

# HURUNUI DISTRICT COUNCIL

## POLICY

### DEVELOPMENT CONTRIBUTIONS



Approved: 15 April 2021

#### 1. Background to the policy

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##### **Introduction**

This policy is about ensuring the cost of new or increased infrastructure to meet growth demands, is distributed fairly amongst those who will benefit.

Growth in the District impacts on the existing reserves, sewerage, water, stormwater, roading, township infrastructure and recreation facilities. To ensure that the expected population growth does not adversely affect residents, the Council has identified several infrastructural developments needed to cope with this growth.

The Local Government Act 2002 (LGA) allows councils to collect 'development contributions', which are contributions of land or money made by developers towards the cost of providing new infrastructure, or increased capacity in existing infrastructure as a result of growth.

Councils can also collect Financial Contributions under the Resource Management Act 1991 through the rules in the Council's District Plan. Councils cannot take both Development Contributions and Financial Contributions for the same purpose. The type of contribution must be stipulated in this Development Contributions Policy.

The Hurunui District Council has decided that growth in the district will be funded from three main sources:

- Financial Contributions (levied under the Resource Management Act) designed to offset adverse effects of a particular development as identified in the Hurunui District Plan.
- Development Contributions (charged under the Local Government Act 2002) for growth related projects that are identified in the Long Term Plan (LTP).
- Existing ratepayers and residents through rates and loans.

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##### **Review of Development Contributions Policy**

The Council's Development Contributions Policy was last reviewed for the 2015-2025 LTP. The Policy is reviewed every three years to coincide with the LTP review. Growth projections are based on Statistics New Zealand data which has originated from the last Census done in 2013.

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##### **Changes to the Methodology**

The projects that are subject to the methodology have remained the same and those that have been fully paid have been removed. The portion of each project that relates to growth has been reviewed and most remain unchanged from the 2015 – 2025 LTP.

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##### **Result of Changes**

The Council's overriding philosophy in regards to development contributions is that the level of the individual contribution should be

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consistent with the level that has been charged in the past, with the adjustment for inflation or changes to the projected growth.

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## 2. General Policy Statements

### **Specifics of the Development Contributions Policy**

The specifics of this policy are explained in the following sections to explain the rationale and formula for contributions.

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### **Development contributions**

Development contributions are charged to ensure that the growth related capital expenditure identified in the LTP is recovered from those who benefit from it, rather than only current ratepayers. Development contributions will be charged when the effect of the development, or the cumulative effect of developments, contribute to the need for the development of physical works or Council services and when these works or services have been allowed for in the LTP.

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### **Financial Contributions**

The purposes for which financial contributions may be taken under the Resource Management Act 1991 are related to section 5 of the Act (the sustainable management of natural and physical resources). A financial contribution can be imposed on a resource consent as long as it is in accordance with a rule in the District Plan.

Financial contributions in the District Plan can be taken to pay the costs of services such as roads, water supplies, sewerage and drainage systems which must be developed to address adverse effects on the environment.

The Council uses financial contributions to fund capital expenditure on infrastructure and community facilities where the following situation or situations have occurred:

- The development has not been foreseen in the LTP, but the effect of development directly contributes to the need for physical works on Council services and infrastructure.
- Population projections do not indicate that the costs of the Council's investment will be recovered within an appropriate timeframe.
- Costs of Council-funded investment will impact on existing ratepayers.
- Adverse environmental effects that may result from a development, for example to improve a wetland to offset land disposal, need to be offset.

Financial contributions are also used to take land for any infrastructure, reserves or other community facility within a development, where that land or those facilities will vest in the Council.

Further information on financial contributions is available in the Hurunui District Plan.

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### **Basis for Calculation of Contribution**

The detailed basis for assessment for developments is explained for each contribution. There are two broad groups of contributions:

- i. One applies to services and facilities that have a district wide benefit and the costs are apportioned across the whole district.
  - ii. The second group has more tangible benefits for a defined group of users and the costs are apportioned to the direct beneficiaries.
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### **Growth Forecasting Assumptions**

The 2013 census confirmed an increase in the Hurunui district's resident population. High rates of absentee ownership of lifestyle blocks and holiday homes (especially in Hanmer Springs) complicate the process of forecasting

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growth in the district, but statistical correlations indicate a significant relationship between the census data (the “usually resident population”) and overall growth in the district (the number of properties added to the rating database from which development contributions may be collected, including holiday homes, seasonal accommodation etc).

In some localities, this correlation is stronger with census data in the surrounding area (ward), or even with that for the district as a whole. In such cases it has been assumed that population growth in these wider areas is more of a driver of growth (i.e. that there will be more migration into the area than the Statistics New Zealand (SNZ) data for that area indicates).

The Council has used the medium/high series of growth projections (SNZ) for the period of the LTP. Instead of reducing the number of new units of growth to be collected (in the defined period to calculate the resulting level of the individual development contribution), the collection period has been extended to achieve that same level of growth.

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**Accuracy of Predictions**

Unfortunately, the “area unit” boundaries used by SNZ do not always align with the areas that the Council wants to collect development contributions. A number of assumptions have been used for calculating the population projections for these areas (for example: subtracting or adding areas we do have population data for; extrapolating mapping data for unknown areas in cases where there is a good correlation between this and known areas).

This procedure and all of the assumptions mentioned above are potential sources of error for this policy, but they are necessary approximations given the information and resources that we have to work with.

There is obviously a large degree of uncertainty in any attempt at predicting the future with variances in population estimates and the large number of assumptions for this policy, the future is difficult to quantify.

The accuracy of the growth projections is further complicated by not knowing how long demand for land in the Hurunui district will continue following recent earthquakes (Canterbury earthquakes in 2010 and 2011, Hurunui/Kaikoura earthquake in 2016).

