not prefer Option Three.

#### Other Key Issues

Issue	Alternatives	Rationale
Treat service connection as a trigger for network extensions	<ol style="list-style-type: none"> <li>Do not use service connection as a trigger for network connections</li> <li>Use service connection as a trigger for all applications</li> </ol>	The preferred solution brings the DFC Policy into line with council's practise on network extensions. Alternative 1 does not address the inconsistency.

## Development and Financial Contributions Policy

Issue	Alternatives	Rationale
		Alternative 2 makes sub dividers liable for both financial contributions and development contributions. The current policy spreads those costs, to avoid the risk of creating financial disincentive for subdivision.
<ul style="list-style-type: none"> <li>Extend capacity credits from two to five years</li> <li>Include vacant land where buildings have been removed or demolished</li> <li>Give Council authority to deal with requests exceeding five years on a case-by-case basis.</li> </ul>	<ol style="list-style-type: none"> <li>Maintain status quo.</li> <li>Extend capacity credits for ten years</li> </ol>	<p>There are buildings that have been issued notices as earthquake-prone buildings that may be unable to be rebuilt within two years. Loss of the credits may discourage redevelopment. The current wording of the policy is also open to interpretation that there is no capacity credit when a building is removed or demolished. Alternative 1 is not preferred.</p> <p>A ten-year period could leave sites undeveloped for long periods of time. Alternative 2 is not preferred.</p>

## Have Your Say on Our Place

### *Pop out box – What do YOU think?*

We want to know what you think of the draft policy. You can provide your feedback by completing the submission form in the back of this document, or online at [ashburtondc.govt.nz](http://ashburtondc.govt.nz). We are accepting feedback until 5pm on Sunday 26 July 2020.

Written submissions can be made up until 5pm on Sunday 26 July 2020

The easiest way to provide your feedback is to complete the form online at [www.ashburtondc.govt.nz](http://www.ashburtondc.govt.nz)

Alternatively, you can provide feedback by filling in the attached submission form and get it back to us using one of the following methods:

- Email: [submissions@adc.govt.nz](mailto:submissions@adc.govt.nz)
- Submit online at: [ashburtondc.govt.nz](http://ashburtondc.govt.nz)
- Freepost: Ashburton District Council  
Our Place  
FREEPOST 230444  
PO Box 94  
Ashburton 7740
- Dropping it off at:

## Development and Financial Contributions Policy

- Ashburton District Council reception
- Ashburton Public Library

**Submissions close at 5.00pm on Sunday 26 July 2020.**

### What Happens Next?

Elected member QUOTE – “Do you agree that the proposed Policy will enable developers and ratepayers to pay their fair share towards infrastructure for growth? We want to hear your views on the policy before including it in the Long-Term Plan to make sure we have got it right”

<b>Timeframe</b>	<b>Development process</b>
26 June – 26 July 2020	<b>Community engagement</b> We want to hear your views on the policy.
18 August 2020	<b>Submission hearings</b> You can present your submission to Council in person.
By end of August 2020	<b>Policy finalisation</b> Our elected members will consider and deliberate on submissions, making the necessary changes to the policy.
24 September 2020	<b>Policy adopted by Council</b> The new policy is expected to be adopted by Council at this meeting.
Early-mid 2021	<b>LTP 2021-31 consultation</b> The Revenue and Financing Policy will be incorporated into the LTP 2021-31. We will be asking for your feedback on the LTP before it is adopted.
June 2021	<b>LTP adopted</b> We will adopt the LTP in June next year, with any changes to rates taking effect from 1 July 2021.



Submission Form

You can submit on any or all of the questions below. You don't have to complete every question.

1. Do you agree with the proposed 2021 development contributions?

Yes/No/
2. Why/why not?

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3. Do you agree with the proposed change to extend the period for capacity credits from two years to five years, and to include development on vacant sites within that five-year period?

Yes/No
4. Why/why not?

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5. Any other comments?

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Needs disclaimer along the lines of “Please note, all submissions are public documents and will be made available on Council’s website with the names of submitters included.”

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## 13. Draft Revenue and Financing Policy

Author	<i>Rachel Thomas; Policy Adviser</i>
Activity manager	<i>Toni Durham; Strategy and Policy Manager</i> <i>Rachel Sparks; Finance Manager</i>
Group manager	<i>Jane Donaldson; Strategy and Compliance</i> <i>Paul Brake; Business Support</i>

