

**POLICY:** **POLICY ON DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS**

**GROUP RESPONSIBLE:** Services and Assets

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**POLICY:**

## **PART 1 - THE POLICY**

### **1. Objectives**

- To ensure that all new developments contribute fair and reasonable funding towards the costs of avoiding, remedying or mitigating adverse social, economic, environmental and cultural effects on the district, or parts of the district, arising from developments.
- To make provision for the long term sustainable development of infrastructure within a framework of fair and prudent stewardship.
- To provide certainty to developers and to Council as to the assignment of infrastructural costs related to developments and the reasons for this assignment.

### **2. Principles**

- New development is to contribute to the expected share of capital expenditure on network and community infrastructure required for that development based on the average cost allocation method.
- Development contributions and financial contributions are to be based on the likely and foreseeable public capital expenditure that Council expects to incur from growth in the district.
- Development contributions and financial contributions are to be applied in a fair and equitable manner that is financially transparent while having due regard to Council's other financial management policies.
- The value of development contributions collected and the usage of these contributions each year are to be reported in Council's annual report.
- The quantum of development contributions and financial contributions are to be reviewed through the LTCCP for Development Contributions or on an annual basis having regard to changes in population projections, project programming, construction costs and design estimates.

### **3. Definitions**

A schedule of defined terms is attached in Appendix 1.

## 4. Legislative Framework

Section 102(4) of the Local Government Act (LGA) 2002 requires Council to adopt a policy on development contributions as authorised by the LGA or financial contributions as authorised by the Resource Management Act (RMA) 1991.

Section 106 of the LGA set out the requirements of the policy. Sections 197-211 and Schedule 13 cover the application and calculation methodology related to contributions.

Development contributions imposed under the LGA may be in addition to and separate from financial contributions imposed under the RMA. Council's financial contribution regime is set out in the District Plan, Section 3.7 (Financial Contributions and Reserve Requirements).

## 5. Rules

### Activities Funded by Development Contributions

Contributions collected shall be used to assist the funding of new and additional:

- Reserves, sports facilities and town beautification.
- Water, and sewerage networks and treatment.

The reason why Council requires contributions towards the above facilities is that it has identified a close linkage between the need for additional facilities and the impact demands created by new development.

Council is of the opinion that new developments should contribute equitably toward the provision of additional facilities, rather than imposing the full burden on other district ratepayers who may not gain any benefit from the development.

### Amount

The development contribution amount for each activity is related to the portion of the capital works identified in the LTCCP as being required by growth demand. The calculation methods are as set out in Section 8 of this policy and the dollar amounts for the period 2009/2010 are set out in Appendix 3.

No payment of contributions will be required under this policy if payment has already been collected for the same purpose under powers granted to Council by other legislation.

The stated amounts for contributions are the maximum amounts. GST will be applied during the calculation of all contributions.

### Collection Timing

Contributions shall be collected prior to the earliest of the issue of the following by Council:

- A resource consent under the RMA.
- A Section 224 completion certificate under the RMA.
- A building consent under the Building Act 1991.
- Authorisation for a connection for water, sewer or stormwater.

The same contribution may not be charged during the issue of subsequent consents for the same work but Council may charge additional development contributions where additional impacts are identified subsequent to the issue of an earlier consent.

The amount of contribution for a staged development over an extended period shall be commensurate with the extent of the issued consent.

### Non Payment of Contributions

In the event of non-payment of contributions Council may, pursuant to Section 208 of the LGA:

- Prevent the commencement of a resource consent.
- Withhold a Section 224(c) certificate under the RMA.
- Withhold a Code Compliance Certificate under the Building Act.
- Withhold an approval for service connection.
- In each case, register the contribution due under the Statutory Land Charges Registration Act as a charge on the title of the land in respect of which the development contribution was required.

### Adjustments, Objections and Remissions

No adjustment of contribution amounts will be made having regard to the specific impacts of any one site unless the developer can demonstrate to Council that specific measures are being undertaken to address the impact and consequent demand on infrastructure. Any objection to a determination of an adjustment amount will be referred to Council's Resource Management Committee for review. The Committee's decision regarding adjustment will be final.

Council, or the Council Community Board having jurisdiction over the assets for which contributions are being collected, may exercise a discretionary right to make grants towards the remission of development contribution levies as follows:

- Non-profit clubs and sport associations with a membership up to 75 full time equivalents may be entitled to a remission of 25%.
- Non-profit clubs and sport associations with a membership over 75 and up to 100 full time equivalents may be entitled to a remission of 12.5%.

Such grants shall be paid from other (non asset) Council reserve accounts to the respective asset accounts.

### Refund of Unused Contributions

Council will refund unused contributions, less the value of administration and legal costs incurred in relation to the development where:

- A consent lapses.
- Council does not provide the infrastructure for which the contribution was collected within 10 years.

No interest will be paid on the principal value of unused contributions.

### Reporting

Council shall report each year in its annual report:

- The amount and purpose of contributions collected per year for the last ten years (from commencement of policy).
- Expenditure against the contributions.

## 6. Contribution Methods

Financial contributions calculated in accordance with Section 3.7 of the District Plan shall apply for all resource consents, except in respect of:

- (a) All reserve contributions.
- (b) Water and sewerage contributions for Te Anau.

Development contributions calculated in accordance with Section 8 of this policy shall apply for:

- (a) All reserve contributions.
- (b) Water and sewerage contributions for Te Anau.

