

Central Hawke's Bay District Council	POLICY MANUAL	
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<i>DEVELOPMENT CONTRIBUTIONS POLICY</i>	Approved by:	Council
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Background

Central Hawke's Bay District Council (CHBDC) plays a significant role in facilitating and coordinating development and providing infrastructure in a timely and affordable manner. It is an essential part of CHBDC business to take into account the social, economic, and cultural interests of people and communities to meet reasonably foreseeable needs of future generations. This is a strategic role that individuals, the community, the private sector or central government cannot fulfil alone. The effects of growth require CHBDC to incur capital expenditure acting on behalf of the wider community to provide new or additional network or community infrastructure. Development contributions are a funding tool through which new development is specifically targeted and required to contribute to the capital cost of network and community infrastructure resulting from growth.

CHBDC is required to have a range of financial and funding policies to provide predictability and certainty about sources and levels of funding for future sustainability of the District. These include a policy on development contributions under section 102(2)(d) of the Local Government Act 2002. Under this development contributions policy a development contribution will be payable for any development which creates an additional unit of demand within:

- all catchments in the district for water, wastewater and stormwater; and
- in the Waipukurau catchments for play equipment on Russell Park; and
- for a new cycleway between Waipawa and Waipukurau.

No contributions are sought for community centres, halls, public toilets or reserves. Existing facilities are deemed adequate to provide for the potential future demand created through growth under both scenarios.

Growth Prediction

CHBDC has had a report prepared by Sean Bevin to provide an Assessment of "Central Hawkes Bay District Long-Term Growth Environment and Outlook 2014-2046" (Bevin Report) to guide long-term infrastructural, asset management and development contribution strategies and policies. The Bevin Report analysed two scenarios:

- Scenario 1: the economic growth outlook for the CHBD for the Long-Term Plan (LTP) period 2015-2025 and for the following 21 year period based on historical growth trends excluding the potential impacts resulting from the implementation of the RWSS and;
- Scenario 2: which takes into account the above baseline growth outlook and the full implementation of the RWSS as currently envisaged by Butcher Partners and Nimmo Bell Ltd as prepared for the Hawkes Bay Regional Investment Company.

Under Scenario 1, there is minimal population growth: 13,300 to 13,500 (1.1% over the 2013-2026 period) and then the population proceeds to decline (from 13,300 to 13,000 (2013-2046). Despite this minimal growth, the property rate base of the district expands as is the number of household units. This appears to be activity created through an increased demand for rural lifestyle, urban and coastal living.

Over 2013 to 2026, the Scenario 1 number of households in the District is projected to increase from the 2013 Census figure of 5,333 to 5,750, that is, a gain of 417 or approximately 8%. This compares with the figure of 11.1% for 2001-2013. Over 2026-2046, further household growth of 266 or 4.6% is projected. The District projections take into account the historical trend in household numbers, falling levels of household occupancy due to social changes in the community and projected population growth in the area. Highest household growth in numerical terms over the 2013-2046 period is projected for the Elsthorpe-Flemington, Waipukurau, Waipawa and Tikokino CAUs.

Under Scenario 2, the population is projected to increase from 13,300 in 2013 to 14,850 in 2026. This projected level of population growth would be needed to generate the local workforce required for the RWSS construction stage and to meet the additional demand for on-farm labour and support services created by RWSS. A population of 16,370 is anticipated in 2046. Under Scenario 2, the number of District households is projected to increase from 5,333 in 2013 to 6,000 in 2026 and 6,820 in 2046. The gain over the full projection period is therefore 1,487 or 28%. The total number of District households in Year 2046 under Scenario 2 is projected to be up 810 or 13.5% on the Scenario 1 total. Highest household growth in numerical terms again over the 2013-2046 period is projected for the Elsthorpe-Flemington, Waipukurau, Waipawa and Tikokino CAUs.

Growth Implications for Network and Community Infrastructure

The need for new infrastructure or upgraded capacity for existing infrastructure in Scenario 1 described above is largely driven by but not limited to the following factors:

- There is a demand for infill housing primarily in the more urbanised areas. For the period 2013-2026 household growth is anticipated to be about 8%. Although more houses are being built this does not necessarily translate into more people residing in an area. Fewer people per household are projected by Statistics New Zealand. This is probably due to the ageing population. People, as they age, are moving from the rural environment to the urban. In many cases, parents move into smaller more urbanised properties and farms are either sold or transferred within the family. The district's population neither substantially grows nor declines, but does result in an increase in household units and in the number of ratable properties. This results in a shift in demand for housing and infrastructure. This follows a national trend where areas may have a projected decrease in population but there may be a projected increase in households. This places pressure on existing infrastructure and generates the additional demand for new infrastructure in certain areas.
- There is some demand for "greenfield" development within existing settlements and supply catchments. This is driven by similar factors as those for infill housing.
- There is an actual and anticipated demand for housing in coastal settlements for holiday homes. The demand for coastal housing has been relatively stable for some time. This appears to be attributable to the slowdown caused by the recession. There is still however demand for coastal land and this tends to focus on existing settlements in order to meet the requirements of the Regional Policy Statement and the District Plan. An economic recovery may well result in increased demand for land and consequential impact on infrastructure.
- Some potential exists for larger scale industrial development in Waipukurau, particularly if there is an upturn in the economic environment.

¹ 2001-2013 50-64 population rose by 50% and 65+ increased by 53%. 2013-2026 all population groups except 15-19 and 65+ are projected to fall. 65+ group projected to increase by 61%. Statistics New Zealand

- The regulatory environment is changing and requires higher standards of infrastructure. As on-site wastewater treatment systems age and begin to fail on the fringes of reticulated areas, there is a demand to connect to reticulated infrastructure. This either places pressure on existing infrastructure by demanding increased capacity or may require the development of new infrastructure.
- Climate change in future has the potential to create a demand for larger capacity stormwater systems to cope with increased intensity and duration of rainfall. This also needs to be considered in conjunction with increased demand for stormwater treatment systems in the urban areas and coastal areas as a result of increased impermeable surfaces from greenfield and infill development. In this policy however, no major capital stormwater works are proposed, so contributions will not be levied - except in the case of an extraordinary user creating a need for more stormwater infrastructure.
- The community infrastructure contribution is taken to provide for new or upgraded play equipment in the Waipawa and Waipukurau catchments as a result of greenfields residential development and urban infill housing.
- The need for new infrastructure or upgraded capacity for existing infrastructure in Scenario 2, described above, is largely driven by factors in Scenario 1 plus the additional anticipated circumstances.
- The construction work and supporting reticulation for the RWSS and the farming land catchment is almost all located in the Tikokino Central Area Unit (CAU) of the District. It is therefore assumed that there will be increased demand for worker accommodation and support infrastructure both pre and post construction. This may have an impact on infrastructure requiring increase in capacity of the existing infrastructure and development of new infrastructure.
- There is likely to be significantly enhanced business opportunities for construction, engineering, irrigation, transport storage and community and retail services. Although there is adequate industrial land available for the LTP period, there is likely to be increased pressure on existing infrastructure to cope with increased demand for infrastructural services. Commercial demand is likely to be in Waipukurau, Elsthorpe-Flemington and Tikokino CAU's

Demand Summary

Based on the assumptions and scenarios posed in the Bevin Report and outlined in Section 3 Growth Implications for Network and Community Infrastructure contributions for new or expanded infrastructure (including community infrastructure) is anticipated in the following geographic catchments.

