matamata piako
district council






Development Contributions Policy 2018 - 2028

Consultation 28 March-29 April 2018

Version: Consultation 28 March-29 April 2018

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1.0 Introduction

1.1 Context

Our district has experienced steady growth in the number of dwellings, as well as growth in the number of businesses. As a result, we must expand our infrastructure networks to support the increased use of essential services, such as water and roads. The cost of expanding these networks is typically high, and how these developments are funded is an important issue. Using rates to fund these works can be perceived as unfair, because existing ratepayers neither caused them, nor do they directly benefit from them. As a result, we must consider alternative funding options, such as development contributions.

In preparing this Development Contributions Policy (Policy) we have taken into account the following principles:

- development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for Council to provide or to have provided new or additional assets or assets of increased capacity;
- development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding;
- cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets;
- development contributions must be used:
    - for or towards the purpose of the activity or the group of activities for which the contributions were required; and
    - for the benefit of the district or the part of the district that is identified in our Policy in which the development contributions were required;
- we should make sufficient information available to demonstrate what development contributions are being used for and why they are being used;
- development contributions should be predictable and be consistent with the methodology and schedules of our Policy;
- when calculating and requiring development contributions, we may group together certain developments by geographic area or categories of land use, provided that:
    - the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
    - grouping by geographic area avoids grouping across an entire district wherever practical.

1.2 Legislative requirements

This document sets out our policy on development contributions, as required by section 102 of the Local Government Act 2002.

1.3 Relationship to financial contributions under the Resource Management Act 1991

We currently operate a Financial Contributions Policy under our District Plan.

Financial contributions are separate from, and may be charged in addition to, development contributions under the Local Government Act 2002. However, they cannot be charged against the same development for the same purpose. This avoids so called ‘double dipping’.

It is also acknowledged that Subpart 3 of Part 1 of the Resource Legislation Amendment Act 2017(amendments to Resource Management Act 1991 relating to financial contributions) will come into force on 17 April 2022 - the day that is five years after the date on which the Resource Legislation Amendment Act 2017 received the Royal assent (18 April 2017). Council intends to review its Policy in light of these changes by 2021.

1.4 Navigating this document

This document is made up of several sections including:

- **Section 2** Policy overview: this provides a brief overview of the Policy including: the purpose of development contributions, when contributions may be required, the types of development that may be charged and other general information regarding development contributions.
- **Section 3** Adoption, implementation and review: this addresses the adoption and implementation of this policy including: the date of adoption, the frequency and scope of Policy reviews, and any transitional provisions.
- **Section 4** Planning for growth: this outlines the growth context, and summarises the capital expenditure we expect to incur (and have already incurred) to cater for growth.
- **Section 5** Charges, usage and limitations: this presents the schedule of development contributions charges, and details any limitations on the use of those funds.
- **Section 6** How to calculate development contributions: this provides a simple diagram that shows how to calculate the contributions payable on developments.
- **Section 7** Assessment and application of the Policy: this demonstrates application of the Policy to various development activities and outlines how credits are granted.
- **Section 8** Remissions, reconsiderations and objections, postponements, refunds and the return of land: this presents our Policy on remissions, refunds, return of land and postponement of development contributions.
- **Section 9** Other administrative matters: this provides details on additional administrative matters, such as invoicing and payment, and the handling of GST.

- **Section 10** Measuring demand: this outlines how demand has been measured, including the definition of Household Equivalent Units.
- **Section 11** Methodology and significant assumptions: this presents the methodology used to calculate charges and outlines the significant assumptions underlying this Policy.
- **Section 12** Examples: this demonstrates application of the Policy via a number of examples.
- **Section 13** Glossary of terms: is a glossary of terms used in this Policy.
- **Section 14** Catchment maps: this presents catchment maps for each activity.
- **Section 15** Schedule of assets: this schedule lists the assets that are or are planned to be funded from development contributions.

2.0 Policy overview

2.1 Purpose of development contributions

The purpose of the Policy is to enable Council to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

2.2 When may development contributions be required?

Under the Local Government Act 2002, development contributions may be required for a new development if the effect (including the cumulative effect that a development has in combination with other developments) of the development will require new or additional assets. Development contributions may also be charged if the developments require assets of increased capacity and, as a consequence, we incur capital expenditure to provide appropriately for those assets. We are also able to require a development contribution for capital expenditure incurred in anticipation of development.

2.3 Types of development that may be charged

Any development that generates a demand for network infrastructure, community infrastructure or reserves - whether residential or non-residential - may be required to pay a development contribution. Only the pipes or lines of a network utility operator are explicitly exempt under the Local Government Act 2002.