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**Administration**

Development contributions will be levied at different development ‘trigger’ points. Under the Local Government Act 2002 the contribution can be collected on any of the following:

- The grant of a resource consent under the Resource Management Act.
- The grant of a building consent under the Building Act.
- An authorisation for a service connection.

The particular development contributions payable will be determined from the policy schedules applicable at the date of approval of a resource consent, building consent, or service-connection authorisation.

Contributions paid for sections will cover subsequent development relating to one residential housing unit per section. Additional sections, units of housing, and/or units of water connected will incur additional contributions as determined from the policy schedules applicable at the date of approval of the resource consent, building consent, or service-connection authorization for the additional units. Existing lots at the time of the development will not be charged contributions. For subdivision, each existing lot will be counted as a credit.

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Contributions will be refunded, less administration costs, if the works for which they were collected (or equivalent works) do not proceed within the “maximum period” identified for each work in table two.

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**Project Costs**

In reviewing this policy, the projected units of demand have been updated for all projects have remained the same as in the 2018/28 LTP. Where the capital cost of a project has increased or decreased from the amount previously projected, the capital expenditure on which the development contributions are calculated has been amended. All figures have been inflation adjusted as shown in table one. The projected development contribution payable for each year of the ten year financial planning period of this plan is set out in table two (GST added and figures rounded).

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**3. Development Contribution for Reserves**

**Definition**

Within the Hurunui district, development contributions for reserves apply to land and the development of land that is under the control and management of the Hurunui District Council or is being managed under the Reserve Management Act 1977.

Development contributions are collected for the following purposes:

- Land purchase of reserves for the reserves network including linkage strips
  - Development of vested reserve land, including:
    - Construction of recreation facilities including buildings
    - Fencing and gates
    - Sport surfaces
    - Development and upgrading of reserves to meet growth
    - Developing access to reserves, including paths, roads, car parking and cycleways
    - Signage
    - Planting of major trees
    - Public toilets associated with the use of the reserve
    - Playgrounds and play equipment
    - Park furniture including seats, litter bins, picnic tables and lighting
    - Infrastructure, water, irrigation, power and sewage
    - Any site specific requirements
  - Particular projects are the:
    - Amberley walking and cycling routes
    - Acquisition and development of Amberley Ward and Amberley Township Reserves
    - Redevelopment of the Amberley Domain Pavilion
    - Development and upgrade of the Queen Mary Hospital Historic Reserve for recreational use
    - Development of facilities on the Hanmer Springs Domain
    - Conical Hill walkway development
    - Hanmer Springs Township development
    - Hanmer Springs Medical Centre
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	<ul style="list-style-type: none"> <li>• Hanmer Springs Hall</li> </ul>						
<b>Need to Undertake the Activity</b>	The Council aims to add to and develop its reserve network to provide areas that allow people to enjoy physical and passive recreation, while at the same time retaining areas of conservation value. The capital projects proposed will add considerable improvements to the existing network of reserves and facilities.						
<b>Community Outcomes to which the Activity Primarily Relates</b>	<ul style="list-style-type: none"> <li>– A desirable and safe place to live</li> <li>– A place where our traditional rural values and heritage make Hurunui unique</li> </ul>						
<b>Distribution of Benefits</b>	<p><b>Economic</b></p> <p>The ongoing development of the reserves network will result in a better physical environment and a healthier community, which in turn will encourage more people to do business and live in the area.</p> <p><b>Social</b></p> <p>As growth increases and demographic and lifestyle changes occur, it is necessary for appropriate reserve space to be provided and enhanced, in line with community expectations.</p> <p><b>Cultural</b></p> <p>Open spaces, pedestrian links and sports fields provide opportunities for sporting and other recreational activities which are important aspects of the community's culture.</p> <p><b>Environmental</b></p> <p>The development of reserves will enable the physical environment, including special heritage, vistas and open spaces to be protected as growth increases.</p>						
<b>Duration of Benefits</b>	<p>The reserves that are being developed over the next twenty years will provide ongoing and long term benefits to the community.</p> <p>While there are wider community and environmental benefits from the creation of new reserves, the Council considers that future property owners should contribute directly to the development costs of reserves to ensure that the District can continue to provide the existing level of service to a growing population.</p>						
<b>Sources of Funding</b>	<table> <tr> <td>– Loans</td> <td>Yes</td> </tr> <tr> <td>– Rates</td> <td>Yes</td> </tr> <tr> <td>– Development Contributions</td> <td>Yes</td> </tr> </table>	– Loans	Yes	– Rates	Yes	– Development Contributions	Yes
– Loans	Yes						
– Rates	Yes						
– Development Contributions	Yes						
<b>Calculation of Contribution</b>	<p>There are two reserve contributions:</p> <ol style="list-style-type: none"> <li>1. One for district wide reserves applicable to all new residential units of demand. This is based on a wider sphere of use of the land.</li> <li>2. The other is for amenity reserves, which is primarily based around use by the residents of a ward or township.</li> </ol> <p>In both cases, contributions will be payable on a unit rate of demand for any new residential activity or subdivision, which creates a residential opportunity whether urban or rural.</p> <p>Contributions are calculated per lot by dividing the cost of the capital expenditure due to growth as detailed in table one by the number of units</p>						