## 7. Financial Contributions under the Resource Management Act

The amount of each financial contribution imposed under the RMA shall be calculated in accordance with Section 3.7 of the District Plan. In summary, the contributions payable are as follows:

(a) *Reserves Contribution*

An amount of \$465 inclusive of GST for each new allotment, or 10% of the land area but no more than 60 m<sup>2</sup> per allotment, but now SUPERSEDED by Section 8 of this policy.

(b) *Esplanade Reserves and Access Strips*

An esplanade reserve or strip 20 m wide where any land adjoins any river or lake.

(c) *Sewerage Contribution*

One contribution charge per pan (where a “pan” has the same meaning as Household Equivalent for the purposes of assessing the contribution), with each pan charge being the Depreciated Asset Value for the appropriate sewer scheme divided by the number of connections to it at 30 June preceding the application, but now SUPERSEDED IN RESPECT OF TE ANAU by Section 8 of this policy.

(d) *Water Contribution*

One contributions charge per allotment (where an “allotment” has the same meaning as Household Equivalent for the purposes of assessing the contribution), with charge being the Depreciated Asset Value for the appropriate water scheme divided by the number of household equivalent connections to it at 30 June preceding the application, but now SUPERSEDED IN RESPECT OF TE ANAU by Section 8 of this policy.

(e) *Stormwater Contribution*

One contribution charge per allotment (where an “allotment” has the same meaning as Household Equivalent for the purposes of assessing the contribution), with the charge being assessed on a case by case basis.

(f) *Roading Contribution*

Up to 50% of the cost of improving roads to cater for additional traffic generated by the development.

(g) *Extraordinary Costs*

Full reimbursement to Council of actual extraordinary legal, survey or other administrative costs in excess of normal processing requirements.

(h) *Development Levy*

Up to 0.5% of the value of any development over the value of \$500,000 to be used for reserves and network utility services.

## **8. Development Contributions**

### Reserve Contributions

Reserve contributions shall be required as follows:

- (a) 7.5% of the value of additional allotments, at the time of subdivision consent (either in cash or land equivalent, at Council's option) except that in the case of rural residential and rural lifestyle subdivisions, the value of the rural allotment for this purpose shall be the proportional value of a house site of 1,000 m<sup>2</sup> within each allotment.
- (b) Cash equivalent of the value of 20 m<sup>2</sup> of land for each additional residential unit created, at the time of building consent, less any contribution made at the time of previous subdivision within the preceding five years.
- (c) Cash equivalent of the value of 4 m<sup>2</sup> of land for each additional 100 m<sup>2</sup> of new, net, non-residential, building floor area created, at the time of building consent, less any contribution made at the time of previous subdivision within the preceding five years.
- (d) Where the contribution is given as land, the location shall be suitable for the reserve purposes of the area and shall be no less than 1,000 m<sup>2</sup> in each separate title. Acceptance of land is at the discretion of Council.
- (e) No reserve contribution shall be required for any allotment exceeding 4 ha in area.

For the purposes of this policy, the land value used is to be the current market value, inclusive of GST, at the time of the application for consent or approval to connect to utility services.

Where an agreed current market value cannot be established by mutual agreement between Council and the developer, then the value will be that established by a registered valuer agreed by both parties and jointly retained, with the cost of the valuation fees being shared equally by Council and the developer.

### Network Infrastructure Contributions

Each new development that generates additional demand shall pay network infrastructure contributions for water, sewerage and stormwater to address the effects of the development in proportion to a standard equivalent household, where a household equivalent is as defined in Appendix 1. Where a commercial development, for example, has an assessed impact equivalent to six households, it will be required to pay a contribution equal to six houses.

The assessments of contributions for one equivalent household are detailed in Part 3.

The basis of calculation is set out in Part 2.

### Community Infrastructure Contributions

No community infrastructure contributions (such as contributions towards provision or upgrading of libraries) will be required until projects have been identified in the LTCCP and the amount of contribution approved through public consultation.

## **9. Headworks Contributions**

For rural water supplies a headworks contribution is required for new connections to the schemes and to applications for an increase of units supplied to existing connections. The headworks contribution is based on the Depreciated Asset Value (DAV) for the appropriate scheme divided by the number of units available as at 30 June in the financial year preceding the application. A unit being 1,800 litres except for Lumsden/Balfour where a unit is 2,000 litres. The headworks contributions for each rural water supply are detailed in Appendix 5.

## **PART 2 - CALCULATION METHODOLOGY**

### **2.1 Development Contributions**

Schedule 13 of the Local Government (2002) Act sets out the matters that must be identified in establishing a methodology for calculating development contributions. Councils are also required to demonstrate that the attribution of units of demand to developments are on a consistent and equitable basis. This includes the total cost of capital expenditure for the activity to meet increased demand resulting from growth as set out in the Long Term Council Community Plan (LTCCP) and the share of that expenditure attributable to each unit of demand, using the units of demand by which the impact of growth has been assessed. Development (and Financial) Contributions are in addition to the costs of all necessary infrastructure within a development including the costs of service connections, the costs of extending/joining the development to the service, and other consent fees.

### **2.2 Assumptions**

It has been assumed that development contributions will be required from all types of development that would result in an increase in demand on services and infrastructure. This includes greenfield development, infill development and changes of land use (e.g. from office to restaurant). A number of assumptions are made in determining the development contributions. These include demand growth and population growth models, assessment of inflation, establishment of units of demand (UoD), number of equivalent households and assessments of demand driven capital expenditure expected over the next 10 years. These are discussed below and details of specific assumptions for each particular service/activity and locality are presented in the relevant Activity Management Plans which are based on Asset Management principles and professional judgement.