2.4 Types of activities that may be funded

We may charge development contributions to help fund:

- network infrastructure - the provision of roads and other transport, water, wastewater, and stormwater collection and management;
- community infrastructure - the provision of the following assets if we own and operate them:
    - community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;
    - play equipment that is located on a neighbourhood reserve;
    - toilets for use by the public.
- reserves.

This Policy will cover only the provision of network infrastructure (transport, water, wastewater and stormwater). Other community infrastructure activities may be considered during subsequent revisions.

Onsite works (within the boundaries of each development) remain the sole responsibility of developers and do not form part of this Policy.

3.0 Adoption, implementation and review

3.1 Adoption and implementation

This Policy has been adopted in accordance with the provisions of the Local Government Act 2002; and will be effective from 1 July 2018.

Any application for:

- a resource consent (including a change to a condition of a resource consent under section 127 of the Resource Management Act 1991);
- a building consent under the Building Act 2004;
- a certificate of acceptance under section 98 of the Building Act 2004 if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is granted; or
- a service connection;

that is submitted and accompanied by all required information on, or after, 1 July 2018 will be subject to the conditions of this Policy and any amendments.

Applications made prior to this date will be assessed under the policy that was in force at the time application was submitted, if any were in force at the time.

3.2 Frequency and scope of policy reviews

As required by the Local Government Act 2002, we will review this Policy at least once every three years (or more frequently if deemed necessary). Such reviews may be triggered by - and will take into account, the following factors:

- any changes to the significant assumptions underlying the Policy;
- any changes in the capital works programme for growth;
- any significant changes in the costs of labour, construction or technology;
- any changes in the expected nature, scale, location or timing of development;
- any changes that require new or significant modelling of the networks;
- any changes to the District Plan;
- the regular reviews of the funding and financial policies, and our Long Term Plan;
- any other matters we consider relevant.

Any potential changes will be considered, then subject to consultation requirements under the Local Government Act 2002.

3.3 Frequency and scope of development contribution reviews

We may increase the amount of development contributions provided for in this Policy. Any increase will not exceed the result of multiplying together:

- the rate of increase (if any), in the Producers Price Index Outputs for Construction provided by Statistics New Zealand since the development contribution was last set or increased; and
- the proportion of the total costs of capital expenditure to which the development contribution will be applied that does not relate to interest and other financing costs.

Before any increase takes effect, we will make publicly available information setting out:

- the amount of the newly adjusted development contribution; and
- how the increase complies with the above requirements of Section 3.3.

Under the Local Government Act 2002, development contributions may be increased in the above manner without consultation, formality, or a review of the Policy. Unless exceptional circumstances occur, this review will be undertaken on an annual basis.

4.0 Planning for growth

This section presents historic and future growth trends, which provide both the context and need for this Policy. It also outlines capital expenditure required to service the amount of growth in the district.

4.1 Growth trends

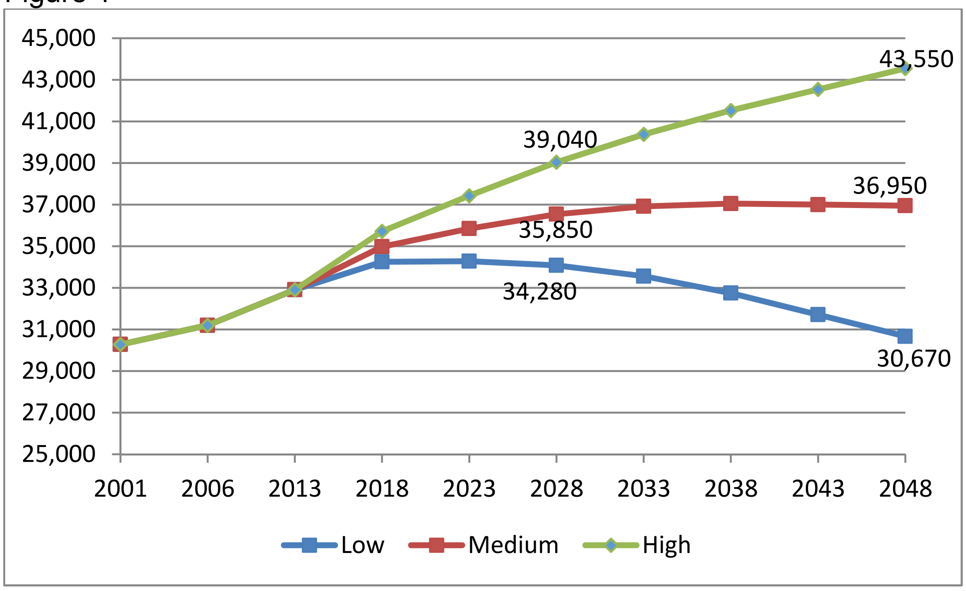
Accurate growth projections are a fundamental component of any development contributions policy. They help determine the extent of capital works required to service growth, as well as the level of demand over which the resulting costs should be spread. For the purposes of this Policy, growth projections have been produced separately for residential and non-residential developments. This allows for any differences in the rates of growth to be accommodated.