	<p>of growth expected in the target period. The resulting amounts are set out in table two. These amounts are capped as per statutory requirements at the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development. This value will be calculated on an individual basis based upon estimated market value at the time that the contributions are collected.</p>
<p><b>Points at which Contributions are Collected</b></p>	<p>Contributions will be collected at the time of granting a subdivision consent and where subsequently an additional dwelling house, including a minor dwelling unit or family flat, is promoted on the same lot. Contributions will be collected at the time a building consent is granted.</p>
<p><b>Rationale for Individual Projects</b></p>	<p><u>Queen Mary Hospital Historic Reserve</u>: This site is envisaged as providing for future recreational opportunities for a twenty year planning horizon from 2004. There is a need to add to and improve this land and expand its potential for recreation use. It is a district reserve and, as such, all expenditure on development will be spread across both existing and future units of demand across the district over the specified period.</p> <p><u>Conical Hill/Oregon Heights/Lucas Lane Reserve Walkway</u>: The development and upgrade of this area is to cater for the increased demands put on this reserve from growth and a local desire to fund this project. The cost will therefore be spread across the future units of demand from within the Hanmer Springs Ward.</p> <p><u>Hanmer Springs Domain</u>: The development of the facilities at the Domain was identified by the Hanmer Springs Community Board as a key project to undertake after discussions with the community. The portion of the costs that is deemed to be growth related will be spread across the future units of demand from within the Hanmer Springs Ward.</p> <p><u>Amberley Ward Reserves</u>: The acquisition and development of these reserves are to provide additional recreation facilities and sports grounds due to growth over the foreseeable future, as identified in the Amberley Reserve Strategy. Its cost will thus be recovered from development occurring within the Amberley Ward.</p> <p><u>Amberley Township Reserves</u>: The acquisition and development of these are to provide for additional neighbourhood reserves, passive reserve areas and linkage strips, in line with the Amberley Reserve Strategy. These reserves will be required due to growth within the Township. The cost will be spread across the future units of demand from within the Amberley Township.</p>
<p><b>Basis for Assessment</b></p>	<p>It is recognised that there are two main types of reserves:</p> <ul style="list-style-type: none"> <li>– Those that are used by the community as a whole</li> <li>– Those that are used more often by those living or working in the immediate locality of the reserve.</li> </ul> <p>For this reason, the Reserves Policy is divided into “district wide reserves” and “amenity reserves”.</p> <p>Residents and workers in a ward or township area make use of amenity reserves, while a wider cross section of the community will more often use a district reserve. Accordingly the formula for calculating contributions is adjusted to recognise the type of reserve which development is occurring on. The exception to this rule is the Conical Hill/Oregon Heights/Lucas Lane</p>

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Reserve which is a district reserve but will be funded by growth in the Hanmer Springs ward. This is due to a desire by the local community to upgrade this reserve in order to accommodate the demands from growth occurring within the ward. The Council has accepted this modification to the general policy.

#### **Residential Activities**

Each new subdivision lot established will be charged one development contribution for each reserve item as identified in the schedule. Additional dwelling units established on the same lot will be charged a separate development contribution.

#### **Multi-Unit Residential Developments**

The payment for multi-unit residential housing including flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

#### **Travellers Accommodation Including Hotel/Motel Units**

For each hotel, motel unit or separate unit of travellers accommodation (excluding home stays accommodating less than 6 visitors) a payment of 50% of the standard reserve development contribution will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels, bunkhouses and backpackers accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50% of the standard reserve development contribution for each 4 visitors the premises/camping ground can accommodate.

Any manager's accommodation associated with travellers accommodation shall be charged at the full rate.

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#### **Assumptions**

- That all households should contribute equally to either district or amenity reserves irrespective of whether the unit of demand is urban based or rurally based. This assumption is based on the fact that the capital expenditure being proposed on reserves for growth is likely to be used on an equal basis by both urban and rural dwellers.
- That development that creates equivalent transient demands for infrastructure upgrades should contribute on a reduced scale.
- That the district will grow as per the forecasts set out in this Policy.

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#### **Circumstances for Refunds or Reductions**

In the event that planned reserve purchases, developments or upgrades are not undertaken within the "maximum period" set out in table two, development contributions will be refunded, after allowing for the associated administration costs. (In the case of land taken for reserve purposes, the maximum period will be negotiated with the land owner at the time the contribution is made.)

Where land is transferred to the Council for reserve purposes that will have benefits to the community that are similar to those which would be provided by a reserve under its existing control, the Council may agree to a reduction in the reserve contribution to acknowledge the benefit. For Amberley Township Reserves and Amberley Ward Reserves, circumstances where this may be appropriate is detailed in the Amberley Reserve Strategy.

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Where the Council and a developer agree that the development will incorporate assets of benefit to the community, the Council may agree to a reduction in the reserve contribution to acknowledge the benefit.

Where the Council assesses that no additional demand on reserves will arise from a development, the Council may agree to a reduction in the reserve contribution.

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#### **4. Development Contribution for Network Infrastructure**

##### **Definition**

Network infrastructure for the purposes of development contributions includes water, sewer and stormwater / drainage services under the control and management of the Hurunui District Council.

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##### **Policy Principles**

The policies for the assessment of development contributions for water, sewer, and stormwater / drainage have been developed on the broad principle that infrastructure costs incurred to meet demands associated with growth should be spread as equitably and as practicable among the beneficiaries of the expenditure. The primary beneficiaries of expenditure on new network infrastructure are developers, builders, and new property / building owners. Hence development contributions are collected for the costs involved.

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##### **District Plan Development Areas**

The District Plan identifies zoning for future growth in Amberley, Hanmer Springs and Leithfield. Growth is also occurring in areas serviced by the Ashley, Cheviot and Hurunui Rural Water schemes. Growth in other towns in the district can be accommodated without substantial upgrading of water, sewerage or stormwater infrastructure.

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##### **Formula**

The formula and the contribution for each category of network infrastructure is the capital cost of the project attributable to growth (appendix 2) divided by the number of new units of demand expected in the target period, producing the contribution amounts (appendix 3).

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##### **Point at which Contributions are Collected**

Contributions for rural water schemes will be collected at the point of making an application to connect to the scheme in question. One development contribution will be charged per unit of water purchased. Contributions for stormwater, sewerage and township water will be collected when a subdivision consent is granted and where subsequently an additional dwelling house is promoted on the same lot, contributions will be collected at the time a building consent is granted.