### Summary

- The purpose of this report is to recommend Council adopt the draft Revenue and Financing Policy 2021 (Appendix 2) and the associated Consultation Document (Appendix 3) for consultation 26 June – 26 July.
- The key changes proposed are:
  - **Stockwater Management** – increase the minimum charge to \$600 and reduce the per metre cost to \$0.1665 per metre over 1,000 metres.
  - **Elderly Persons Housing** – shift from 100% fees and charges to 70-100% fees and charges and 0-30% general rate.
  - **Wastewater** – group Ashburton, Methven and Rakaia schemes, which would result in approximately \$420<sup>1</sup> per connection per year (an increase for Methven and Rakaia, and a decrease for Ashburton).
- Other changes proposed are:
  - **EA Networks Centre** - implement a funding range of 60-80% UAGC and 20-40% fees and charges.
  - **Roads** – introduce a fees and charges component of 0-10% and maintain 90-100% targeted rate (Capital Value (CV)).
  - **Solid Waste Collection** – amendments to the maps detailing collection zones.
  - **Community Grants and Funding** – fund all grants using UAGC (except \$9,000 for Methven Pool which will be a targeted rate under the Methven Community Board activity).
  - **Youth Council** – fund 100% UAGC instead of general rate.
  - **Memorial Halls and Reserve Boards** – apply targeted rates as:
    - **Methven** – including the Mt Hutt Memorial Hall and Heritage Centre, Methven Recreation Reserve and the memorial halls grant for Methven
    - **Rakaia** – including the Rakaia Hall, Rakaia Recreation Reserve and the memorial halls grant for Rakaia

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<sup>1</sup> Based on 2019/20 budget.

- **Ashburton Urban Amenity rate** – including Tinwald hall and Tinwald Recreation Reserve
- **Rural amenity rate** – all other halls and recreation reserves.
- **Reserves and campgrounds** – increase the general rate component to 65-75% (25-35% fees and charges).
- **Cemeteries** – implement a 20% funding range.
- **Alcohol Licensing and Gambling Venue Consenting** – implement a 5% funding range.
- **Animal Control** – implement a 10% funding range.
- **Building Regulation** - implement a 10% funding range.
- **District Planning** – include Land Information in this activity and implement a 20% funding range.
- **Environmental Health** – split this activity into (1) licensing – funded 85-90% fees and charges, 10-15% general rate; and (2) monitoring and enforcement – funded 100% general rate.
- **Rating boundary changes** – a number of changes are proposed to the following maps:
  - **ADC Group Water Connected / Serviceable** – to align with existing zone boundaries to enable the service to be provided in the future.
  - **Ashburton urban / residential and business amenities** – to include the Village Green subdivision at Lake Hood (excluding the rural areas around the subdivisions but including the road connecting the subdivision).
  - **Ashburton Water Supply and Wastewater Connected/Serviceable** - to include the Village Green subdivision at Lake Hood.
  - **Refuse collection** – extension of service in areas as shown in Appendix 1.

### Recommendation

1. **That** Council adopts the draft Revenue and Financing Policy 2021 and Consultation Document for consultation from 26 June to 26 July 2020 using the Special Consultative Procedure under s.83 of the Local Government Act 2002.

## Background

### The current situation

1. Officers conducted a first principles review of the policy and determined a number of areas which may benefit from change. Table One details the proposed changes and rationale.
2. There are three areas proposing significant change: Stockwater Management, Wastewater and Elderly Persons Housing.
3. There are a number of other changes are proposed to ensure the funding in the policy is achievable and realistic in the current economic climate.
4. In light of the uncertainty regarding Covid 19, officers propose introducing 'funding ranges' for many activities to provide a buffer if insufficient revenue is obtained through fees and charges. This is a transparent approach and ensures the policy sets realistic funding goals.

Table 2 - Summary of changes proposed

Activity	Proposed change	Rationale
Key changes		
Stockwater Management	<ul style="list-style-type: none"> <li>Remove the charge for 'stockwater services'</li> <li>Increase the minimum charge from \$89.80 (2019/20) to \$600 per property, and increase the race length where this is applied to 1,000 metres with the cost being \$0.1665 per metre.</li> </ul>	<p>On 4 June 2020, Council resolved to consult on the option of implementing a fixed cost per property of \$600 for those receiving the stockwater service. For consultation purposes, officers recommend including the option of an equal charge per property. The options for consultation are:</p> <ol style="list-style-type: none"> <li>1. Status quo – the minimum charge is set at \$86.94, the minimum length of race where the additional charge is applied is set at 161 metres, and the cost per additional metre over 161 is set at \$0.54c.</li> <li>2. Fixed cost (preferred) – all properties pay \$600, properties with race length greater than 1,000m pay \$0.1665 per m.</li> <li>3. Equal charge – all properties pay \$706.33 regardless of the length of race.</li> </ol>
Elderly Persons Housing (EPH)	Shift from 100% fees and charges to 70-100% fees and charges and 0-30% general rate.	<p>The current funding model for EPH is unsustainable with underfunding occurring for many years. The recommendation is to introduce a general rate component to cover the revenue shortfall. The alternative would be to significantly increase rent; however, this could lead to units being unaffordable for those in need. The options for consultation are:</p> <ol style="list-style-type: none"> <li>1. Status quo – rent would need to be significantly increased to ensure units can be maintained at an acceptable standard.</li> <li>2. Introduce a general rate component of 0-30% (preferred option)</li> </ol>
Wastewater	Apply a group rate for wastewater for Ashburton, Methven and Rakaia (however adjustments would be made to account for the residents who paid the Rakaia lump sum contribution).	<p>The principle applied to the Drinking Water activity is an 'all in' approach whereby all residents in the district who can access the service pay the same group rate. Applying this to Wastewater would result in a slight decrease in the rate paid for Ashburton residents, and an increase for Methven and Rakaia. The options for consultation are:</p> <ol style="list-style-type: none"> <li>1. Status quo – different rates applied based on location</li> </ol>