#### **2.2.1 Overview**

The unit of demand is based on the equivalent household. The demand on services of any activity is generally calculated based on an assessment of the potential demand when the activity is established and operational, not on the actual demand created that may vary from time to time or between different owners/occupiers.

It is also recognised that household units vary throughout the district and that the demands they generate also cover a broad range. However, given the relatively large range of development contribution areas and the implied averaging of “household equivalents”, the approach is considered appropriate as well as being consistent with the level of detail recognised by the growth predictions.

#### **2.2.2 Residential Applications**

Every residential unit, whether a separate dwelling or part of an apartment complex equals one Household Unit. This is the same as one Unit of Demand (UoD). Each lot is taken as being intended for (a minimum) of one Household Unit. If additional dwellings are permitted on a single lot then the UoDs per lot will increase correspondingly.

#### **2.2.3 Commercial Accommodation**

Commercial accommodation is usually made up of a number of beds catering for a maximum number of people rather than Household Units. The number of UoDs is calculated by using a Household conversion factor. For the purposes of accommodation facilities an equivalent household of four persons is used. (Refer Part 3, section 3.4.2) as the basis for determining the unit of demand (UoD). This takes into account the additional impacts that visitors generate (e.g. domestic purposes, laundry, washing facilities, etc). Given that each person staying in commercial accommodation is equivalent to 25 percent of a Household Unit, the conversion factor for commercial accommodation is 0.25. For example, the UoDs arising from commercial accommodation catering for a maximum of 200 people is 50 Units.

#### 2.2.4 Non-Residential Applications

For non-residential applications UoDs may be calculated for each activity using the following three methodologies:

- If demand is known (e.g. traffic movements, volume of water usage) then use these to calculate the UoD; or
- Use generic demand figures for activity type (e.g. Te Anau figures).
- If demand is unknown, use Floor Area conversions (generic for activity type) to estimate the UoD;

#### 2.2.5 Special Applications

Where developments are not covered by the above or there are specific circumstances related to the applications these may be considered on a case by case basis. It should be noted as in section 1.2 Assumptions that the units of demand are based on potential demand not actual at any one time. Accordingly specific circumstances do not include those where the users do not utilise the full potential demand (e.g. a hotel with a 50% occupancy rate will still be assessed at a 100% of the unit of demand relating to hotels; a house with one occupant will be assessed at the unit of demand for a household).

### 2.3 **Population Growth**

The population growth models used to assess demand are detailed in the relevant Activity Management Plans and in Council assumptions for the LTCCP.

### 2.4 **Levels of Service**

Development Contributions will not be used to fund increased levels of service for existing users.

### 2.5 **Capital Expenditure and Funding**

The total capital expenditure (CAPEX) required over the next ten year period for each service/activity is outlined in the relevant Activity Management Plans. Only CAPEX generated by the growth demand will be considered in the assessment of development contributions. All operational costs, maintenance and overheads are excluded. Expenditure related to increased levels of service, renewals, resource consents, legal requirements are not included in the assessment unless there is surplus capacity provided to meet demand created by future development.

An average equivalent household occupancy rate corresponding to the peak population of 13,024 is 6.12 persons.

Not all rateable properties will provide accommodation (e.g. commercial), the dwellings will not provide all the accommodation (e.g. motels), and the occupancy rate for the accommodation sector will vary from site to site. To manage the risk that development does not occur to the same level that the infrastructure is provided for, the upper bound (5%) of the population projections is used to assess the peak equivalent household occupancy. A figure of 6.12 persons per equivalent household has been determined as the peak occupancy rate to assess the number of equivalent households or units of demand (UoD) contributing to the growth in demand. By using the difference in peak population of 13,024 predicted for 2039 and the peak population of 8,301 in 2009.

### 2.6 **Calculation of Development Contribution**

- The amount of Development Contributions payable by a developer is calculated by multiplying the Development Contribution per equivalent household unit - Unit of Demand (UoD) - by the number of equivalent household units created by the development.
- The developer will receive credit(s) for any existing entitlements held prior to the proposed development.

- For the purposes of establishing “credits”, where an accommodation (e.g. Bed and Breakfast) operation caters for no more than four persons (including the owners/occupiers residing there) then the operation will be treated as an equivalent household - i.e. there will be no additional development contribution charged. For accommodation catering for more than four persons then there will be an additional ¼ charge for each additional person that may use the accommodation.

## PART 3 - ASSESSMENT OF CONTRIBUTIONS

### 3.1 Introduction

This section describes how the development and financial contributions are assessed using the methodology presented in Section 2. The development and financial contributions are outlined for the respective activities and the areas to which they apply within the district.

### 3.2 Assumptions

It has been assumed that development contributions will be required from all types of development that would result in an increase in demand on services and infrastructure. This includes greenfield development, infill development and changes of land use (e.g. from office to restaurant). The assessment of development and financial contributions is based on the assumptions outlined in Part 2.

### 3.3 Contribution Boundaries (where required)

The contribution boundaries, in respect of the activities requiring development or financial contributions, are outlined in the following Table 3.1.