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##### **Connecting to Existing Services**

In addition to any development contribution charge, all connections to utilities and services will be charged a connection fee, based on an assessment of actual costs.

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#### **4a. Water Infrastructure**

The Hurunui District Council operates several different water supply schemes across the district and the funding rationale is affordability. The methodology for calculating development contributions for water projects is to combine all water projects. Each individual project has the percentage of growth calculated to it but is added and divided by the total number of projects to find the average development contribution cost.

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**Need to Undertake the Activity**

The Council provides potable water to avoid the risk of water borne diseases affecting public health. The growth of the district will result in additional connections to the system which will increase the demand on existing services. The Council believes it should be developing long term sustainable solutions that cater for users of today and tomorrow; therefore, any scheme it develops or extends will have a planned growth component within it.

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**Community Outcomes to Which the Activity Primarily Contributes**

- A desirable and safe place to live
  - A place with essential and appropriate infrastructure
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**Distribution of Benefits****Economic**

The supply of potable water supports economic growth, which impacts on the whole community; however the individuals that are connecting to a system will gain the direct benefits of the service.

**Social**

It is convenient and efficient that an agreed level of supply is made available. The expansion of the systems in line with growth benefits the health of individuals and the community.

**Cultural**

The extraction of water is done in a manner that respects cultural relationships with water.

**Environmental**

The extraction of water for potable water supply systems impacts on the natural waterways and ecosystems of this district. Sustainable growth contributes to the maintenance of a high quality natural environment.

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**Duration of Benefits**

The water supply systems that are being upgraded over the years within their respective planning horizons will provide long-term benefit to the community. The duration of benefit is dependent on the ability to gain the necessary resource consents, but is anticipated to be a minimum of 35 years with any engineering solution intended to provide future benefits equivalent to the design life of the system's components which for certain assets is in excess of 70 years.

The capacity of the schemes allow for growth that ensures not only current users, but also future users, will benefit from the system. It is equitable that those who join a scheme should contribute to the cost of providing for growth. Current users must fund the cost of additional capacity until those future users are connected; therefore it is reasonable that when those future users arrive they make a contribution to the cost of catering for that growth.

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**Sources of Funding**

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|-----------------------------|-----|
| – Loans                     | Yes |
| – Rates                     | Yes |
| – Development Contributions | Yes |
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<b>Calculation of Contribution</b>	<p>The contribution will be calculated on the cost of the capital expenditure associated with increasing the capacity of the systems to enable growth (divided by the number of new units of demands (including business and residential use development) that the area is capable of servicing. The resulting cost is added and divided by the number of projects. The result is the cost that will apply to each new unit of demand across the district.</p>
<b>Basis for Assessment</b>	<p>Current users and future users benefit equally from the maximum capacity of a water supply system. Based on the assumption that one current user will consume the same amount of system capacity as a future user, they should equally share the cost of providing that maximum capacity.</p> <p><b>Residential &amp; Business Activities (Urban Areas)</b></p> <p>Each new standard connection or subdivision lot established will be charged one development contribution as identified in the schedule.</p> <p><b>Multi-Unit Residential Developments</b></p> <p>The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.</p> <p><b>Travellers Accommodation Including Hotel/Motel Units (Urban Areas)</b></p> <p>For each hotel, motel unit or separate unit of travellers accommodation (excluding home stays accommodating less than 6 visitors) a payment of 50% of the standard water development contribution will be applied to each separate unit of accommodation let for tariff.</p> <p>For camping grounds, hostels, bunkhouses and backpackers accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50% of the standard water development contribution for each 4 visitors the premises/camping ground can accommodate.</p> <p>Any manager's accommodation associated with travellers accommodation shall be charged at the full rate.</p>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>– That all residential and business zone properties consume the same unit of demand and that where this is not the case a means exist to determine a variance to the standard (see above).</li> <li>– That the district will continue to grow as per the population forecasting contained within this Policy and new infrastructure assets will be designed to cater for additional growth capacity.</li> </ul>
<b>Circumstances for Refunds or Reductions</b>	<p>In the event that planned system upgrades or alternative upgrades are not undertaken within the "maximum period" set out in table two, development contributions will be refunded, after allowing for the costs of investigating the upgrade options and associated administrative costs.</p> <p>There will be no postponements of payments or remissions of payments.</p>
<p><b>4b. Sewer Infrastructure</b></p>	
<p>The district operates sewerage schemes in Amberley and Hanmer Springs which are subject to the pressures of growth and require extra capacity. The policies and methodology for calculating development contributions are the same for each scheme, but the actual level of contribution is the same</p>	