		2. Grouped Wastewater rate (preferred option)
Other changes		
Activity	Proposed Change	Rationale
EA Networks Centre	Implement a funding range of 60-80% UAGC and 20-40% fees and charges.	This activity is not currently meeting the funding split detailed in the policy (60% UAGC and 40% fees and charges). The proposed funding range helps to buffer for any uncertainty regarding Covid 19. The goal will still be to maximise fees and charges, however the funding range ensures fees do not have to be increased to a level that defers usage of the facility.
Roads	Introduce a fees and charges component of 0-10% and maintain 90-100% targeted rate (Capital Value (CV)).	Officers recommend making provision for revenue through fees and charges as Council is aware there are services which could attract a charge.
Community Grants and Funding	Fund all grants using UAGC (except \$9,000 for Methven Pool which will be a targeted rate under the Methven Community Board activity)	<p>It is proposed that all community grants will be absorbed into this activity to ensure consistency. This means the following grants will now be included here:</p> <ul style="list-style-type: none"> <li>• <b>Arts &amp; Culture</b> - ATEC Funding, AAG Funding, Community Library Grant</li> <li>• <b>Community Development</b> - Safer Ashburton Funding, Community Agency Funding, Community Project Grant</li> <li>• <b>Economic Development</b> - Community Events Grant</li> <li>• <b>Natural &amp; Built Environment</b> - Biodiversity Grant, Heritage Grant, Community Infrastructure Grant</li> <li>• <b>Sport &amp; Recreation</b> - Sport Mid Canterbury Funding, School Holiday Programme Grant, Community Pools Health &amp; Safety Grant (the Community Pools Grant)</li> <li>• <b>Discretionary</b></li> </ul>
Youth Council	Fund 100% UAGC instead of general rate.	Proposed change from 100% general rate funding to 100% UAGC. Youth Council funding, under the current R&FP, is included in the Zone Committee

		funding which means it is 100% general rate. However, this contradicts the principle of funding Council 100% UAGC therefore, it is recommended to fund this activity separately through the UAGC and apply the same principle as per the Council activity (everyone benefits equally therefore it should be an equal charge).
Memorial Halls and Reserve Boards	Apply a targeted rate to Methven and Rakaia (which includes the \$12k Methven grant and \$8k Rakaia grant), urban amenity rate (for Tinwald Hall), and a rural amenity rate (for all other halls).	The current approach is complex to administer and has resulted in many Memorial Halls and Reserve Boards being underfunded.
Reserves and Campgrounds	Increase the general rate component to 65-75% (25-35% fees and charges).	The change proposed incorporates a funding range to account for any loss of revenue which may occur (this could be prominent with the limitations on travel during Covid).
Cemeteries	Implement a 20% funding range (20-40% general rate, 60-80% fees and charges)	This activity often struggles to obtain enough from fees and charges to meet the funding split. Officers recommend implementing a 20% range, with the intention of maximising fees and charges.
Alcohol Licensing and Gambling Venue Consenting	Implement a 5% funding range (20-25% general rate, 75-80% fees and charges)	It is proposed to include a 5% range to reflect what is actually being achieved
Animal Control	Implement a 10% funding range (5-15% general rate, 85-95% fees and charges)	It is proposed to include a 10% range to reflect what is actually being achieved for this activity.
Building Regulation	Implement a 10% funding range.	It is proposed to include a 10% range to reflect what is actually being achieved. Officers anticipate a slow down in this area resulting from Covid, however the extent of the impact is difficult to predict at this point.
District Planning	Include Land Information in this activity and implement a 20% funding range.	It is proposed to include a 20% range given the uncertainty regarding Covid, and to reflect actual performance. The exception to this rate is privately requested plan changes (100% fees and charges). Officers would still work towards the target of 40% for general rate. It is also proposed that the Land Information activity is included here given there is no specific rationale for

		separate funding of Land Information. The benefits of both activities align. Currently, Land Information is funded 100% fees and charges with additional revenue used to offset the general rate and UAGC.
Environmental Health	Split this activity into (1) licensing – funded 85-90% fees and charges, 10-15% general rate; and (2) monitoring and enforcement – funded 100% general rate.	Environmental Health as an activity currently includes both the licensing and monitoring/enforcement functions. There is a clear private benefit in health licensing, and a clear public benefit in monitoring/enforcement. It is proposed to split Environmental Health into two activities.
<b>Rating boundary changes</b>	Amendments to the maps detailing rating boundaries.	<p>Changes are proposed because of development and subdivision, network extension or proposed expansion of service. These are:</p> <ul style="list-style-type: none"> <li>▪ <b>ADC Group Water Connected / Serviceable</b> – to align with zone boundaries to enable future service provision.</li> <li>▪ <b>Ashburton urban / residential and business amenities</b> – to include the Village Green subdivision at Lake Hood (excluding the rural areas around the subdivisions but including the road connecting the subdivision).</li> <li>▪ <b>Ashburton Water Supply and Wastewater Connected/Serviceable</b> - to include the Village Green subdivision at Lake Hood.</li> <li>▪ <b>Solid Waste collection</b> – extension of service in areas as shown in Appendix 1.</li> </ul>