Water Infrastructure

WAIPUKURAU CATCHMENT
<p>Improve reticulation network by increasing pipe size <i>Remove the constriction from the existing Network plus expand the pipework for additional capacity to allow of future development.</i></p>
<p>Waipukurau Pukeora pumping station second supply <i>Install new pumping system to allow for additional capacity required from the expected development.</i></p>
<p>Waipukurau water treatment installation <i>New treatment plant</i></p>
<p>Upgrade/size existing Takapau Rd Main <i>Addition pipe work will be installed to allow for the projected increase in demand for water along Takapau Rd.</i></p>
<p>Improve reticulation network by increasing pipe size <i>Remove the constriction from the existing Network plus expand the pipework for additional capacity to allow of future development.</i></p>
WAIPAWA CATCHMENT
<p>Waipawa water treatment installation (net of subsidy) <i>New treatment plant</i></p>
<p>Improve reticulation network by increasing pipe size <i>Remove the constriction from the existing Network plus expand the pipework for additional capacity to allow of future development.</i></p>
TAKAPAU CATCHMENT
<p>Nil</p>
OTANE CATCHMENT
<p>Construct a new main into town via White Rd <i>This project will future proof the supply to town plus increase the supply to allow for new development.</i></p>

Wastewater Infrastructure

WAIPUKURAU CATCHMENT
Upgrade Mt Herbert Road pumping station <i>Increase capacity to allow additional user onto the network.</i>
WAIPAWA CATCHMENT
Waipawa trunk main renewal <i>Increase capacity to allow for the expansion of the system for new users.</i>
TAKAPAU CATCHMENT
Takapau wastewater treatment upgrade <i>Provide additional treatment capacity for new users.</i>
OTANE CATCHMENT
Otane wastewater treatment upgrade <i>Provide additional treatment capacity for new users.</i>
PORANGAHAU CATCHMENT
Porangahau wastewater treatment upgrade <i>Provide additional treatment capacity for new users.</i>
TE PAERAHI CATCHMENT
Te Paerahi wastewater treatment upgrade <i>Provide additional treatment capacity for new users.</i>

Stormwater Infrastructure

WAIPUKURAU CATCHMENT
Nil
WAIPAWA CATCHMENT
Nil

Land Transport

LAND TRANSPORT

Cycleways – Creation of a new cycleway between Waipawa and Waipukurau.

This project is to provide cycle access between the two towns. The driver in this scenario is the changing residential population requires more access to open space activities and good access to places of employment and social facilities.

Purpose

The key purpose of the development contributions policy is to ensure that new growth funds infrastructure needed to support new residents and business, and those who cause the need for and benefit from that infrastructure fund a fair share of the cost of infrastructure to meet that growth. Funding should therefore be sourced from the community or communities that benefit from the development. Development contributions are not a tool to fund the cost of maintaining infrastructure or changing levels of service for existing users. Those costs will be met from other sources.

Principals and Approach

The primary involvement of CHBDC in the development process is to ensure that the social, economic, environmental and cultural wellbeing of the community is provided for. While driven by demand, the level of service is directed by the community outcomes contained in the LTP. CHBDC is therefore not directly in the business of developing commercial or industrial, housing or tourism ventures but instead is required to provide for sustainable development by setting appropriate standards.

Development that results in additional dwellings, buildings and activity, in turn impacts on CHBDC's services infrastructure. This impact must be recognised and mitigated. Those causing the impact should meet the costs associated with upgrading infrastructure where that upgrading occurs due to development pressure. Where costs can be identified as a result of development impact, they should be quantified. Such costs should then be borne by those who generated them. The market by itself will not achieve the coordinated response required to develop the networks.

A fair and equitable approach needs to be taken to fund the provision of infrastructure having regard to existing and future populations. The existing population has already made a considerable investment in services. Those initiating new development benefit from connecting to or using existing services and should pay their fair share of capital expenditure.

A development contribution may be required in relation to developments if the effect of the development is to require new or additional assets or assets of increased capacity and where as a consequence CHBDC incurs capital expenditure. The effect of a development includes the effect that a development may have in combination with another development.

A development contribution may also be collected and used to pay for expenditure already incurred by CHBDC in anticipation of capital costs. These effects have been quantified or will be quantified and used to calculate development contributions for specific services.

To enable a simple application of the policy CHBDC has set the minimum basic standard for demand as an equivalent household unit (EHU). Any activity that in CHBDC's opinion uses CHBDC's network infrastructure to a greater extent than that of a single household unit will be assessed in multiples of household units as covered under the section headed "Extraordinary Users" in this policy.

Adoption, Implementation and Review

Following CHBDC adopting this policy, it is anticipated that the policy will be updated in 3 yearly intervals, or at shorter periods if CHBDC deems it necessary to take account of:

- changes to the assumptions around which the development contributions policy has been established;
- changes if the RWSS results in different effects from those anticipated by the Bevin Report;
- changes resulting from the phasing in of new or amended strategic plans or documents;
- changes in central government legislation or Regional Council policy;
- change in the rate of population or dwelling growth or the pattern or location of development;
- addition or deletion of a growth related capital project or other changes in the capital works programme;
- changes to the operative District Plan or variations to the proposed District Plan that affect changes in zone or residential density;
- significant changes in cost assumptions for infrastructure;
- correction of errors or omissions in the infrastructural cost estimates;
- incorporating any relevant actual costs of completed projects;
- any changes resulting from developer agreements and consequent cost apportionment; or
- any other matters CHBDC considers relevant.

Limitations to the Application of Development Contributions

CHBDC will not require a development contribution in the following cases:

- Where it has, under Section 108(2)(a) of the RMA, 1991 imposed a condition on a resource consent in relation to the same development for the same purpose; or
- Where the developer will fund or otherwise provide for the same network or community infrastructure
- Where CHBDC has already required a development contribution for the same purpose or work
- Where CHBDC has received or will receive funding from a third party for those works.

Requirements for and Use of Development Contributions

Nothing in this policy will prevent CHBDC from requiring, as a condition of resource consent, the provision of works and services internal to or on the boundaries of the development site in order to connect it to existing infrastructural services, except where such works are provided for in the LTP. These works may include but not be limited to, services connections, private vehicle crossings extension of roading or utilities infrastructure, etc. In some cases, CHBDC may agree to vest new assets in CHBDC additional infrastructure in lieu of development contributions, but this will be assessed on a case by case basis.

CHBDC will use development contributions only for the purpose for which they were intended. Where CHBDC anticipates funding from a third party for any part of the growth component of the infrastructure then this proportion will be excluded from the total estimated growth component funded by development contributions.

Roading

The Central Hawke's Bay road network is extensive servicing a relatively low population, has severe geotechnical conditions and is subject to weather extremes. The network itself is generally of a high standard and of a high value. No major roading capital expenditure is anticipated. It is however possible that this will need to be revised in the event of an increase in truck and other heavy vehicle movements, in future, resulting from increased primary production supported by water from the RWSS.

Provision is made for development contributions to be taken for a cycleway between Waipukurau and Waipawa. This is driven by new lots created by subdivision, the erection of new residential units, additions to existing residential dwellings where the size and scale of habitable rooms are increased. A development contribution for the cycleway will be required at resource consent stage prior to the land use or subdivision consent for residential purposes being exercised. In circumstances where a new or expanded activity is a permitted activity under the rules in the District plan a development contribution will be required from residential users at building consent stage. Construction work or connection to the network will not be permitted unless the contribution has been paid.

In the event of significant subdivision development all changes to the road network directly caused by the development (internally and/or externally) are to be completed by the developer at the developers' expense based on the criteria set out in the NZS 4404 and Hastings District Council Engineering Code of Practice 2011.

Water, Wastewater and Stormwater

A water, wastewater and stormwater contribution is required in the identified catchments to address the overall impact of growth on CHBDC infrastructure.