	<p>across the district. The calculation is the same as for water infrastructure above.</p>						
<b>Need to Undertake the Activity</b>	<p>Reticulated sewer treatment and disposal systems are provided to minimise public health issues and adverse effects on the environment. There is an expectation from the community that high environmental standards will be met.</p> <p>The growth of the district and the resulting additional connections to the system will increase the demand on existing services. The Council believes it should be developing long term sustainable solutions that cater for users of today and tomorrow; therefore, any scheme it develops or extends will have a planned growth component within it.</p>						
<b>Community Outcomes to Which the Activity Primarily Contributes</b>	<ul style="list-style-type: none"> <li>– A desirable and safe place to live</li> <li>– A place with essential and appropriate infrastructure</li> <li>– A place that demonstrate environmental responsibility</li> </ul>						
<b>Distribution of Benefits</b>	<p><b>Economic</b></p> <p>Effective and efficient sewerage treatment and disposal systems will support economic growth, which impacts on the whole community, however the individuals that are connecting to a system, will gain the direct benefits of the service.</p> <p><b>Social</b></p> <p>The expansion of the systems in line with growth benefits the health of individuals and the community.</p> <p><b>Cultural</b></p> <p>Effective sewerage treatment and disposal systems and practices respect the values of all sections of the community.</p> <p><b>Environmental</b></p> <p>The health of the district’s water resources and natural ecosystems will be better protected by reticulated treatment and disposal systems.</p>						
<b>Duration of Benefits</b>	<p>The reticulation, treatment and disposal systems that are being implemented are anticipated to have a minimum of 35 years benefit, with any engineering solution intended to provide future benefits equivalent to the design life of the systems’ components.</p> <p>The capacity of the schemes allow for growth that ensures not only current users, but also future users, will benefit from the system. It is equitable that those who join a scheme should contribute to the cost of providing for that growth. Current users must fund the cost of additional capacity until those future users are connected; therefore it is reasonable that when those future users arrive they make a contribution to the cost of catering for that growth.</p>						
<b>Sources of Funding</b>	<table border="0"> <tr> <td>– Loans</td> <td>Yes</td> </tr> <tr> <td>– Rates</td> <td>Yes</td> </tr> <tr> <td>– Development Contributions</td> <td>Yes</td> </tr> </table>	– Loans	Yes	– Rates	Yes	– Development Contributions	Yes
– Loans	Yes						
– Rates	Yes						
– Development Contributions	Yes						
<b>Calculation of Contribution</b>	<p>The contribution for all sewerage schemes is calculated on the cost of the capital expenditure associated with increasing the capacity of the system to</p>						

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provide for growth, divided by the number of units of demand that are expected. The result is the cost that will apply to each new lot. (Refer to appendix 3).

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**Basis for Assessment for Treatment, Disposal and Reticulation Costs**

Current users and future users benefit equally from the maximum capacity of a sewerage system. Based on the assumption that one current user will consume the same amount of system capacity as a future user, they should equally share the cost of providing that maximum capacity.

**Residential & Business Activities (Urban Areas)**

Each new standard connection or subdivision lot established will be charged one development contribution as identified in the schedule. Additional dwelling units established on the same lot will be charged an additional development contribution.

**Multi-Unit Residential Developments**

The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

**Travellers Accommodation Including Hotel/Motel Units (Urban Areas)**

For each hotel, motel unit or separate unit of travellers accommodation (excluding home stays accommodating less than 6 visitors) a payment of 50% of the standard sewer development contribution will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels bunkhouses and backpackers accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50 % of the standard sewer development contribution for each 4 visitors the premises/camping ground can accommodate. Any managers' accommodation associated with travellers' accommodation shall be charged at the full rate.

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**Assumptions**

- That all residential lots produce the same unit of demand.
  - That the district will continue to grow as set out within the population forecasting contained within this policy.
  - That new infrastructural assets will be designed to allow for additional growth capacity.
  - That the costs of reticulating, treating and disposing of sewage are in proportion to the volume of sewage produced.
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**Circumstances for Refunds or Reductions**

In the event that planned system upgrades, or alternative upgrades, are not undertaken within the "maximum period" set out in table two, development contributions will be refunded, after allowing for the costs of investigating the upgrade options and associated administrative costs. There will be no postponements of payments or remissions of payments.

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**4c. Stormwater and Drainage Infrastructure**

The Council has established a stormwater area in Hanmer Springs for stormwater disposal associated with expected demands created by growth. The Council has also undertaken extensive upgrades to the Amberley stormwater system, for off-site upgrades to the reticulation system required by the expected growth in the township and for flood-management

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purposes (a component of which will cater for future growth). All on-site stormwater works in Amberley will be funded by developers through financial contributions under the District Plan.

The stormwater systems and upgrades will cater for growth. The policy and methodology for calculating development contributions are the same for each area, but the actual level of contribution varies depending upon the capital cost and upon the growth component.

Appendix 3 includes details of the different amounts applicable to developments within each township area.

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**Need to Undertake the Activity**

Stormwater systems are provided to minimise public health issues and adverse effects on the environment.

Effective stormwater systems and networks remove a constraint on land development.

There is an expectation from the community for high environmental standards to be met.

The growth of the district and the resulting additional connections will increase the demand on existing services. The Council believes it should be developing long-term sustainable solutions that cater for users tomorrow; therefore, any scheme it develops will primarily be designed to accommodate planned growth.

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**Community Outcomes to Which the Activity**

- A desirable and safe place to live
  - A place with essential and appropriate infrastructure
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**Distribution of Benefits**

**Economic**

Effective and efficient stormwater systems will support economic growth and mitigate the costs associated with flooding for the whole community. The individuals that are connecting to a system will gain the direct benefits of the service.

**Social**

Health, efficiency and safety benefits apply indirectly to the whole community and directly to those who are connected to each scheme. Stormwater systems minimise harm to people from potential flooding.

**Cultural**

Effective stormwater systems protect community values associated with waterways and incorporate the cultural concerns of Maori with land and water.

**Environmental**

Stormwater systems contribute to a high quality natural environment and mitigate the adverse environmental effects of flooding.

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**Duration of Benefits**

The stormwater systems that are being implemented will provide a long-term benefit to the community. The duration of benefit is dependent on the ability to gain the necessary resource consents, but is anticipated to be a minimum of 35 years.