**Table 3.1**

Contribution Area Locality	Activity		
	Water	Sewerage	Stormwater
Development Contributions (DEV)			
Financial Contributions (FIN)			
Balfour	FIN	FIN	FIN
Browns	FIN	FIN	FIN
ColacBay	FIN	FIN	FIN
Dipton	FIN	FIN	FIN
Edendale	FIN	FIN	FIN
Gorge Rd	FIN	FIN	FIN
Limehills	FIN	FIN	FIN
Lumsden	FIN	FIN	FIN
Manapouri	FIN	FIN	FIN
Mossburn	FIN	FIN	FIN
Nightcaps	FIN	FIN	FIN
Ohai	FIN	FIN	FIN
Riversdale	FIN	FIN	FIN
Riverton	FIN	FIN	FIN
Stewart Is	FIN	FIN	FIN
Te Anau	DEV	DEV	FIN
Tokanui	FIN	FIN	FIN
Tuatapere	FIN	FIN	FIN
Waikaia	FIN	FIN	FIN
Otautau	FIN	FIN	FIN
Wallacetown	FIN	FIN	FIN
Winton	FIN	FIN	FIN
Woodlands	FIN	FIN	FIN
Wyndham	FIN	FIN	FIN

### 3.4 Assessment of equivalent household demand

#### 3.4.1 Overview

The unit of demand is the equivalent household and this forms the basis for assessing the demand generated by a development on a particular activity or service. The impact of different land uses are assessed relative to that of a residential dwelling to take into account impacts on services from non-residential users (e.g. offices, shops, restaurants, etc) that are not catered for by the residential use. Not all service demands are generated at the place of accommodation. This allows for the demand generated by tourists, visitors and those residents at work or those using the community/commercial facilities. In the Southland District Council the impact of increased demand on services and facilities created by development for resident/permanent population is expected to be minor. This is because of the relatively small communities and where growth is expected, the numerical population is not great.

However in areas such as Te Anau a significant impact on services and facilities is expected from peak populations of tourists and visitors. Accordingly in areas of minor growth the equivalent household is based on the average residential dwelling, whereas in areas of high peak population (such as Te Anau) the equivalent household is based on the relative peak occupancy versus the normal occupancy. This takes into account the demand generated outside the place of accommodation by tourists and visitors.

#### 3.4.2 Water

The daily demand for water comprises that for domestic purposes and non-domestic uses (e.g. gardening, car washing, fire fighting, leakages etc).

The following figures are used in the assessment:

- The average daily residential demand for domestic purposes is 230 litres/person/day
- The average daily residential demand for non-domestic purposes is 1200 litres/property

In determining the equivalent household demand for non-domestic purposes, it is noted that not all potential demand will occur at the same time and therefore an **average** peak of four persons per household (compared with the peak of 9.15 used to calculate the number of equivalent households) is used to assess the relative non-domestic use i.e. the total **average** peak usage per property is 2,120 litres/day ( $4 \times 230\text{l/p/d} + 1200$ ).

The non-domestic component of water demand per equivalent household is therefore set at 0.57 (i.e.  $1200/2120$ ) of the unit of demand (UoD). While the domestic use within a lot may increase through development, on average the non-domestic use is unlikely to change. Accordingly the non-domestic component of the contribution for water is only charged once per lot (where a lot is a standard residential size).

The factors to be applied for water demand by each different development type in terms of units of demand (each unit of demand being a household unit equivalent) is presented in Table 3.2.

**Table 3.2: Factors to be Applied in Units of Demand**

Development Type	Unit	Total Factor Unit of Demand (UoD)
Household	Household lot	1 UoD
Hotel / motel / bed and breakfast	Guest or resident staff	0.11 UoD/bed + 0.57UoD/lot (at maximum design occupancy)
Camping grounds (fully serviced)	Guest or resident staff	0.08 UoD / bed <sup>1</sup> +0.57UoD/lot(at maximum design occupancy)
Restaurants	Diner	0.02 UoD / meal / diner +0.57UoD/premise (at maximum design occupancy) <sup>2</sup>
Offices	Employee	0.04 UoD / person +0.57UoD/premise (at design maximum occupancy)
Industries and other development <sup>3</sup>		As determined for each specific case (1 UoD for every 2,120 l/d, at design maximum daily discharge)

Note:

1. Camping ground factor will be applied to the maximum design occupancy, which may include those in cabins, tents and caravans.
2. The water demand for restaurants will be determined as follows:
  - (a) one meal opening hours = 1 x 0.02 litres / diner (at maximum design occupancy).
  - (b) two meal opening hours = 2 x 0.02 litres / diner (at maximum design occupancy).
  - (c) three meal opening hours = 3 x 0.02 litres / diner (at maximum design occupancy).
3. The water use by commercial or industry or other purposes not detailed above will be determined on a case by case basis.
4. A lot is a standard residential size.

### 3.4.3 Sewerage

The sewage discharge from different development types or source has been determined and is presented in the Table 3.3.

**Table 3.3: Sewage Discharge for Development Types**

Development Type	Unit	Sewage Discharge	Total unit flow factor
Household	Household lot	4 x 230	920 litres / lot
Hotel / motel / bed and breakfast	Guest and resident staff	1 x 230	230 litres / bed (at maximum design occupancy)
Camping ground (fully serviced)	Guest and resident staff	0.72 x 230	166 litres / bed (i.e. bed or camp site x no. per camp site)
Restaurant <sup>1</sup>	Diner	0.17 x 230	39 litres / meal / diner (at maximum design occupancy) <sup>1</sup>
Offices	Employee	0.33 x 230	76 litres / person (at design maximum occupancy)
Industries and other sources		Note 2	As determined for each specific case

Note:

1. Restaurant demand will be determined as follows:
  - (a) one meal opening hours = 1 x 39 litres / diner (at maximum design occupancy)
  - (b) two meal opening hours = 2 x 39 litres / diner (at maximum design occupancy)
  - (c) three meal opening hours = 3 x 39 litres / diner (at maximum design occupancy).