## Options analysis

### **Option one – adopt the draft Revenue and Financing Policy for consultation 26 June – 26 July**

5. Under this option, the Special Consultative Procedure (s.83, Local Government Act 2002), would be utilised to engage the community. This means submissions would be accepted for four weeks, and then hearings held for those wishing to present in person. The decision on the final policy would be made after Council deliberates on submissions.
6. The advantages are:
  - Consulting on the R&FP in 2020 means budgets can be set with any changes to funding incorporated (budget information is aiming to be completed in October therefore it is ideal the R&FP is adopted by then).
  - Officers have planned a schedule for engagement to ensure projects are spread throughout the year, and a timetable for the LTP. It is important to adhere to these timeframes for project continuity.
7. The disadvantages are:
  - It could be argued that consulting now is pointless given a lot can change in one year in the post Covid environment. However, this policy is about how we charge rates (not the actual dollar amount) therefore it is unlikely change would be required if we were to consult next year.

### **Option two – delay the consultation until 2021**

8. Council could decide to delay consulting on this policy until 2021, in line with LTP consultation. There is no legal requirement to consult on a revenue and financing policy prior to consulting on an LTP. However, this option is strongly discouraged.
9. The advantages are :
  - Delaying consultation until 2021 would provide greater clarity on the impact of Covid on the ability to pay rates for individuals and businesses.
10. Disadvantages: running consultation concurrent to LTP has proven to be problematic in the past for a number of reasons.
  - The community can suffer from ‘consultation fatigue’ if R&FP consultation is run too close to LTP.
  - R&FP consultation can overshadow the LTP key issues.
  - There is little time to make changes to the LTP if there are changes to the R&FP, which puts pressure on staff and impacts on the ability to meet timeframes for Audit NZ.

## Legal/policy implications

### Local Government Act 2002

- 11.** Section 103 of the Local Government Act 2002 gives effect to the Revenue and Financing Policy, this has been considered in the course of the decision-making process.

## Financial implications

Requirement	Explanation
What is the cost?	The costs of the decision to adopt the R&FP for consultation relate to the cost of carrying out engagement. Specifically, these are for printing consultation material such as booklets (local suppliers to be used), and holding engagement meetings (where a venue or catering may be required), and advertising.
Is there budget available in LTP / AP?	Yes
Where is the funding coming from?	Funding will be met from within existing budgets (Strategy & Compliance and Communications)
Are there any future budget implications?	No
Reviewed by Finance	Not required – no additional funds required. This consultation is considered ‘business as usual’ as far as engagement is concerned.

## Significance and engagement assessment

Requirement	Explanation
Is the matter considered significant?	Yes
Level of significance	High
Level of engagement selected	4. Involve – participatory process
Rationale for selecting level of engagement	Council has set precedent in the past by conducting a full engagement process for revenue and financing policies. Given the extent of changes proposed, officers suggest a participatory process is required where the community are given multiple opportunities to provide feedback through different channels (extending beyond the traditional submission-hearing format).
Reviewed by Strategy & Policy	Toni Durham; Strategy & Policy Manager

## Next steps

Date	Action / milestone	Comments
25 June 2020	Council adopt R&FP for consultation	
26 June – 26 July	Consultation period	
18 August	Hearings	
19 August	Deliberation	
Mid to late August	Policy amended	Following community feedback and deliberation
3 September	Policy adopted (Audit Risk & Finance Committee)	
24 September	Policy adopted (Council)	Stakeholders advised and communication loop closed
June 2021	LTP adopted (Council)	LTP will include the R&FP. Any changes to rates will be as of 1 July 2021

## Appendix One – Solid Waste collection area details

Proposed New Collection Area	Count of Properties
Willowby Block	120
Laing's Road	4
Melrose Road	3
Chertsey - Wilkinson's Road	9
Rakaia - Acton Road	6
Methven - Sam Holmes Drive	16
Village Green - Lake Hood	4
Total	162

### *Developing subdivisions*

Properties are only charged the kerbside waste collection rate once their residence is built and they have received their code of compliance and are ready to use the service.

### *Impact on Rates*

Currently 11,352 residential properties are receiving the kerbside collection service. There are 162 properties that are included in this proposal. This represents a 1.4% increase in the number of properties currently being collected.

The contractor has agreed that these can be collected using the contracted rates escalated to present value. This is on the understanding that the Willowby Block which contains 120 of the 162 properties is collected from only one side of the road. This means some properties will be asked to place their bins on the opposite side of the road from their driveway entrance. The methodology is explained more fully below.

Excluding Capital, the collection contract represents 58.7% of the remaining refuse collection budget.

On this basis there will be little or no significant impact on the cost to all ratepayers receiving this service. It is more likely that other factors such as the impending waste levy increase and increases in the cost of carbon (ETS) will impact collection costs in the first of the LTP than addition of these properties to the service. Attempting to provide an accurate impact this far out from the final LTP would ignore those other factors and lead to a misleading result.