Current users must fund the cost of providing capacity until those future users are connected; therefore it is reasonable that when those future users

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	arrive they make a contribution that relates to the cost of providing stormwater systems.
<b>Sources of Funding</b>	<ul style="list-style-type: none"> <li>– Loans Yes</li> <li>– Rates Yes</li> <li>– Development Contributions Yes</li> </ul>
<b>Calculation of Contribution</b>	The contribution is calculated on the cost of the capital expenditure associated with constructing that component of the stormwater systems that cater for growth. This is estimated at about 80% in the case of Hanmer Springs and 64% in Amberley. Then it is divided by the number of new units of demand establishing within the area being serviced. The result is the cost that will apply to each new lot. (Refer to table two for details of each contribution.)
<b>Basis for Assessment</b>	Future users both business and residential benefit equally from the maximum capacity of a stormwater system. Based on the assumption that one current user will need the same amount of system capacity as a future user, they should equally share the cost of providing that maximum capacity. Each new business or subdivision allotment that is created will pay on the basis of one unit of demand.
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>– That all residential and business zone properties have the same volume of run off.</li> <li>– That the District will continue to grow as predicted in the population forecasting as per this policy, and the new infrastructure assets will be designed to accommodate the growth projected over 26 years (2004-2030).</li> </ul>
<b>Circumstances for Refunds or Reductions</b>	In the event that planned system upgrades, or alternative upgrades, are not undertaken within the “maximum period” set out in table two, development contributions will be refunded, after allowing for the costs of investigating the upgrade options and associated administrative costs. There will be no postponements of payments or remissions of payments.
	<h3>5. Community Infrastructure</h3> <p>The Council has planned for considerable capital investment on community infrastructure that is under its management and control. A proportion of this expenditure relates to catering for the increased demands of growth. The four projects listed below relate to planned capital development associated with community infrastructure demands within the LTP.</p> <ul style="list-style-type: none"> <li>– Hanmer Springs Medical Centre</li> <li>– Hanmer Springs town centre development</li> <li>– Amberley walkway and cycleway network</li> </ul>
<b>Need to Undertake the Projects</b>	<p>The community infrastructure projects identified are essential to the ongoing economic, social, cultural and environmental wellbeing of the district, especially the Hanmer Springs and Amberley Townships.</p> <p>The Hanmer Springs projects will enhance community facilities, provide access to health care, and result in an improved and pleasant environment, which will meet the demands of future growth.</p>

	<p>Extending and improving Amberley’s walkway and cycleway network will help create connectivity between the existing township and new development areas.</p>
<p><b>Community Outcomes to Which the Activity Primarily Contributes</b></p>	<ul style="list-style-type: none"> <li>– A desirable and safe place to live</li> <li>– A place where our traditional rural values and heritage make Hurunui unique</li> </ul>
<p><b>Distribution of Benefits</b></p>	<p><b>Economic</b> Improved community facilities will draw people into the District to invest in new business or to participate in the labour force.</p> <p><b>Cultural</b> Facilities provide opportunities for participation in educational, recreational and cultural activities.</p> <p><b>Social</b> Community infrastructure supports a high quality of life for residents through participation in activities and access to services. The built environment is integral to the look, feel and functionality of the District.</p> <p><b>Environmental</b> Community infrastructure supports the natural environment by providing appropriate places to carry out activities.</p>
<p><b>Duration of Benefits</b></p>	<p>Community infrastructure provides benefits for the duration of the assets. Given the nature of the assets, the duration is likely to be for the next 50 years.</p> <p>The projects will each provide varying levels of benefit to different members of the community. The Hanmer Springs Medical Centre and Hanmer Springs town centre development provide benefits to those owning property in the Hanmer Springs ward. The expansion of Amberley’s walkways and cycleways will principally be of benefit to the town’s residents.</p> <p>Future population growth, the demographic profile of the district and changes in lifestyle will require the Council to provide a range of opportunities for individuals and groups to participate in at various levels. The Council considers that future property owners should contribute to the provision of these projects proposed under community infrastructure as they provide opportunities for individual and group wellbeing.</p>
<p><b>Sources of Funding</b></p>	<ul style="list-style-type: none"> <li>– Loans Yes</li> <li>– Rates Yes</li> <li>– Development Contributions Yes</li> </ul>
<p><b>Point at which Contributions are Collected</b></p>	<p>Contributions for community infrastructure will be collected on granting a subdivision consent and where subsequently an additional dwelling house is promoted on the same lot contributions will be collected at the time a building consent is granted.</p> <p>All new subdivisions will be subject to the community infrastructure contributions set out in table two.</p>

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**Basis for Assessment**

Medical centre: Redevelopments benefit current and future users equally from access to and opportunities provided by these items of community infrastructure. Therefore each unit of demand, both existing and future, should contribute equally to infrastructure intended to be constructed over the period (set at the initial planning period of 10 years from 2004).

Hanmer Springs town centre development: There has been some benefit to existing residents, but the development was required due to increasing infrastructure to cope with the expected growth over the planning period. The Council has determined that it is fair and equitable that development contributions fund those areas of development which are necessitated by growth, not driven by community desire. The Council recognises that renewals or upgrades of existing facilities will also benefit new residents, but considers that the demand for these are from the existing population are therefore should be funded by existing units of demand. The target period for collection is set at initial 20 year planning period of the project (from 2004).

Amberley walkway and cycleway network extension: This work is in the new development areas of Amberley and each new unit of demand should contribute to the development of the network. Where the infrastructure is an upgrade to existing areas it will be met by existing units of demand. The target period has been extended from its initial 20 year horizon to as a result of the lower level of growth anticipated.

**Residential & Business Activities**

Each new subdivision lot established will be charged one development contribution for each item of community infrastructure as identified in the schedule. Additional dwelling units established on the same lot will be charged a separate development contribution.

**Multi-Unit Residential Developments**

The payment for multi-unit residential housing including minor dwelling units, family flats, town houses, retirement villages and apartments, will be applied on the basis that each separate residential unit shall be treated as a separate unit of demand and be charged accordingly.

**Travellers Accommodation Including Hotel/Motel Units**

For each hotel, motel unit or separate unit of travellers accommodation (excluding home stays accommodating less than 6 visitors) a payment of 50% of the standard community infrastructure development contributions identified in the schedule will be applied to each separate unit of accommodation let for tariff.