The cost of new or expanded water, wastewater and stormwater infrastructure has been estimated and surplus capacity in the network has been identified. New connection costs are then calculated on the basis of an existing/new user split for reticulation and headworks*. The payment of the contribution by new users will put them on an equal basis with existing users. All users then have an equal financial interest in the network. This enables the cumulative effect of additional connections joining the system and either depleting the networks spare capacity or resulting in demand for new infrastructure. An appropriate level of service to the community is then maintained.

All changes to the utility network directly caused by the development (internally or externally) are to be constructed by the developer at the developers' expense and completed to CHBDC standards. The developer will therefore meet the full actual cost of the water supply, wastewater or stormwater disposal system to the development.

Contributions for water, wastewater and stormwater will be used for the works identified in but can generally be described as:

- increasing the capacity of pipes, pumps, and storage, treatment and disposal facilities;
- providing new pipes, pumps, and storage, treatment and disposal facilities;

- extension of piped infrastructure to service additional areas;
- increasing the capacity of drains, culverts and other structures;
- extension of the drainage network to service other areas;
- land purchase and easements;
- purchase of new playground equipment
- modelling networks to assess the impact of development.

Any development outside of the identified catchments has not been anticipated as part of the existing reticulation network. Any request to extend services or infrastructure outside of the determined areas will need to be specifically assessed through a separate development agreement.

The purpose of the contribution is to address the cumulative change in standards required as an effect of incremental subdivision or development.

Reserves

No contributions will be taken for reserves as it is anticipated that the existing reserve network is adequate to provide for growth.

Community Infrastructure

Community infrastructure in the form of new or additional playground equipment is required for the neighbourhood reserves in the Waipukurau. This is to accommodate the growth in these catchments caused by new residential lots created by subdivision, the erection of new residential units, additions to existing residential dwellings where the size and scale of habitable rooms are increased.

* Calculated using anticipated growth figures in the *Bevin Report*.

Timing, Invoicing and Payment of Contributions

CHBDC will assess whether development contributions are payable when:

- a resource consent is granted (for either a subdivision or land use consent);
- a building consent is granted;
- a certificate of acceptance is issued for work situated in its district; and
- an authorisation for a service connection is granted.

Contributions will be levied at the resource consent stage for either subdivision or land use consents granted under the RMA, 1991. Where a new activity or expanded activity permitted by the District Plan occurs the development contribution will be payable at Building Consent stage or at connection to the network. This is considered appropriate for:

- Practicality of implementation and efficient cost collection
- Economies of scale in implementation costs
- Fairness
- Provides best and most accurate means of calculating development cost, facilitating project management and allocating budgets.

Final payment of the contribution will need to occur prior to the issue of the Section 224 completion certificate under the RMA, 1991. For development, final calculation, invoicing and payment will need to occur on uplifting the Resource Consent. For permitted activities calculation, invoicing and payment will need to occur on uplifting the Building Consent or on request for a connection to the network.

Remission, Postponement, Refunds, Non-Payment and Reimbursement

Non Payment of Development Contributions and Refunds

The provisions of sections 208 and 209 LGA 2002 shall apply. Until payment of a development contribution is received CHBDC may:

- if a development contribution was required when a resource consent was granted:
 - withhold the section 224(c) RMA certificate (if the resource consent was a subdivision consent)
 - prevent the commencement of a resource consent under the RMA
- if a development contribution was required when a building consent was granted, CHBDC may withhold the code compliance certificate under the Building Act 2004
- Where a contribution is required at connection stage withhold the service connection.

CHBDC will refund contributions in the following circumstances:

- if a resource consent lapses, under section 125 of the Resource Management Act 1991;
- if a resource consent is surrendered, under section 138 of the RMA 1991;
- if the building consent under the Building Act 2004 is withdrawn;
- if the development for which the resource consent or building consent was granted does not proceed; or
- if CHBDC does not provide the infrastructure for which the contribution was required.

Retention of a portion of the contribution incurred by CHBDC may be retained in accordance with section 209(2) of the Local Government Act 2002. The refund will generally be of the payment made plus interest earned less 1% of the total for administration.

Reimbursement

Reimbursement may be considered in circumstances where a developer undertakes to construct works upon resolution of CHBDC and has requested through the LTP or annual plan process or through a signed developer agreement that reimbursement be provided where:

- the project has been built and satisfactorily completed at the time the request is assessed by CHBDC;
- the project has been committed through the letting of a contract at the time the request is assessed by CHBDC and evidence is provided to CHBDC of that contractual obligation; or
- CHBDC has accepted that the development confers some public benefit.

Where reimbursement has been provided for in the LTP or Annual Plan budget, payment will be made to the developer as subdivision occurs, or earlier should CHBDC resolve. The timing of a reimbursement will be specifically stipulated in any developer agreement.

Development contributions will be required at the subdivision stage or development stage and only for the infrastructure outlined.

Transitional Provisions

It is proposed that this Policy will apply to applications for resource consent, building consent or service connection received after 30 June 2015.

In all other cases, CHBDC will apply the provisions of the previous Development Contributions Policy.

Private Development Agreements

CHBDC reserves the discretion to enter into a Private Development Agreement with a developer for the provision of infrastructure to meet the special needs of development. This scenario is anticipated in circumstances where significant developments occur and require new capital expenditure to cater for growth and no budgeted capital expenditure has been provided and no development contribution has been set or the development requires a level of service of a type or scale that is not readily assessed in terms of units of demand.

CHBDC may enter into a developer agreement if:

- the developer has requested in writing that CHBDC enter into an agreement with the developer;
or
- CHBDC has requested in writing that the developer enter into an agreement with CHBDC.

The developer must provide information to CHBDC on the demands of the development including detailed calculations in terms of units of demand.

The agreement must state departures from the standard process and calculations and the reasons for entering the agreement. The agreement must also specify land to be vested in CHBDC, works to be

undertaken on or off-site, timeframes for when infrastructure will be provided and financial contributions for the provision or upgrading of existing services.

CHBDC may:

- accept the request;
- accept the request in part;
- decline the request; or
- accept the request subject to any agreed amendments.

CHBDC must provide the developer with written notice of its decision and the reasons for it. A developer who receives a request from CHBDC to enter into a developer agreement may in a written response to CHBDC accept the request in whole or part subject to any agreed amendments or decline the request.

Reconsideration and Objections Process

The Local Government Act 2002 requires CHBDC to provide a mechanism for:

- reconsideration of requirement for development contributions; and
- objection to assessed amount of development contributions.

Reconsideration

An applicant may request a reconsideration of a development contribution to correct any errors in calculation or resolve any misunderstandings around the design or location of a development.

The applicant may request CHBDC to reconsider the development contribution if the applicant has grounds to believe that:

- the development contribution was incorrectly calculated or assessed under this policy;
- CHBDC incorrectly applied this policy; or
- the information used to assess the applicant's development against this policy, or the way CHBDC recorded or used it when requiring a contribution, was incomplete or contained errors.

A request for reconsideration must be made in writing stating which of the above matters the applicant believes CHBDC erred on, and decided according to the following procedure:

The written request shall be considered by the Chief Executive Officer in discussion with the Delegations Committee. The applicant will be advised in writing of the decision and any amendments.

The request must be made within 10 working days after the date on which the application received notice or invoice for payment of the development contribution.

Reconsideration cannot be requested if the applicant has already lodged an objection.

Objection

An applicant may lodge an objection with CHBDC for a review by an independent commissioner/s.

The applicant may object if there are grounds to believe CHBDC:

- failed to properly take into account features of the development that would substantially reduce the demand on CHBDC's infrastructure;
- required a development contribution for community facilities not required by, or related to, the applicant's development;
- required a development contribution in breach of section 200 of the Local Government Act 2002; or
- incorrectly applied this development contributions policy to the applicant's development.

The commissioner's decision is binding on both parties.