2. The wastewater discharge for industry will be determined on a case by case basis, as specified in Table B5.2 above, with 1 unit of demand being equivalent to 920 litres per day or 260 gm (BOD<sub>5</sub>)/day, whichever is the greater, at design maximum discharge.

In determining the factors to be applied to the equivalent household demand for non-residential uses, it is noted that not all potential demand will occur at the same time and therefore an **average** peak of four persons per household (compared with the peak of 9.15 used to calculate the number of equivalent households) is used.

The factors to be applied for sewage discharged by each different development type in terms of units of demand (each unit of demand being a household unit equivalent) is presented in Table 3.4.

**Table 3.4: Factors to be Applied in Units of Demand**

Development Type	Unit	Total Factor Unit of Demand (UoD)
Household	Household lot	1 UoD
Hotel / motel / bed and breakfast	Guest or resident staff	0.25 UoD / bed (at maximum design occupancy)
Camping grounds (fully serviced)	Guest or resident staff	0.18 UoD / bed <sup>1</sup> (at maximum design occupancy)
Restaurants	Diner	0.04 UoD / meal / diner (at maximum design occupancy) <sup>2</sup>
Offices	Employee	0.08 UoD / person (at design maximum occupancy)
Industries and other development <sup>3</sup>		As determined for each specific case (1 UoD for every 920 l/d or for 260 gm (BOD <sub>5</sub> )/day whichever is the greater, at design maximum daily discharge)

Note:

1. Camping ground factor will be applied to the maximum design occupancy, which may include those in cabins, tents and caravans.
2. Restaurant sewage discharge will be determined as follows:
  - (a) one meal opening hours = 1 x 39 litres / diner (at maximum design occupancy).
  - (b) two meal opening hours = 2 x 39 litres / diner (at maximum design occupancy).
  - (c) three meal opening hours = 3 x 39 litres / diner (at maximum design occupancy).
3. The wastewater discharge from industry will be determined on a case by case basis.

#### 3.4.4 Stormwater

Stormwater will be assessed on a case by case basis for financial contributions. The assessment will take into account the catchment area, topography, the lot size relative to the equivalent household and other particular matters relating to the application including impermeable areas, roading and soil type.

### 3.5 Te Anau Equivalent Households – Units of Demand

The equivalent household or unit of demand is used to assess the growth impact of land uses relative to residential use. The growth study is described in the LTCCP (2009-2019) and the relevant data are detailed in the Activity Management Plans. In the case of Te Anau significant growth in tourism and visitors is generated by the developments. The ratio of peak population to number of dwellings/rateable properties is used to establish the peak number of persons per equivalent household. This is then used to determine the number of equivalent households contributing to the increase in demand generated by development.

The population data and projections for Te Anau are detailed in the Activity Management Plans and summarised in the following Table 3.5.

**Table 3.5**

	2006	2009	2019	2039	
Te Anau (UR)	1,878 <sup>1</sup>	2,153 <sup>2</sup>	2,893 <sup>2</sup>		1. NZ Stats
Te Anau (MAX)		2,259 <sup>2</sup>	3,344 <sup>2</sup>		2. Based on Infometrics estimate
Te Anau (5% PEAK)	9,000 <sup>2</sup>	8,301 <sup>2</sup>	10,068 <sup>2</sup>	13,024 <sup>3</sup>	3. Based on Infometrics estimate
Te Anau (8% PEAK)	9,000 <sup>2</sup>	8,550 <sup>2</sup>	10,370 <sup>2</sup>	13,415 <sup>3</sup>	extended by 7 years

The equivalent household occupancy rate corresponding to the peak population of 8,301 for 2009 and based on the rateable properties and dwellings existing in Te Anau at 2009 are as follows:

**Table 3.5.1**

2008/2009 (SDC Rates data)	No. Rateable Properties	No. Dwellings	Equivalent persons per property	Equivalent persons per dwelling
Residential	1738			
Commercial	153			
Accommodation	28			
Total Properties	1919		4.39	
Total "pan" charges				
Total residential "pans"				
Existing Dwellings 2006		1373		6.12

An average equivalent household occupancy rate corresponding to the peak population of 13,024 is 6.12 persons.

Not all rateable properties will provide accommodation (e.g. commercial), the dwellings will not provide all the accommodation (e.g. motels), and the occupancy rate for the accommodation sector will vary from site to site. To manage the risk that development does not occur to the same level that the infrastructure is provided for, the upper bound (5%) of the population projections is used to assess the peak equivalent household occupancy. A figure of 6.12 persons per equivalent household has been determined as the peak occupancy rate to assess the number of equivalent households or units of demand (UoD) contributing to the growth in demand. Using the difference in peak population of 13,024 predicted for 2039 and the peak population of 8,301 in 2009.

However it is expected that other developments will occupy such as accommodation on existing sites. Accordingly the number of equivalent households contributing to the demand over the time period has been determined as 912.

The Development Contributions for Te Anau are detailed in Appendix 3.

### 3.6 Capex for Growth apportionment

#### 3.6.1 Overview

The total capital expenditure (CAPEX) required by the growth demand over the next 10 year period and taking into account any surplus capacity at the beginning of the period, is determined. All operational costs, maintenance and overheads are excluded. Expenditure related to increased levels of service, renewals, resource consents, legal requirements are not included in the assessment unless these are specifically related to a demand created by the development. This is then apportioned among the increased units of demand (UoD) or equivalent households over that period. The total expenditure required is described in detail in the relevant Activity Management Plan and is based on Asset Management principles and professional judgement.