## Willowby Block

Properties: 120

Description: The Willowby Block is to the south east of Tinwald. It is bounded by Wilkins Road as its eastern boundary, Boundary Road as its southern boundary and Winslow Willowby Road as its western boundary. Longbeach and Fords road transect the block from north to south. The area is a mix of rural properties ranging from Willowby village and the lifestyle properties on Gartartan and Boundary roads to farming operations in the centre of the block.

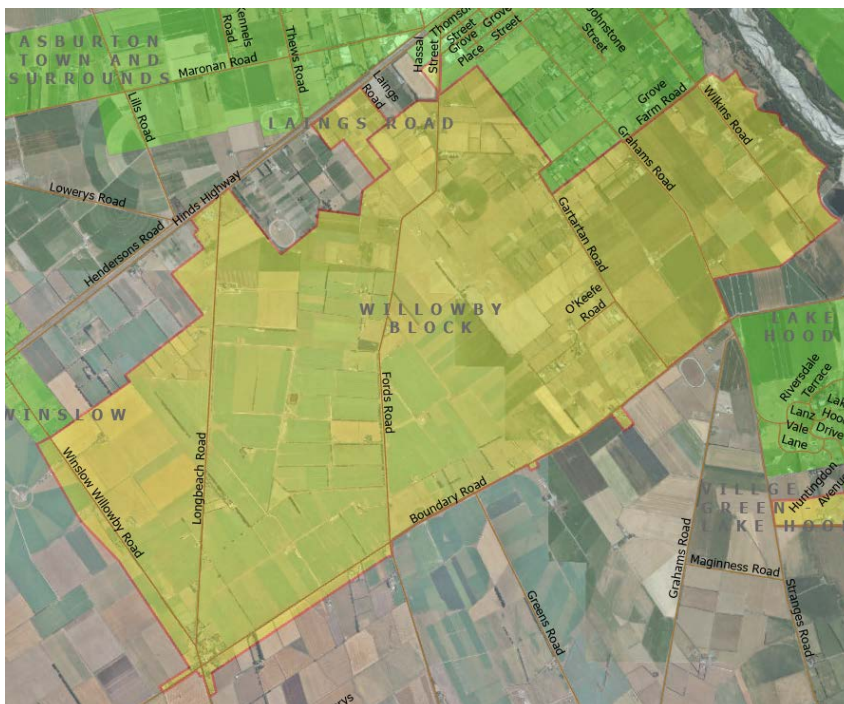
There are six properties on State Highway One between Tinwald and Winslow who are not included. This is because their driveways exit onto State Highway One. Operating on State Highway One requires a pilot and tail vehicle. The additional cost of resourcing to add just six properties is not economically efficient at this time.

Methodology: Collect from one side of the road only

The proposed Willowby block is mainly rural and the frequency of collection points along the collection routes is sparse by comparison with urban areas. To improve the viability of these collection routes it is proposed that bins are only collected from one side of the road. This halves the travel time and length if a truck was to collect from both sides of the road. This means some properties will be asked to place their bins on the opposite side of the road from their driveway entrance. Usually the side of the road with most properties is the side collected from. If the proposal is accepted those details will be finalised at that time.

Collection Day:

- Refuse every Wednesday
- Yellow bin recycling – Wednesday Week 2



## ***Laing's Road***

Properties: 4

Description: Lifestyle Subdivision

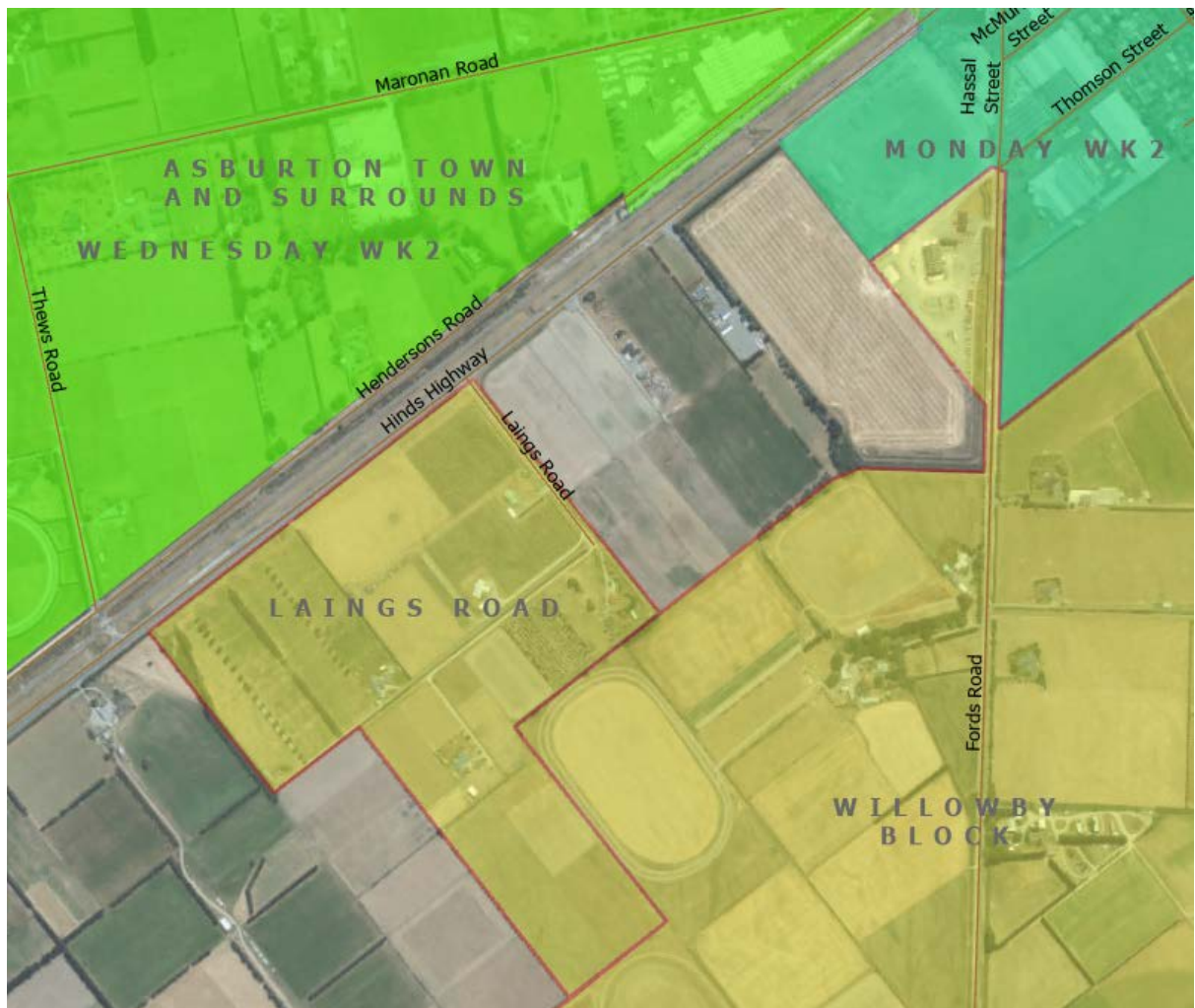
Laing's Road is a small subdivision on the western edge of Tinwald. The residents of Laing's road have approached Council about the possibility of being included in the kerbside collection service. The property owners have been contacted individually by staff and all have endorsed the proposal to include their properties into the service.

Methodology:

Laing's Road is a one road only subdivision. Both sides of the road can be collected from.

Collection Day:

- Refuse every Wednesday
- Yellow bin recycling – Wednesday Week 2





## ***Melrose Road***

Properties: 3

Description: Suburban

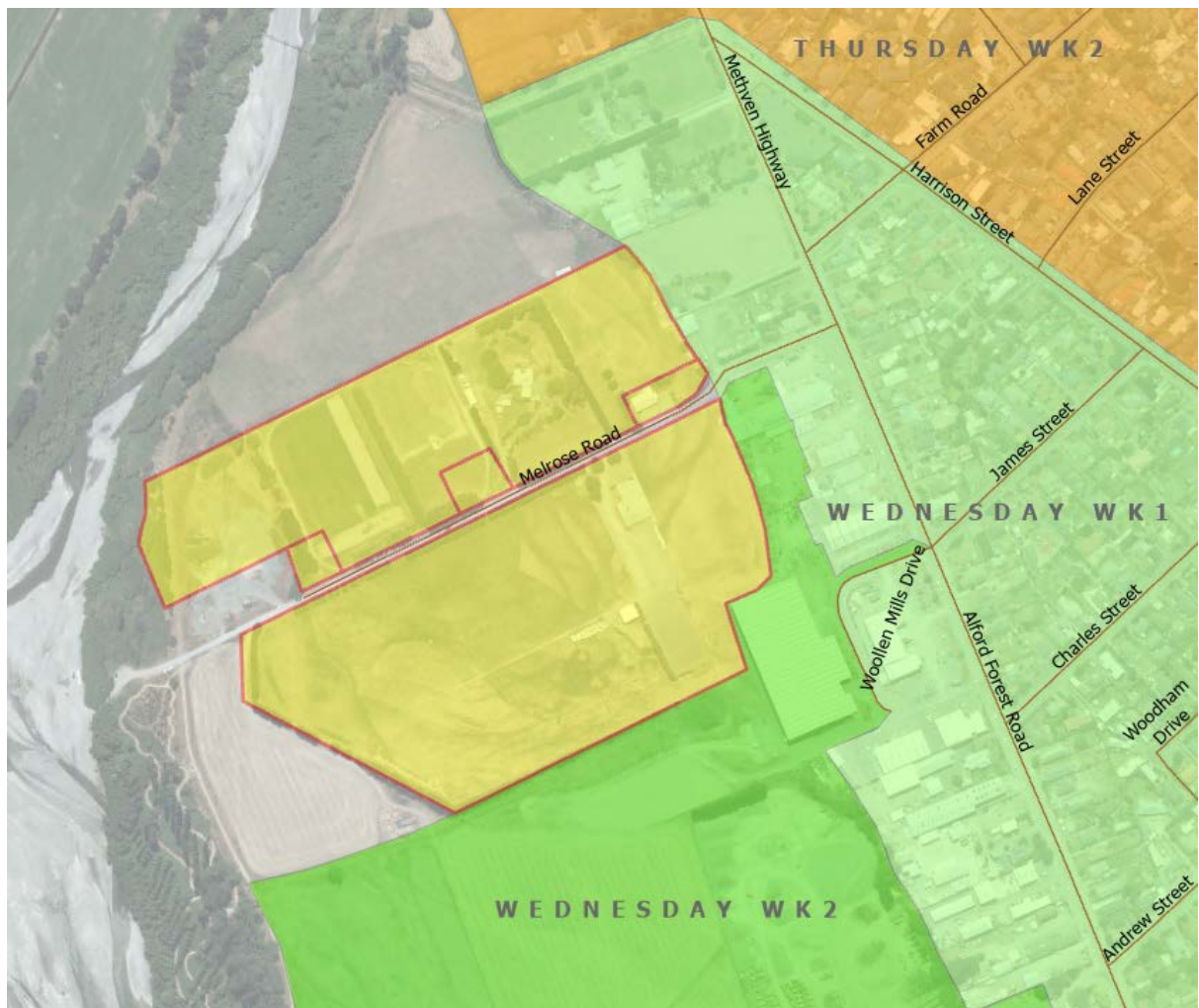
Melrose Road is a small area adjacent to the existing collection area that can easily be incorporated into the existing service.