The following costs incurred by CHBDC shall be recovered from the applicant:

- costs incurred during selection, engagement and employment of the development contributions commissioner/s;
- administrative support costs of the objections process; and
- costs incurred preparing for, organising and holding the hearing (fees and allowances for witnesses appearing at the hearing to be paid by the party on behalf the witness is called).

Lodgement of an Objection

The objector must lodge an objection within 15 working days after the date on which the objector received a notice from CHBDC on the total development contribution required. If an objector has received notice of an outcome of a reconsideration (as detailed above), the 15 day working period begins on the day after the date the objector received the notice of the reconsideration outcome.

The objection must:

- be in writing;
- set out the grounds and reasons for the objection;
- the relief sought; and
- whether the objector wishes to be heard on the objection.

CHBDC may, at its discretion, allow an objection notice to be served after the 15 day working period if it is satisfied exceptional circumstances exist.

The objector may withdraw their notice of objection by service of the withdrawal on CHBDC and any development contributions commissioner appointed to decide the objection.

Selection of Development Contributions Commissioners

CHBDC must, as soon as practicable following receipt of an objection notice, select no more than 3 development contributions commissioners to decide the objection.

The development contribution commissioners must:

- be selected from persons named in a register appointed by the Minister;
- not be an elected member or employee of CHBDC;
- not be a board member, shareholder, owner, or contractor of the objector;

- in the opinion of CHBDC have collectively or individually have the skills, knowledge and experience to:
 - a. conduct a fair and appropriate hearing; and
 - b. understand and determine the principal matters in contention.

If CHBDC selects more than one commissioner, it shall appoint one of them as the Chairperson.

Development Contributions Commissioners to set Date of Exchange for Evidence

The commissioners must give parties notice of the date by which briefs of evidence relating to the objection must be exchanged. The briefs of evidence shall be exchanged not less than 10 working days before:

- commencement of the hearing; or
- if there is no hearing, a date fixed by the commissioners.

Statements of **evidence** referred to in a brief of evidence must be provided to:

- each appointed commissioner;
- CHBDC; and
- the objector.

Obligation to Hold A Hearing

A hearing on an objection need not be held if the objector does not wish to be heard, or has agreed that no hearing is required. A hearing is also not required if the commissioners are satisfied having regard to the nature of the objection and the evidence already provided that they are able to determine the objection without a hearing.

Hearing date and notice

If a hearing is to be held the commissioners must fix the date, time and place of the hearing. Notice of the hearing must be served on CHBDC and the objector at least 5 working days before the date of the hearing.

Replies to brief of evidence where no hearing is held

If no hearing is held, a development contributions commissioner may direct that that CHBDC and the objector provide written replies to each other's evidence and provide copies of those replies to the commissioners. The direction shall stipulate the period within which written replies must be served on the commissioners, CHBDC and the objector.

Development Contribution Objection Hearings

If a hearing is required it must be held at the date, time and place specified above. The commissioners must establish a process that is appropriate and fair in the circumstances and avoids unnecessary formality and where appropriate recognises tikanga Maori. The hearing does not need to be held in public.

Decisions on Objections

The Commissioners must give a decision in writing irrespective whether a hearing is held. The decision must:

- uphold all or part of the objection; or
- dismiss all or part of the objection.

The decision may quash, or require that amendments be made to, the requirement for a development contribution. The decision must state:

- the reasons for the decision;
- a summary of the issues that were contention; and
- the relevant provisions of CHBDC's development contributions policy that required the contribution; and
- a summary of the evidence presented.

The decision may not direct a change to a development contributions policy but may pass comment on the policy.

Written copies of the Commissioners decision must be served on the objector and CHBDC.

The decision must be given within 15 working days after the end of the hearing, or if no hearing is held, the last day of the commissioner's consideration of the evidence.

Development Contributions Calculations and Assumptions

This section outlines the specific contribution required for each of the following assets:

- Roading including cycleways
- Water
- Stormwater
- Wastewater
- Community infrastructure.

Contributions methodology can be briefly described as:

- Assess capital expenditure for growth on an asset by asset basis per geographic catchment area based on Scenario 1
- Apportion capital expenditure for growth by calculating the anticipated population growth for each Central Area Unit in the Bevin report. This is then apportioned on a per EHU basis to derive the contribution amount.

GST

Development contributions specified in Appendix B are exclusive of GST at the current rate.

Land Transport

The calculation formula is:

$C = (\text{Capital Works} - \text{Contributions by other sources}) \times \text{New User Share} / \text{Est no. of new users over 10 years}$

Assumptions for Land Transport

The assumptions in the formula are:

- A contribution towards the costs is anticipated from other sources most likely New Zealand Transport Authority. This amount will be deducted from the capital cost prior to the contribution being calculated.
- Contributions for the cycleway will only be sought from residential growth
- The combined split between ratepayers and NZTA is expected to be 93% with developer contributions making up 7% of the cost.
- The geographic catchment is shown on the Maps attached as Appendix A2 and the summarised development contributions table for the two scenarios is in Appendix B.

Cycleways

As a result of growth CHBDC will need to spend \$250,000 on the cycleway between Waipukurau and Waipawa. CHBDC having considered s101(3) matters considers \$17,500 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 170 units of demand and, therefore the development contribution per unit of demand is \$102.90.

Water, Wastewater and Stormwater Formula and Assumptions

The formula applied to residential users for a single new domestic connection for water, wastewater and stormwater is:

$C = (\text{Capital Works for catchment} \times \text{New User Share}) / \text{Est. no of new users over 10 years}$:

Assumptions for Water, Wastewater and Stormwater

- The calculations take into account where new or expanded infrastructure is required. The total cost is apportioned over the maximum number of new users equating to a \$ value per lot.
- Where an extraordinary user constitutes a significant percentage of the total network usage that user will have its development contribution assessed up to an equivalent number of residential connections.
- The maximum number of lots possible is the maximum number of lots allowable under the District Plan for the site(s) being developed.
- The ratepayer contribution is expected to be 93% with developer contributions making up 7% of the cost.

- The respective geographic catchments are shown on the Maps attached as Appendix A1 and the summarised development contributions table for the two scenarios is in Appendix B.

Wastewater Waipukurau

As a result of growth CHBDC will need to spend \$4,697,437. CHBDC having considered s101(3) matters considers \$328,820 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 112 units of demand and, therefore the development contribution per unit of demand is \$2,936.

Wastewater Waipawa

As a result of growth CHBDC will need to spend \$3,612,427. CHBDC having considered s101(3) matters considers \$252,870 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 58 units of demand and, therefore the development contribution per unit of demand is \$4,360.

Wastewater Otane

As a result of growth CHBDC will need to spend \$700,000. CHBDC having considered s101(3) matters considers \$49,000 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 16 units of demand and, therefore the development contribution per unit of demand is \$3,063.

Wastewater Takapau

As a result of growth CHBDC will need to spend \$700,000. CHBDC having considered s101(3) matters considers \$49,000 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 15 units of demand and, therefore the development contribution per unit of demand is \$4,200.

Wastewater Porangahau

As a result of growth CHBDC will need to spend \$600,000. CHBDC having considered s101(3) matters considers \$4,200.00 of capital expenditure should be recovered through development contributions. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 10 units of demand (EHU) and, therefore the development contribution per unit of demand is \$4,200.

Wastewater Te Paerahi

As a result of growth CHBDC will need to spend \$600,000. CHBDC having considered s101(3) matters considers \$4,200.00 of capital expenditure should be recovered through development contributions. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 10 units of demand (EHU) and, therefore the development contribution per unit of demand is \$4,200.

Water Waipukurau

As a result of growth CHBDC will need to spend \$1,627,929. CHBDC having considered s101(3) matters considers \$113,955 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 112 units of demand and, therefore the development contribution per unit of demand is \$1,017.