### 3.6.2 Te Anau

For the new proposed upgrade to the wastewater treatment plant the allocation should be based on the designed surplus capacity. The estimated useful life of the treatment plant is at least 25 years, and the peak population projections will be 13,024 in 2039 and therefore the allocation of benefit for future development should be recovered over that period.

In the context of Te Anau, whichever figures are used the population growth model still only puts Te Anau as a moderately sized community. For assets with a 50-100 year life the maximum peak populations as in section 3.5 above, are used to reflect a conservative approach to capacity design. The costs of overdesign are minor versus the risks of needing to retrofit for under-capacity at a later date. Accordingly a total of 57% -  $(13,024 - 8,301)/8,301$  of capital expenditure over the period is attributed to "Demand" for growth apportionment with the remaining 43% attributed to "Levels of Service".

### 3.6.3 Summary of CAPEX requirements

The CAPEX for growth requirements are summarised for each locality and specific boundary areas and the respective services and activities to which the growth demand applies. Where there is no demand growth attributed to development, then no development contribution is charged. However, a financial contribution may be charged under the RMA or Building Act (refer Section 1).

### **3.7 Development and Financial Contributions by Activity and Location**

The development and financial contributions for each location and the relevant service/activity are presented in Appendix 3 and Appendix 4 respectively.

## APPENDIX 1 - DEFINITIONS

**Community Infrastructure** means:

- (a) Land, or development of assets on land, owned or controlled by the Council to provide public amenities; and
- (b) Includes land that the Council will acquire for that purpose.

**Development** means:

- (a) Any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but
- (b) Does not include the pipes or lines of a network utility operator, other than the Stewart Island Electricity Supply Authority (SIESA).

**Development Contribution** means a contribution:

- (a) Provided for in a development contribution policy included in the Council's long term community plan;
- (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 Māori Act 1993, unless that Act provides otherwise; or
  - (iii) both.

**Household Equivalent** means a unit of demand attributable to an average household or typical residential dwelling. This includes all land and buildings used for accommodation. The demands created by activities on non-residential land uses are converted to Household Equivalents

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

**LTCCP** means the Long term Council Community Plan.

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

**Rural Residential** means any parcel of land outside of the urban resource areas defined by the District Plan, with a total area between 4,000 m<sup>2</sup> and 9,999 m<sup>2</sup>.

**Rural Lifestyle** means any parcel of land outside of the urban resource areas defined by the District Plan, with a total area between 1 hectare and 4 hectares.

**Road** means a road as defined in Section 315 of the Local Government Act 1974.

**Reserves** means a reserve as defined by the Reserves Act 1977.

**RMA** means the Resource Management Act 1991.

**Wastewater Services** means sewerage, treatment and disposal of sewage and all associated infrastructure.

**Waterworks** means waterworks as defined in Section 5 of the Local Government Act 2002.

## APPENDIX 2 – SUMMARY OF CAPEX REQUIREMENTS (EXCLUDING GST)

Water Demand Projects	Year										Township
	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	Totals
Browns	-	-	-	-	-	-	-	-	-	-	-
Drummond	-	-	-	-	-	-	-	-	-	-	-
Edendale	-	-	-	-	-	-	-	-	-	-	-
Five Rivers	-	-	-	-	-	-	-	-	-	-	-
Matuku	-	-	-	-	-	-	-	-	-	-	-
Lumsden	-	-	-	-	-	-	-	-	-	-	-
Lumsden/Balfour	-	-	105,884	-	112,331	-	119,635	-	-	-	<b>337,850</b>
Manapouri	-	-	-	-	162,970	-	-	-	-	-	<b>162,970</b>
Mossburn	-	-	-	-	-	-	-	-	-	-	-
Ohai/Nightcaps	-	-	-	-	-	-	-	-	-	-	-
Riversdale	-	-	-	-	-	-	-	-	-	-	-
Riverton	-	-	-	-	-	-	963,059	-	-	1,058,501	<b>2,021,560</b>
Te Anau	-	-	24,353	-	103,345	-	-	-	2,181,182	325,440	<b>2,634,320</b>
Overheads	-	-	-	-	-	-	-	-	-	-	-
Ramparts	-	-	-	-	-	-	-	-	-	-	-
Mount York	-	-	-	-	-	-	-	-	-	-	-
Takitimu	-	-	-	-	-	-	-	-	-	-	-
Kakapo	-	-	-	-	-	-	-	-	-	-	-
Homestead	-	-	-	-	-	-	-	-	-	-	-
Princhester	-	-	-	-	-	-	-	-	-	-	-
Dunraigen	-	-	-	-	-	-	-	-	-	-	-
Tokanui	-	-	-	-	-	-	-	-	-	-	-
Tuatapere	-	-	-	-	-	-	-	-	-	-	-
Orawia	-	-	-	-	-	-	-	-	-	-	-
Eastern Bush	1,000	-	-	-	-	-	-	-	-	-	<b>1,000</b>
Otahu Flat	1,000	-	-	-	-	-	-	-	-	-	<b>1,000</b>
Waikaia	-	-	-	-	-	-	-	-	-	-	-
Otautau	-	-	-	-	-	-	-	-	-	-	-
Winton	-	-	-	-	-	-	-	-	-	-	-
Wyndham	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,000</b>	<b>-</b>	<b>130,237</b>	<b>-</b>	<b>378,646</b>	<b>-</b>	<b>1,082,694</b>	<b>-</b>	<b>2,181,182</b>	<b>1,383,941</b>	<b>5,158,700</b>