For camping grounds, hostels, bunkhouses and backpackers accommodation or comparative travellers accommodation a contribution shall be determined on the basis of payment of 50 % of the standard community infrastructure development contribution for each 4 visitors the premises/camping ground can accommodate. Any manager's accommodation associated with travellers' accommodation shall be charged at the full rate.

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**Assumptions**

- That all people in the district create a demand for community infrastructure irrespective of the type of lot created.
  - That all people in the district have the same opportunity to use community infrastructure facilities.
  - That community infrastructure use is related to people not type of property.
  - That the district will continue to grow as set out in the population forecasting contained in this Policy.
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**Circumstances for Refunds or Reductions**

In the event that planned community infrastructure upgrades are not undertaken within the “maximum period” set out in table two, or alternative upgrades are not completed within that time-frame, development contributions will be refunded, after allowing for the costs of investigating the upgrade options and associated administrative costs. There will be no postponements of payments or remissions of payments.

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**Process for the reconsideration of a development contribution assessment**

Section 199A of the Local Government Act provides that a request for reconsideration may only be made on the following grounds:

- the development contribution was incorrectly calculated or assessed under the territorial authority’s development contributions policy; or
- the territorial authority incorrectly applied its development contributions policy; or
- the information used to assess the person’s development against the development contributions policy, or the way the territorial authority has recorded or used it when requiring a development contribution, was incomplete or contained errors.

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**How a Reconsideration Request is lodged**

The reconsideration request must be made:

- within 10 working days after the date on which the person lodging the request receives notice from the Council of the level of development contribution the Council requires; and
- by making a written request and sending it with any relevant supporting information by email to [info@hurunui.govt.nz](mailto:info@hurunui.govt.nz), or posting it to Hurunui District Council , P O Box 13, Amberley 7441.

If the Council believes further relevant information is required from the applicant before it can make a decision, a *further information request* will be asked for in writing to the applicant as soon as possible after the reconsideration request is received.

No *reconsideration request* will be accepted by the Council if it is received after the 10 day period above, or if an objection has been lodged under section 199C of the LGA. The applicant will receive written notice if the request for reconsideration cannot be made for one of these reasons.

The Council reserves the right to reconsider an assessment if it believes an error has been made.

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**Objections process for a development contributions assessment**

A formal objections process has been introduced to enable any person who has been required to pay a development contribution, to object to the assessed amount of the development contribution.

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Objections will be decided by Development Contributions Commissioners selected by the Council from a Register of Commissioners appointed by the Minister of Local Government.

Under section 199D an objection can only be made on the grounds that a territorial authority:

- failed to take into account features of a development that, on their own or cumulatively with other developments, would substantially reduce the impact of the development on requirements for community facilities;
- required a development contribution for community facilities not required by, or related to, the objector’s development;
- was in breach of section 200 (limitations applying to requirement for development contribution); or
- incorrectly applied its developments contributions policy to the development.

Once objections are lodged with the Council, it is the Council’s responsibility for administering the objections process and selecting and supporting the Development Contributions Commissioners.

Note that the Council has the ability to recover costs incurred by it from the objector, including the costs of:

- selecting, engaging, and employing development contributions commissioners;
  - secretarial and administrative support of the objection process; and
  - preparing for, organising and holding the hearing.
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END OF POLICY

**Table 1: Inflation adjusted Capital Costs and Portion Relating to Growth for Year 1-3 and 10 of this plan**

Project	Funded From	Total Capital Cost of Project (including non-growth related components) in 2022 dollars	Est. Proportion of Growth attributable to Development (net result of estimates for each capital item in project)	Est. Total Units of Demand by end of target period (to spread Development Cost if applicable)	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2022	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2023	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2024	Est. (actual when available) Total Capital Cost due to growth, inflation adjusted to 2031
District Sewer	District Sewer Area	\$2,386,993	65%	4,571	\$1,871,870	\$1,928,208	\$1,979,094	\$2,197,175
District Urban Water	Urban Water Area	\$1,486,783	73%	4,628	\$1,224,229	\$1,261,075	\$1,294,355	\$1,561,783
District Rural Water	Rural Water Area	\$6,734,793	80%	7,888	\$6,278,991	\$6,467,970	\$6,638,661	\$8,010,285
Amberley Stormwater	Amberley Township	\$470,074	64%	1,912	\$299,573	\$308,589	\$316,733	\$382,174
Amberley Township Reserves	Amberley Township	\$738,053	90%	2,046	\$664,248	\$684,240	\$702,297	\$847,399
Amberley Walking & Cycling Routes	Amberley Township	\$302,364	80%	2,046	\$241,892	\$249,172	\$255,748	\$308,588
Amberley Ward Reserves	Amberley Ward	\$1,504,790	90%	2,855	\$1,354,311	\$1,021,887	\$1,048,855	\$1,265,560
Conical Hill Reserve Walkway Development	Hanmer Springs Ward	\$133,869	90%	2,068	\$120,483	\$143,222	\$147,001	\$168,199
Hanmer Springs Medical	Hanmer Springs Ward	\$865,929	Spread based on a ratio of new units of demand / total units of demand	1,797	\$207,199	\$213,435	\$219,068	\$264,330
Hanmer Springs Stormwater	Hanmer Springs Township	\$162,736	80%	1,705	\$130,189	\$134,107	\$137,647	\$166,086
Hanmer Springs Town Centre Development	Hanmer Springs Ward	\$2,494,048	60%	2,284	\$1,496,429	\$1,541,467	\$1,582,147	\$1,909,036
Hanmer Springs Domain	Hanmer Springs Ward	\$400,000	50%	1,845	\$200,000	\$206,019	\$211,456	\$255,146
Queen Mary Development	Hurunui District	\$4,571,462	Spread based on a ratio of new units of demand / total units of demand	8,931	\$1,073,371	\$1,105,676	\$1,134,855	\$1,369,329