Water Waipawa

As a result of growth CHBDC will need to spend \$554,941. CHBDC having considered s101(3) matters considers \$38,846 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 58 units of demand and, therefore the development contribution per unit of demand is \$670.

Water Otane

As a result of growth CHBD will need to spend \$1,400,000. CHBDC having considered s101(3) matters considers \$98,000 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 27 units of demand (EHU) and, therefore the development contribution per unit of demand is \$6,125.

Stormwater Waipukurau

As a result of growth CHBD will need to spend \$95,000. CHBDC having considered s101(3) matters considers \$6,650 of capital expenditure should be recovered through development contributions in Scenario 1. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 13 units of demand (EHU) and, therefore the development contribution per unit of demand is \$512.

Extraordinary Users for Water, Wastewater and Stormwater

Extraordinary users (EU) are all users other than standard residential users whose water usage, wastewater generation or stormwater runoff is expected to exceed that of a standard residential user. Extraordinary users include agriculture, industrial, commercial and institutional. If usage is not expected to exceed standard residential user requirements, then the standard residential development contribution will apply. Where the usage exceeds those of a standard residential unit development contributions (DC) will be calculated on an equivalent household unit basis.

Based on modelling and knowledge of CHBDC's infrastructure the standard residential demand is:

Water – 820 litres per residential unit per day

Wastewater – 615 litres per residential unit per day

Stormwater – 430 litres per residential unit

The extraordinary user will need to provide CHBDC with modelling calculations to determine their anticipated demand. This demand will be reduced to EHU and multiplied by the development contribution figure for water, wastewater and stormwater set out in Appendix B and Section 12.4 above.

Community Infrastructure

The formula is:

$C = (\text{Capital Works} - \text{Contributions by other sources}) \times \text{New User Share} / \text{Est no. of new users over 10 years}$

Assumptions for Community Infrastructure

The assumptions in the formula are:

- Development contributions will be taken only from residential development in Waipukurau and Waipawa
- The total cost is apportioned over the maximum number of new users equating to a \$ value per lot.
- The ratepayer contribution is expected to be 93% with developer contributions making up 7% of the cost.

District Community Infrastructure

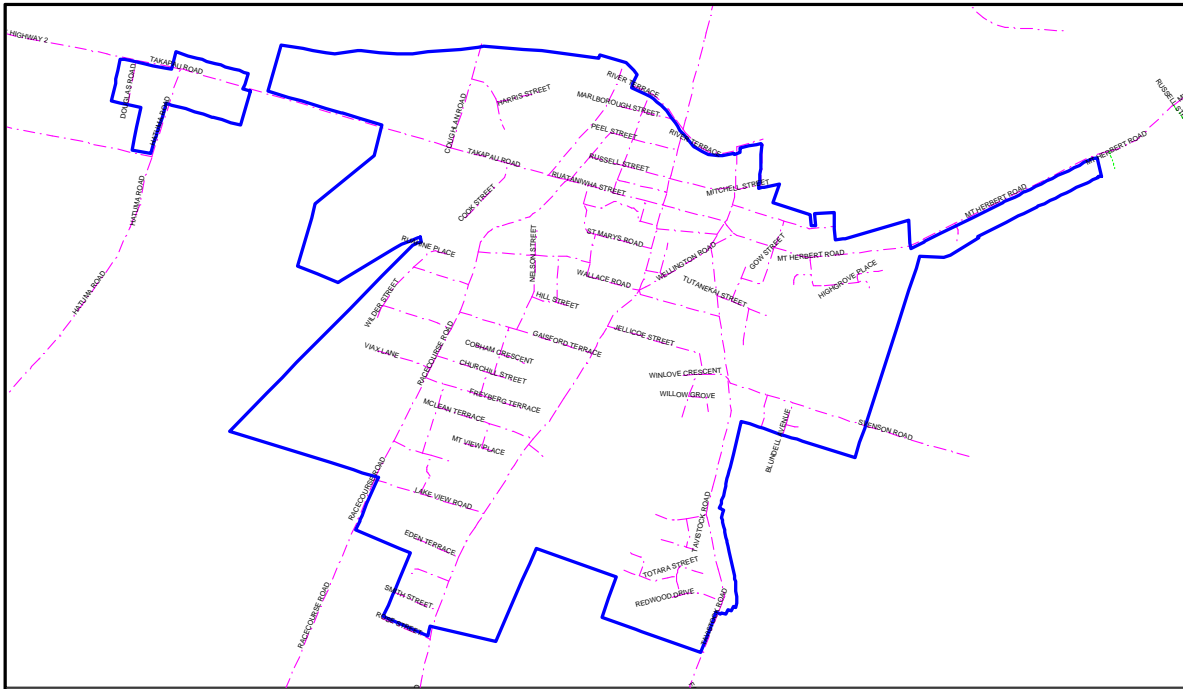
As a result of growth CHBDC will need to spend \$568,500 on Russell Park play equipment. CHBDC having considered s101(3) matters considers \$39,795 of capital expenditure should be recovered through development contributions. The appropriate unit of demand is an EHU. The CHBDC anticipates that over the next 10 years there will be 227 units of demand and, therefore the development contribution per unit of demand is \$175.00.

Glossary of Terms

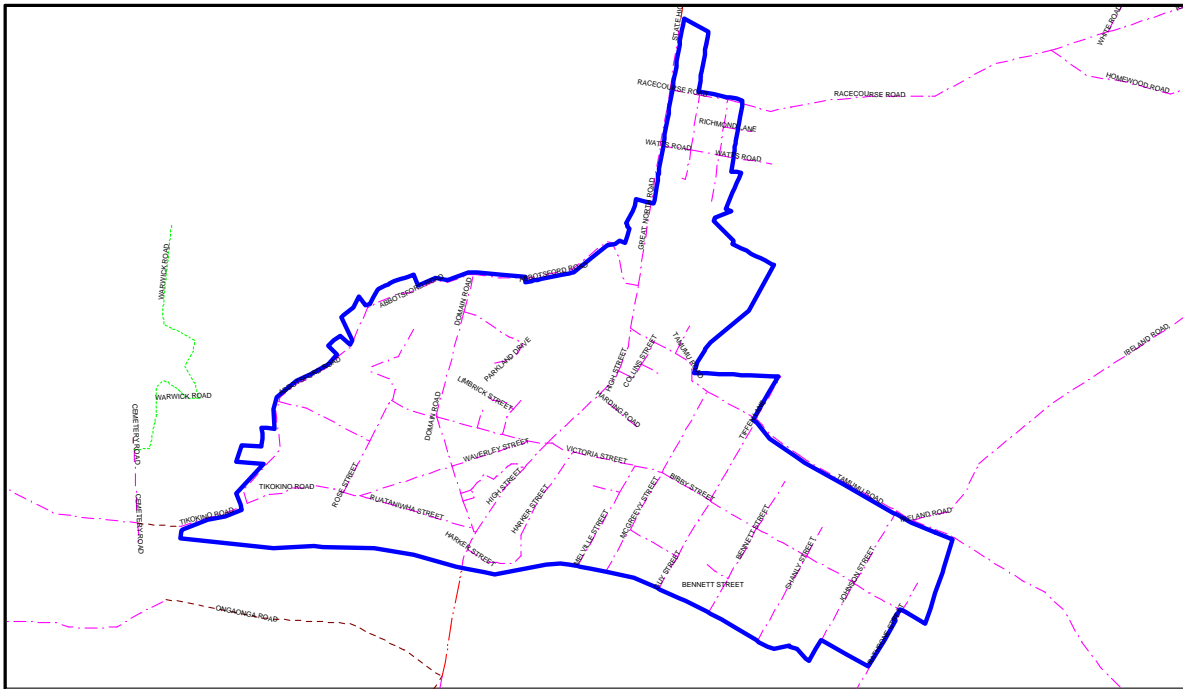
Term	CHBDC Meaning
Connection	Means in the case of: <ul style="list-style-type: none"> ○ Roads: The creation of a site that has physical or legal access to a Public road or approved vehicle crossing from the property to a public road. ○ Utility System: The connection to a CHBDC operated and managed water, Wastewater (Sewer) or Stormwater reticulation.
Development	As set out in the LGA 2002 S197 <ul style="list-style-type: none"> • means—