Sewerage Projects	Demand	Year									Township	
		2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	Totals
Balfour	-	-	-	-	-	-	-	-	-	-	-	-
Browns	-	-	-	-	-	-	-	-	-	-	-	-
Colac Bay	-	-	-	-	-	-	-	-	-	-	-	-
Edendale	-	-	-	-	-	-	-	-	-	-	-	-
Gorge Road	-	-	-	-	-	-	-	-	-	-	-	-
Limehills	-	-	-	-	-	-	-	-	-	-	-	-
Lumsden	-	-	-	-	-	-	-	-	-	-	-	-
Manapouri	-	-	-	5,660	-	215,189	-	-	-	-	-	<b>220,849</b>
Monowai	-	-	-	-	-	-	-	-	-	-	-	-
Mossburn	-	-	-	-	-	-	-	-	-	-	-	-
Nightcaps	-	-	-	-	-	-	-	-	-	-	-	-
Ohai	-	-	-	-	-	-	-	-	-	-	-	-
Riversdale	-	-	-	-	-	-	-	-	85,635	94,283	-	<b>179,918</b>
Riverton	-	-	-	-	-	-	-	-	-	1,077,403	-	<b>1,077,403</b>
Stewart Island	-	-	-	-	-	-	-	-	-	1,530,593	-	<b>1,530,593</b>
Te Anau	476,157	68,691	72,968	207,475	9,337,446	224,780	90,713	-	-	314,829	-	<b>10,793,059</b>
Thornbury	-	-	-	-	-	-	-	-	-	-	-	-
Tokanui	-	-	-	-	-	-	-	-	-	-	-	-
Tuatapere	-	-	-	-	-	-	-	-	-	-	-	-
Waikaia	-	-	-	-	-	-	-	-	-	-	-	-
Otautau	-	-	-	-	-	-	-	-	-	-	-	-
Wallacetown	-	-	-	-	-	-	-	-	-	-	-	-
Winton	-	-	-	-	-	-	-	-	-	-	-	-
Woodlands	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>476,157</b>	<b>68,691</b>	<b>72,968</b>	<b>213,135</b>	<b>9,337,446</b>	<b>439,969</b>	<b>90,713</b>	<b>-</b>	<b>85,635</b>	<b>3,017,108</b>	<b>-</b>	<b>13,801,822</b>

Stormwater Demand Projects	Year										Township
	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	Totals
Balfour	-	-	-	-	-	-	-	-	-	-	-
Browns	-	-	-	-	-	-	-	-	-	-	-
Colac Bay	-	-	-	-	-	-	-	-	-	-	-
Dipton	-	-	-	-	-	-	-	-	-	-	-
Edendale	-	-	-	-	-	-	-	-	-	-	-
Gorge Road	-	-	-	-	-	-	-	-	-	-	-
Limehills	-	-	-	-	-	-	-	-	-	-	-
Lumsden	-	-	-	-	-	-	-	-	-	-	-
Manapouri	-	-	-	-	-	-	-	-	-	349,765	349,765
Mossburn	-	-	-	-	-	-	-	-	-	-	-
Nightcaps	-	-	-	-	-	-	-	-	-	-	-
Ohai	-	-	-	-	-	-	-	-	-	-	-
Riversdale	-	-	-	-	-	-	-	-	-	-	-
Riverton	-	-	-	-	-	-	-	-	-	-	-
Stewart Island	-	-	-	-	-	-	-	-	-	-	-
Te Anau	-	-	238,405	269,881	283,282	296,967	-	-	-	699,531	1,788,066
Tokanui	-	-	-	-	-	-	-	-	-	-	-
Tuatapere	-	-	-	-	-	-	-	-	-	-	-
Waikaia	-	-	-	-	-	-	-	-	-	-	-
Otautau	-	-	-	-	-	-	-	-	-	-	-
Wallacetown	-	-	-	-	-	-	-	-	-	-	-
Winton	-	-	-	-	-	-	-	-	-	-	-
Woodlands	-	-	-	-	-	-	-	-	-	-	-
Wyndham	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>238,405</b>	<b>269,881</b>	<b>283,282</b>	<b>296,967</b>	-	-	-	<b>1,049,296</b>	<b>2,137,831</b>

**APPENDIX 3 – DEVELOPMENT CONTRIBUTIONS (EXCLUDING GST)  
TE ANAU**

<b>ACTIVITY</b>	<b>\$ CAPEX for Demand 2009-2019</b>	<b>Equivalent Households Unit of Demand (UoD)</b>	<b>Development Contribution \$ per UoD</b>
WATER	2,634,320	912	\$2,889
SEWERAGE	10,793,059	912	\$11,834