Methodology:

Both sides of Melrose Road can be collected.

Collection Day:

- Refuse every Wednesday
- Yellow bin recycling – Wednesday Week 1



## ***Wilkinson's Road Chertsey***

Properties: 9

Excludes the gravel pit and the trotting track.

Description: Rural Life Style

Wilkinson's Road is a small area adjacent to the existing collection area on the northern side of State Highway One that can easily be incorporated into the existing service.

Methodology:

Both sides of Wilkinson Road can be collected.

Collection Day:

- Refuse every Friday
- Yellow bin recycling – Friday Week 2





## ***Acton Road Rakaia***

Properties: 6

Description: Rural Life Style

Acton Road is a small area adjacent to the existing collection area that can easily be incorporated into the existing service. It extends from Burrows Road along the river side of Acton road to McLachlan's Road

Methodology:

Only the Eastern (River side) side of Action Road will be collected.

Collection Day:

- Refuse every Friday
- Yellow bin recycling – Friday Week 2



## ***Sam Holmes Drive Methven***

Properties: 16

Description: Suburban

Sam Holmes Drive is a small residential subdivision adjacent to the existing collection area in Methven that can easily be incorporated into the existing service.

Methodology:

Both sides of Sam Holmes Drive can be collected from.

Collection Day:

- Refuse every Monday
- Yellow bin recycling – Monday Week 1



## ***The Village Green Lake Hood***

Properties: 4

Description: Rural Life Style

The Village Green is a small residential subdivision adjacent to the existing collection area in Lake Hood that can easily be incorporated into the existing service.

Methodology:

The Village Green is yet to be fully developed and is included here as a future area that can be collected. Properties are only charged the rate once their residence is built and they are ready to use the service.

Collection Day:

- Refuse every Monday
- Yellow bin recycling – Monday Week 1





## 15. Mayor's Report

### 1. Local Government New Zealand

- **Annual General Meeting**

Last month I reported that the LGNZ annual general meeting was postponed until Friday 20 November 2020, however there has been another change of date which will see the AGM take place on Friday 21 August 2020.

I will be attending the AGM along with the Deputy Mayor and Chief Executive.

Malcolm Alexander, the current CE of LGNZ, has announced his retirement and his replacement is Susan Freeman-Greene who will commence in the role on 28 September.

- **National Council nominations**

Nominations for the offices of President and Vice President closed on 31 May 2020. Malcolm Alexander (LGNZ's Chief Executive and Returning Officer) has advised that two valid nominations were received for both roles, as follows:

<b>President</b>	1. Cr Stuart Crosby, Bay of Plenty Regional Council; and 2. Mayor Alex Walker, Central Hawke's Bay District Council
<b>Vice President</b>	1. Mayor Gary Kircher, Waitaki District Council; and 2. Mayor Hamish McDouall, Whanganui District Council.

Voting for both roles will be carried out at the LGNZ AGM on 21 August.

- **Remit process**

With the change in date for the AGM, member authorities wishing to submit proposed remits for consideration at the AGM had to do by 16 June.

ADC did not submit any remits and there were no requests for support from other councils' remits.

- **Rural & Provincial sector**

The Rural & Provincial sector will be meeting in Wellington on Thursday 16 and Friday 17 July. Myself, Deputy Mayor Liz McMillan and Cr Stuart Wilson will attend as Council's representatives along with CE Hamish Riach.

### 2. Covid-19

At long last we have made it to Level 1. The district has done extremely well during the lockdown period by isolating and keeping Covid cases at a low level. There were only three positive cases reported for the Mid Canterbury district.

Our focus is now on economic recovery for the district and Council has established an economic recovery committee, with representatives of various business sectors, which is working well to keep abreast of any needs/issues that may arise over the upcoming months.

A social welfare recovery committee has also been established and is chaired by the Deputy Mayor.