	<ul style="list-style-type: none"> ○ any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure; but ○ does not include the pipes or lines of a network utility operator.
Development Contribution	<p>As set out in the LGA 2002 S197</p> <ul style="list-style-type: none"> • means a contribution— <ul style="list-style-type: none"> ○ provided for in a development contribution policy included in the long-term plan of a territorial authority; and ○ calculated in accordance with the methodology; and <p>comprising—</p> <ul style="list-style-type: none"> (i) money; or (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or (iii) both
Equivalent Household Unit	The type of unit of demand that equates to a single average house hold.
Headworks	Headworks describe the pumping station/treatment/Bores etc part of the network. For Water this occurs at the start of the network where the water is extracted from the bores. For Wastewater and Stormwater headworks means the main pumping stations, treatment ponds, discharge structures etc that occur at the end of the network.
Network Infrastructure	Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
LTP	Long Term Plan.
Utility System	CHBDC owned and managed Water, Wastewater (Sewer) and/or Stormwater network.

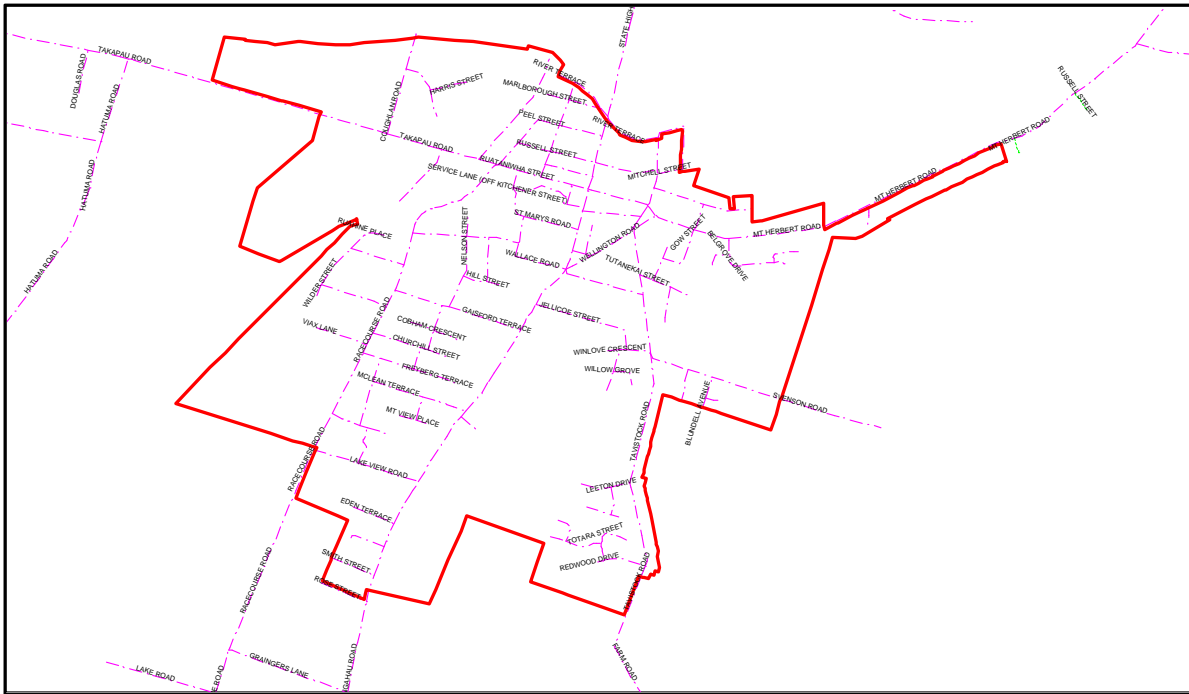
Waipukurau



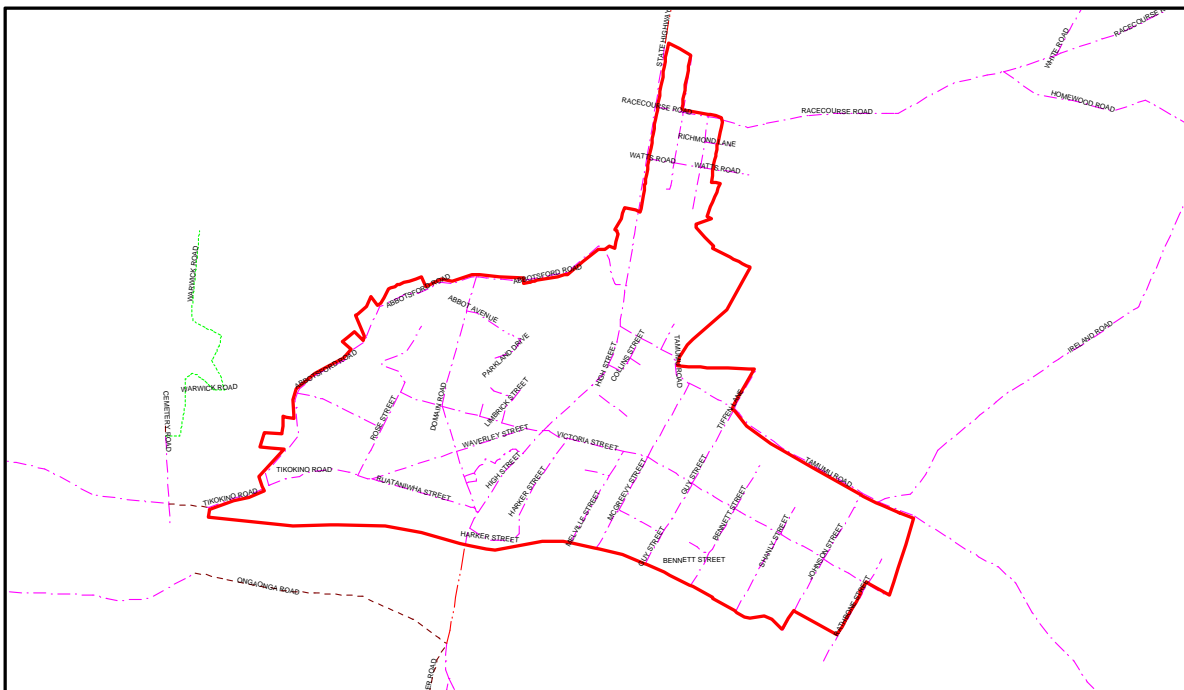
Waipawa



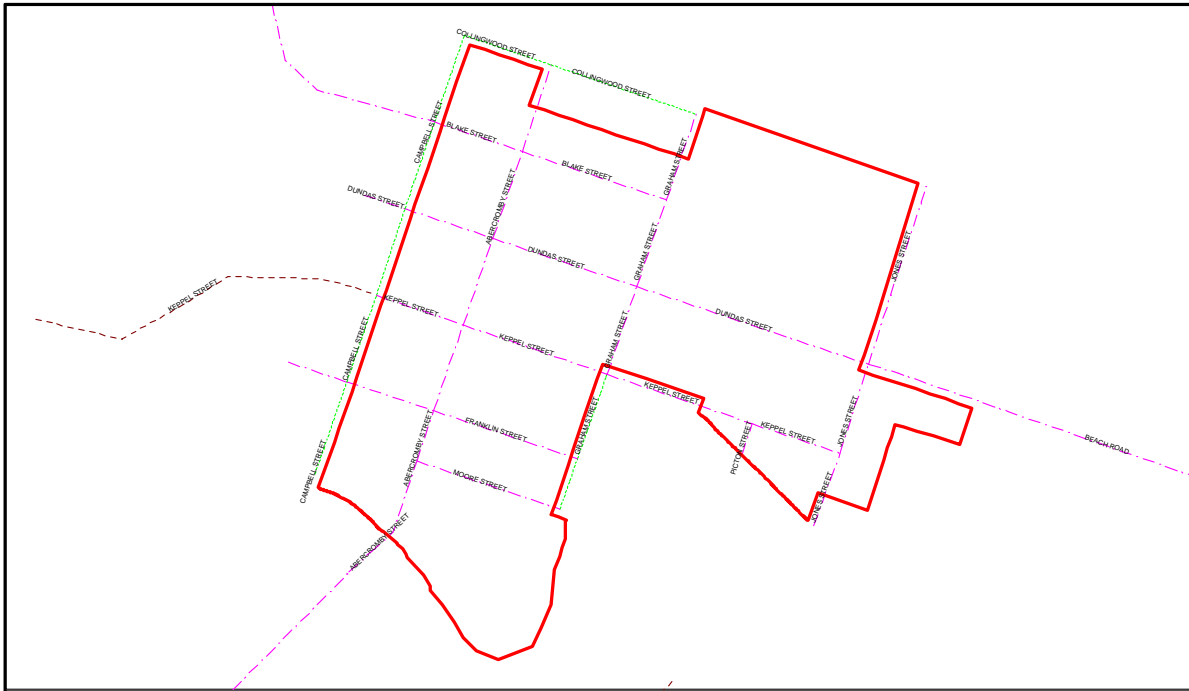
Waipukurau



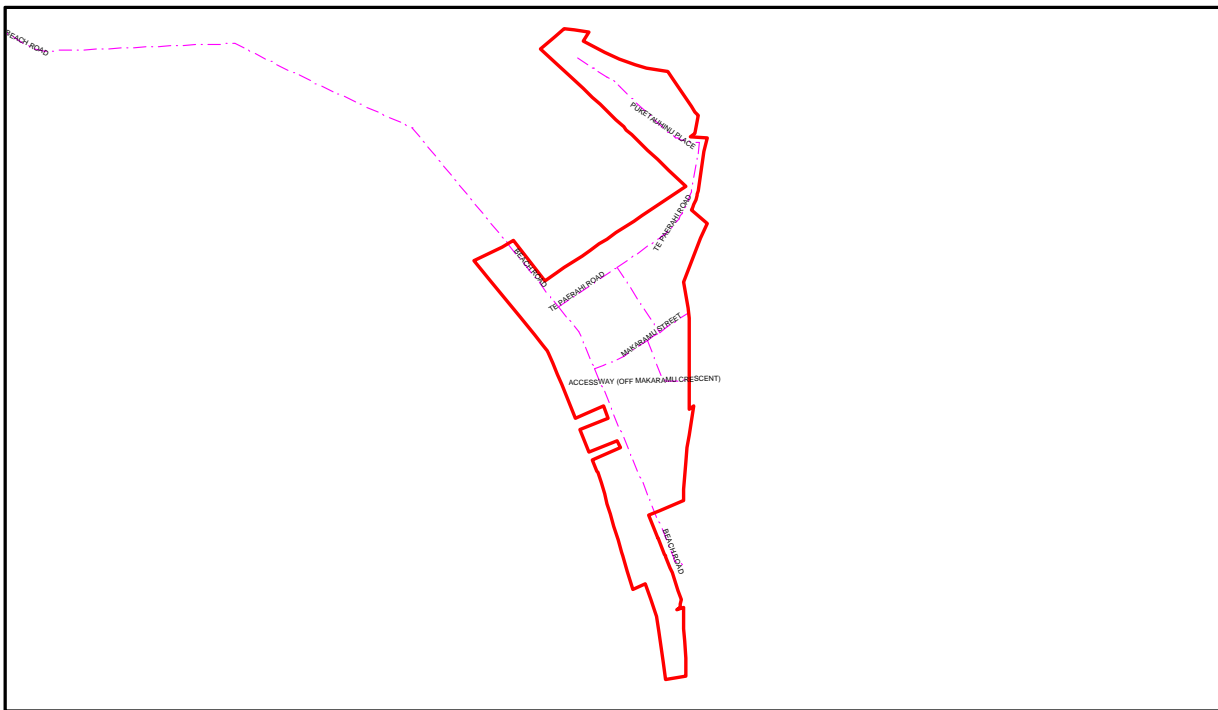
Waipawa



Porangahau

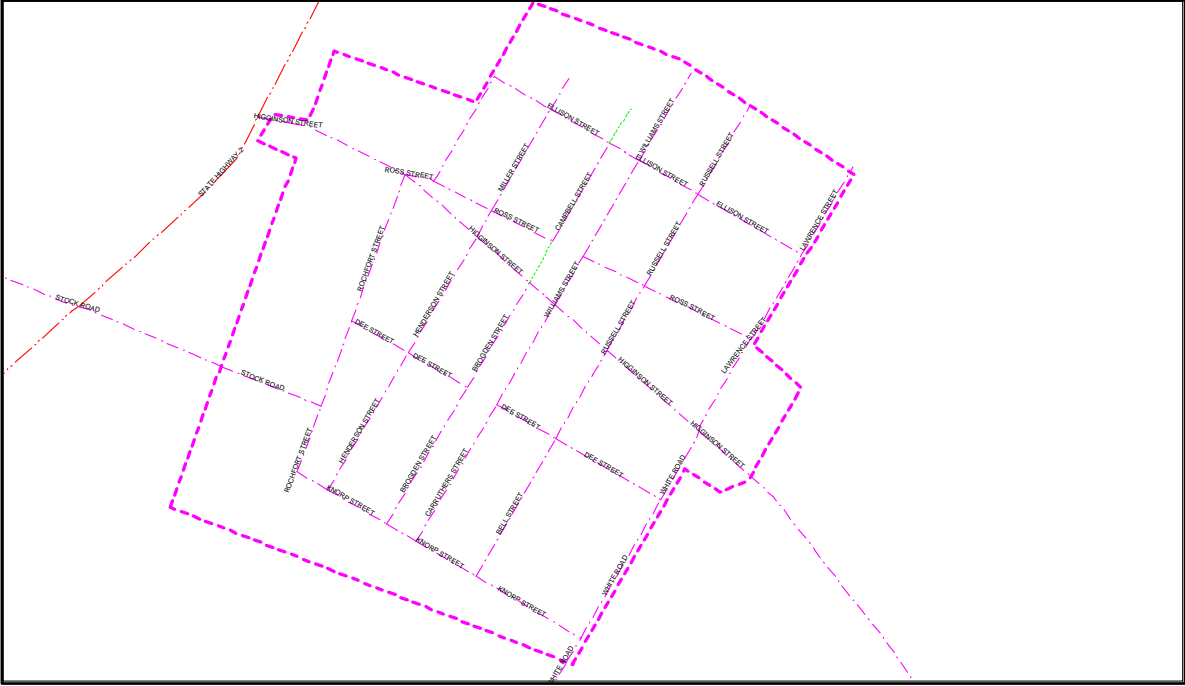


Te Paerahi Beach

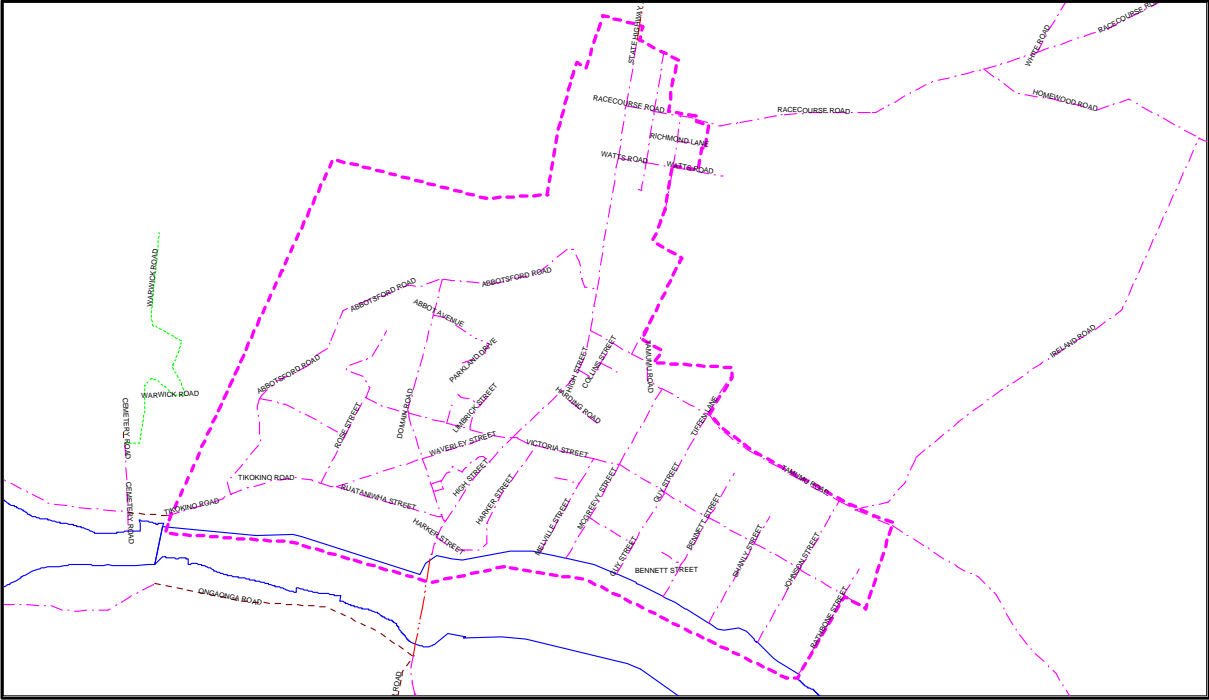


Stormwater

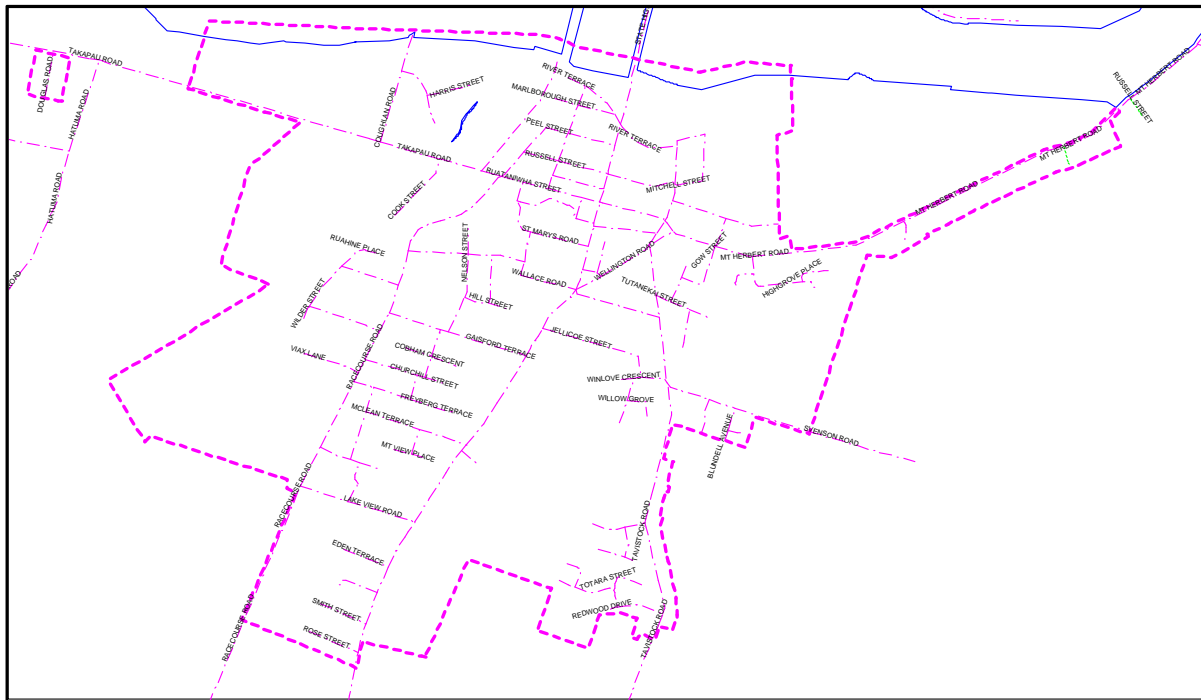
Otane



Waipawa



Waipukurau



APPENDIX B – Development Contributions Table

Current Development Levies as at 1 July 2015				
			Gst rate	1.15
Capital Contribution levies for Water				
				EHU
Area	Total Capital Works	Levy	Inc GST 15%	
Otane	\$1,400,000.00	\$6,125.00	\$7,043.75	16
Takapau	\$0.00	\$0.00	\$0.00	15
Waipukurau	\$1,627,929.00	\$1,017.00	\$1,169.55	112
Waipawa	\$554,941.00	\$670.00	\$770.50	58
Kairakau	\$39,192.00	\$457.00	\$525.55	6
Porangahau	\$0.00	\$0.00	\$0.00	10
Te Paerahi	\$0.00	\$0.00	\$0.00	10
Capital Contribution levies for Sewer				
Area	Total Capital Works	Levy	Inc GST 15%	