#### APPENDIX 4 – FINANCIAL CONTRIBUTIONS (EXCLUDING GST)

##### WATER

Water Supply	Total equiv 2008	Financial Contributions	
		DAV 2008	\$/conn 2008
Water Supply - Browns	-	-	-
Water Supply - Drummond	-	-	-
Water Supply - Edendale	66,880	28.0	2,388.57
Water Supply - Five Rivers	-	-	-
Water Supply - Lumsden	-	-	-
Water Supply - Manapouri	607,445	273.0	2,225.07
Water Supply - Mossburn	611,023	183.0	3,338.92
Water Supply - Ohai/Nightcaps	1,310,410	609.0	2,151.74
Water Supply - Riversdale	-	-	-
Water Supply - Riverton	2,549,537	1,277.5	1,995.72
Water Supply - Tokanui	-	-	-
Water Supply - Tuatapere	998,850	359.0	2,782.31
Water Supply - Orawia	71,522	24.0	2,980.08
Water Supply - Waikaia	-	-	-
Water Supply - Otautau	631,917	466.0	1,356.05
Water Supply - Winton	2,566,141	1,254.0	2,046.36
Water Supply Scheme - Wyndham	-	-	-

**APPENDIX 4— FINANCIAL CONTRIBUTIONS (EXCLUDING GST)  
WASTEWATER**

Wastewater	Financial Contributions		
	Total equiv 2008	DAV 2008	\$/conn 2008
Balfour	91	273,852	3,009.36
Browns	13	57,618	4,432.15
Colac Bay	-	-	-
Edendale	-	-	-
Gorge Road	37	671,684	18,153.62
Limehills	-	-	-
Lumsden	346.8	901,828	2,600.80
Manapouri	335.5	1,092,944	3,257.66
Monowai	15	68,049	4,536.60
Mossburn	-	-	-
Nightcaps	197.3	1,603,649	8,130.03
Ohai	237.5	204,357	860.45
Riversdale	256.5	854,198	3,330.21
Riverton	1,160.5	5,693,281	4,905.89
Stewart Island	484.5	6,013,252	12,411.25
Thornbury	-	-	-
Tokanui	66.8	398,449	5,969.27
Tuatapere	363	3,866,164	10,650.59
Waikaia	-	-	-
Otautau	461.5	3,501,229	7,586.63
Wallacetown	281.5	1,890,228	6,714.84
Winton	1,236.5	1,801,561	1,456.69
Woodlands	-	-	-

## APPENDIX 5 – HEADWORKS CONTRIBUTIONS FOR RURAL WATER SUPPLIES (EXCLUDING GST)

Headworks Contributions - Rural Water Supplies				
Scheme	DAV @ 1/7/2005	Total Units	Per Unit	Unit Quantity
Te Anau Rural - Total	2,708,912	877	\$ 3,089.90	1,818 L/day
Eastern Bush	493,534	134	\$ 3,683.09	1,818 L/day
Otahu Flat	440,583	114	\$ 3,864.76	1,818 L/day
Matuku Unit	108,837	237	\$ 697.67	1,818 L/day
Matuku Trough		161	\$348.84	1,818 L/day
Lumsden/Balfour	3,876,005	1037	\$ 3,737.71	2,000 L/day
Lumsden/Balfour 2			\$ 7,101.65	4,000 L/day
Lumsden/Balfour 3			\$ 10,091.82	6,000 L/day
Lumsden/Balfour 4			\$ 12,708.21	8,000 L/day
Lumsden/Balfour 5			\$ 14,950.84	10,000 L/day
Lumsden/Balfour 6			\$ 16,819.69	12,000 L/day
Lumsden/Balfour 7			\$ 18,314.78	14,000 L/day
Lumsden/Balfour 8			\$ 19,436.09	16,000 L/day
Lumsden/Balfour 9			\$ 20,183.63	18,000 L/day
Lumsden/Balfour >9 (per unit over 9 units)			\$ 373.77	2,000 L/day per unit
<b>Te Anau Rural Schemes Individual DAVs</b>				
Mt York	\$412,936			
Homestead	\$319,252			
Takitimu	\$342,478			
Duncraigen	\$74,662			
Kakapo	\$595,206			
Ramparts	\$892,216			

**APPENDIX 6 – CALCULATION SHEET FOR NON-RESIDENTIAL USES (EXCLUDING GST)**

**Calculation of Development Contributions  
Commercial Developments**

Development name **JB's Motel**  
Address **Somewhere**  
Township **Te Anau**

Reference No

**Calculation**

Description	No.	Standard UoD Sewerage	Total Sewerage UoD	Standard UoD Water	Total Water UoD
Household		1.00	0	1	0.00
Family Members <i>(Applies to small-scale B&amp;B applications only)</i>		0.25	-	0.11 ea	0.00
Accom staff		0.25	-	0.11 ea	0.00
Accom guests		0.25	-	0.11 ea + 0.57	0.00
Camping ground <i>(sites) (no. per site)</i>	0 x 0 = 0	0.18	-	0.08 + 0.57	0.00
Restaurant <i>(seats) (meals)</i>	0 x 0 = 0	0.04	-	0.02 ea + 0.57	0.00
Office employees		0.08	-	0.04 + 0.57	0.00
Total Units for this Development			-		-
Less Paid/Credited			1.00		1.00
<b>Total Now Due</b>			<b>1.00</b>		<b>1.00</b>
Unit charge for this Township as at 01/07/2005					
<b>Development contributions</b>					

**Summary**

Sewerage Contribution	0.00
Water Supply Contribution	0.00
Sub total	0.00
	12.5% GST
<b>Total Contributions Payable for this Development</b>	<b>\$0.00</b>

**Account numbers for payments :**

	Amount
Sewerage	26870 .11131
Water Supply	26860 .11131
	-

Calculation by :

K M Ladbroke

Date:

11-Mar-2005

## APPENDIX 7 – EXAMPLES OF APPLICATION OF UNITS OF DEMAND

Residential and Accommodation (Using 0.25 UoD / bed)