**Table 2: Development Contribution Schedule for Years 1-3 and 10 of this plan**

Project	Funded from	Relevant Subsection of Policy (Category of Contribution)	Point at which Contribution is collected (number refers to options in NOTES below)	Start Year for Contributions	Maximum No. of years from start year until project is undertaken	Target period (years from start year) over which to collect contributions	Est. Num of New Units to Collect from in target period based on growth model	New Development Contribution (GST added) 2017/2018	New Development Contribution (GST added) 2021/2022	New Development Contribution (GST added) 2020/2023	New Development Contribution (GST added) 2021/2024	New Development Contribution (GST added) 2030/2031
District Sewer	District Sewer Area	Network Infrastructure	3	2016	10	14	703	\$3,020	\$3,060	\$3,160	\$3,240	\$3,600
District Urban Water	Urban Water Area	Network Infrastructure	3	2016	10	13	912	\$1,460	\$1,540	\$1,590	\$1,630	\$1,970
District Rural Water	Rural Water Area	Network Infrastructure	3	2016	10	24	1,702	\$4,140	\$4,240	\$4,370	\$4,490	\$5,410
Amberley Stormwater	Amberley Township	Network Infrastructure	3	2004	10	32	330	\$990	\$1,040	\$1,070	\$1,100	\$1,330
Amberley Township Reserves	Amberley Township	Reserves	1	2008	25	30	436	\$1,890	\$1,750	\$1,800	\$1,850	\$2,230
Amberley Walking & Cycling Routes	Amberley Township	Community Infrastructure	4	2008	20	30	436	\$600	\$620	\$640	\$660	\$800
Amberley Ward Reserves	Amberley Ward	Reserves	1	2008	25	16	570	\$2,640	\$2,730	\$2,060	\$2,120	\$2,560
Conical Hill Reserve Walkway Development	Hanmer Springs Ward	Reserves	1	2008	10	37	582	\$230	\$240	\$280	\$290	\$330
Hanmer Springs Medical	Hanmer Springs Ward	Community Infrastructure	4	2004	10	19	430	\$520	\$550	\$570	\$590	\$710
Hanmer Springs Stormwater	Hanmer Springs Township	Network Infrastructure	3	2004	20	40	474	\$310	\$320	\$330	\$330	\$400
Hanmer Springs Town Centre Development	Hanmer Springs Ward	Community Infrastructure	4	2004	10	64	917	\$1,820	\$1,880	\$1,930	\$1,980	\$2,390
Hanmer Springs Domain	Hanmer Springs Ward	Reserves	1	2013	10	11	209	\$1,060	\$1,100	\$1,140	\$1,170	\$1,410
Queen Mary Development	Hurunui District	Reserves	1	2004	20	22	2,097	\$610	\$590	\$610	\$620	\$750

**NOTES: Points at which Contributions are payable and maximum contribution for reserves\*\***

1. At the time of granting a subdivision consent, or if a separate certificate of title exists against which no development levy has been paid, at the time of issuing a building consent.	<b>Hanmer Springs Township</b>	<b>\$9,030</b>	<b>\$9,280</b>									
2. At time of granting subdivision consent or if no development levy has been paid, at the time of issuing a building consent or resource consent or at time of connection to service.	<b>Hanmer Springs Rating Area (excluding Township)</b>	<b>\$4,240</b>	<b>\$4,360</b>									
	<b>Amberley Township</b>	<b>\$11,210</b>	<b>\$11,330</b>									
	<b>Leithfield Township &amp; Amberley Beach Township</b>	<b>\$10,410</b>	<b>\$10,620</b>									
3. When subdivision consent is granted and or where subsequently an additional dwelling house or business premise is promoted on the same lot at the time when either a resource consent or a building consent is granted.	<b>Leithfield Beach Township</b>	<b>\$7,730</b>	<b>\$7,920</b>									
4. Upon granting a subdivision consent or Building Consent or Resource Consent. All new subdivisions will be subject to the community infrastructure contributions set out in this table. Where allotments already exist but have not been built on the contribution will be collected on the granting of the building consent or resource consent.	<b>Amberley Rating Area (excluding Townships)</b>	<b>\$3,250</b>	<b>\$3,320</b>									
	<b>Glenmark Rating Area (excluding Rural Water)</b>	<b>\$610</b>	<b>\$590</b>									
	<b>Cheviot Rating Area (Including Rural Water)</b>	<b>\$4,750</b>	<b>\$4,830</b>									
	<b>Hurunui Rating Area (including Rural Water)</b>	<b>\$4,750</b>	<b>\$4,830</b>									
5. At time of application to the Rural Water Scheme.	<b>Amuri Rating Area (excluding Rural Water)</b>	<b>\$610</b>	<b>\$590</b>									

\*\* In the case of reserves contributions, the contribution payable will be capped at the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development.

<b>Totals:</b>	<b>\$9,610</b>	<b>\$9,850</b>	<b>\$11,560</b>
	<b>\$4,530</b>	<b>\$4,650</b>	<b>\$5,590</b>
	<b>\$10,930</b>	<b>\$11,220</b>	<b>\$13,240</b>
	<b>\$10,200</b>	<b>\$10,470</b>	<b>\$12,320</b>
	<b>\$7,420</b>	<b>\$7,610</b>	<b>\$8,880</b>
	<b>\$2,670</b>	<b>\$2,740</b>	<b>\$3,310</b>
	<b>\$610</b>	<b>\$620</b>	<b>\$750</b>
	<b>\$4,980</b>	<b>\$5,110</b>	<b>\$6,160</b>
	<b>\$4,980</b>	<b>\$5,110</b>	<b>\$6,160</b>
	<b>\$610</b>	<b>\$620</b>	<b>\$750</b>

\* In the case of land taken for reserve purposes, this figure will be negotiated with the land owner at the time the contribution is made.