Otane	\$700,000	\$3,063.00	\$3,522.45	16
Takapau	\$700,000	\$3,267.00	\$3,757.05	15
Waipukurau	\$4,697,437	\$2,936.00	\$3,376.40	112
Waipawa	\$3,612,427	\$4,360.00	\$5,014.00	58
Porangahau	\$600,000	\$4,200.00	\$4,830.00	10
Te Paerahi Beach	\$600,000	\$4,200.00	\$4,830.00	10
Capital Contribution levies for Storm Water				
Area	Total Capital Works	Levy	Inc GST 15%	
Otane	\$0.00	\$0.00	\$0.00	16
Takapau	\$0.00	\$0.00	\$0.00	15
Waipukurau *	\$95,000.00	\$512.00	\$588.80	112
<small>* This levy ONLY applies to Rose Street projects</small>				
Waipawa	\$0.00	\$0.00	\$0.00	58
Porangahau	\$0.00	\$0.00	\$0.00	10
Te Paerahi Beach	\$0.00	\$0.00	\$0.00	10
Kairakau Beach	\$0.00	\$0.00	\$0.00	6
Blackhead Beach	\$0.00	\$0.00	\$0.00	0
Capital Contribution levies for Play Ground Development				
Area	Total Capital Works	Levy	Inc GST 15%	
District wide	\$568,500	\$175.00	\$201.25	227
<small>Park is available for whole District</small>				
Capital Contribution levies for Land Transport for Residential Development Only				
Area	Total Capital Works	Levy	Inc GST 15%	
Waipukurau & Waipawa	\$0	\$103.00	\$118.45	170