The Covid response by the Ministry of Health was well managed during Levels 2, 3 and 4, however the community now feels let down by the Ministry over the lax attitude at the borders to the arrivals from overseas and to those who are required to be quarantined. The community cost has been high in the Ashburton district with jobs, businesses and livelihoods being lost. Huge sacrifices were made for the betterment of us all and such the lax attitude and breaching of processes is poor.

### **3. Canterbury Mayoral Forum**

On 12 June CE Hamish Riach and myself attended the Canterbury Mayoral Forum in Christchurch.

Dr Rod Carr presented on climate change and the work he is undertaking on behalf of the Government on the Emissions Reduction Plan. Status quo is apparently not an option and reductions must be achieved. Consultation on the plan is proposed to be undertaken early 2021 and the Emissions Reduction Plan is to be finalised by 31 December 2021. Costs for the implementation of this plan are expected to be very high.

Work is also continuing on the Draft Plan for Canterbury with the expectation of a launch at the September Mayoral Forum. The timeline is now tight - next week a revised plan will be made available to the Canterbury Mayors and Chief Executives who have been asked for feedback by 26 June. Selwyn DC Mayor Sam Broughton has made himself available for council briefings and if its Council's wish, we could meet with him on Thursday 30 July.

### **4. Essential Dairy Workers**

There are currently approximately 40 Filipino dairy workers from the Ashburton district stranded in the Philippines that cannot currently return to New Zealand due to the border closures.

The Canterbury Mayoral Forum has sent a letter to the Minister of Immigration, Hon. Iain Lees-Galloway, requesting assistance to enable these workers to be able to safely return to New Zealand in time for the calving season.

### **5. Remuneration Authority**

The Remuneration Authority has released the [Local Government Members \(Temporary Reduction – COVID-19\) Determination 2020](#). This determination temporarily adjusts the remuneration of elected members who have remuneration above \$100,000 per annum. The Mayor's salary will temporarily reduce from \$121,500 to \$116,425 effective from 9 July 2020 to 6 January 2021.

An amendment to legislation has allowed the Authority to reduce existing members' pay by permitting a capped reduction of up to 20% for a period of up to 6 months. The temporary reduction determination has taken into account prevailing adverse economic conditions, fairness to the person whose remuneration is being determined, and fairness to ratepayers.

### **6. Meetings**

#### **May 2020**

- 21 May: Regional Transport Committee
- 21 May: Federated Farmers AGM
- 22 May: Canterbury Mayoral Forum
- 26 May: Ministry of Housing and Urban Development/Immigration New Zealand
- 26 May: Ashburton Water Management Zone Committee

- 28 May: Covid-19 Response Committee
- 28 May: Business Continuity Seminar (construction and contractors) - Deputy Mayor Liz McMillan deputised

## June 2020

- 2 June: Ashburton Wastewater Pipeline River Crossing and Pump Station Project site visit
- 3 June: Mid Canterbury Sports Awards – filming of presentations
- 3 June: Gary Gluyas with CE Riach
- 3 June: Covid-19 Economic Recovery Advisory Group
- 4 June: Covid-19 Response Committee
- 4 June: Stellar Library Overview
- 4 June: Revenue and Financing Workshop
- 5 June: Haven Housing Trust
- 5 June: Hekeao-Hinds Water Enhancement Trust
- 5 June: Murray Anderson
- 5 June: Les Bennett
- 8 June: Wallace Group
- 10 June: Jasaiah Claydon-Wade (Tuia Representative)
- 10 June: Ashburton M. Bovis Advisory Group
- 11 June: ADC Extraordinary Council meeting
- 11 June: ADC Activity briefing
- 11 June: Ashton Beach site visit
- 11 June: Development Funding Contribution Workshop
- 12 June: Hokonui radio interview
- 12 June: World Refugee Day poster competition judging - Deputy Mayor Liz McMillan deputised
- 12 June: Canterbury Mayoral Forum
- 13 June: Matariki Celebrations at Hakatere Marae
- 15 June: Library and Civic Centre Project Control Group
- 15 June: Bernice Marra – Manager, Ashburton Health Services
- 15 June: Advance Ashburton
- 15 June: Business Continuity Seminar (hospitality, retail and tourism) – Cr Angus McKay deputised
- 16 June: Young Drivers Licence Programme
- 16 June: Tihou Weepu – Tuia Programme Supervisor
- 17 June: Kelvin Holmes, Ron Smith and Russell Kelly with CE Hamish Riach
- 17 June: Covid-19 Economic Recovery Advisory Group
- 18 June: Covid-19 Response Committee
- 18 June: Long Term Plan Workshop
- 19 June: Zone 5 Water Reforms
- 22 June: Speed Limit Hearings
- 23 June: Greg Donaldson and Ian MacKenzie with CE Hamish Riach
- 23 June: World Refugee Day celebrations, Wellington – Deputy Mayor Liz McMillan deputised
- 23 June: RDR Management
- 23 June: Ashburton Water Management Zone Committee
- 23 June: Diane McDermott – MSD, Regional Commissioner Canterbury
- 24 June: Speed Limit Review
- 25 June: Les Briggs and Tony Sands
- 25 June: Council meeting

### Recommendation

**That** Council receives the Mayor's report.

Neil Brown  
Mayor