Population growth has been projected for Matamata-Piako by Rationale Limited. High, medium and low projections have been produced based on different fertility, mortality and migration assumptions. We have used the medium projections to help prepare 30-year demand forecasts for the Infrastructure Strategy and the related capital expenditure programme for this Long-Term Plan. Total population at 30 June is shown in Table 1:

Table 1

		Historical change (2001 - 2017)			Projected 10 year change (2018 - 2028)			Projected 30 year change (2018 - 2048)		
	Settlement area	Total Growth	Average Annual Growth	Average Annual Growth Rate	Total Growth	Average Annual Growth	Average Annual Growth Rate	Total Growth	Average Annual Growth	Average Annual Growth Rate
Resident Population	**District**	**4,286**	**268**	**0.8%**	**1,560**	**156**	**0.4%**	**1,970**	**66**	**0.2%**
	Matamata Ward	2,036	127	1.0%	702	70	0.5%	1,147	38	0.3%
	Morrinsville Ward	1,754	110	0.9%	657	66	0.5%	949	32	0.2%
	Te Aroha Ward	496	31	0.4%	202	20	0.2%	-126	-4	-0.1%

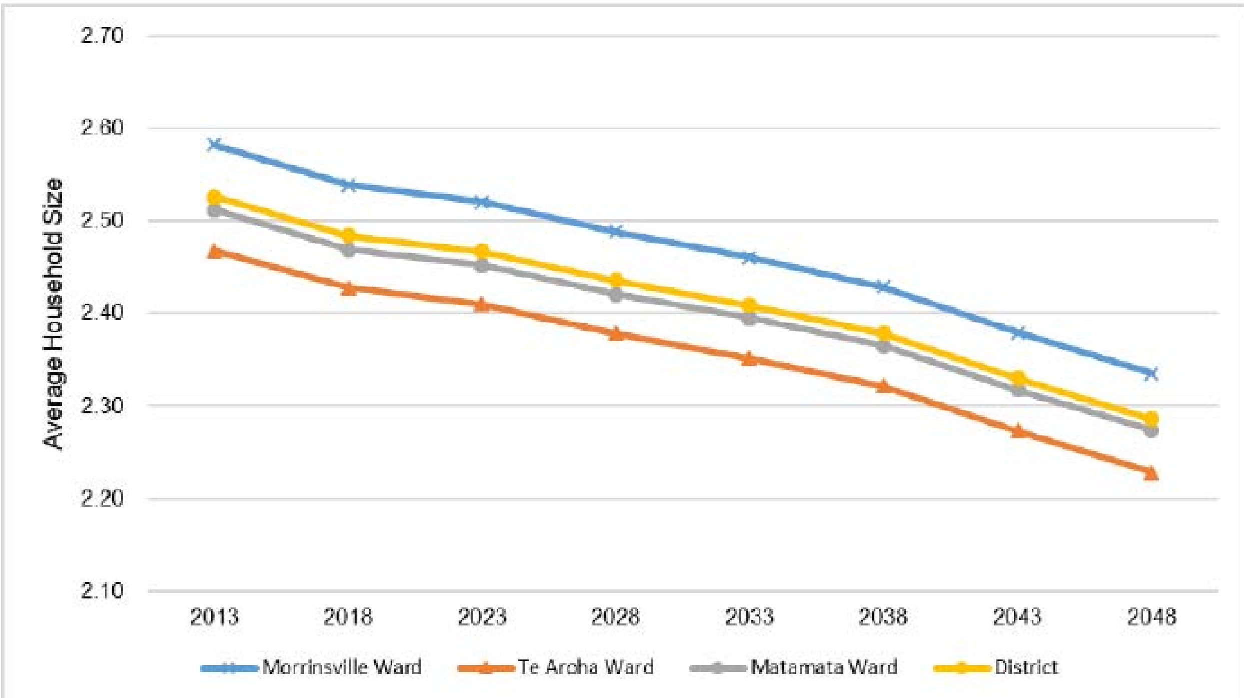
Figure 1



Spread of growth
All three wards in the district are projected to experience population and dwelling growth. The total population and dwellings increase is highest in the Matamata Ward, followed by the Morrinsville Ward and then the Te Aroha Ward. Nearly 80% of the population growth and 70% of the dwelling growth is forecast to occur in the three urban towns (Matamata, Morrinsville and Te Aroha). The population growth in the rural settlements is noticeably lower than the main towns, and in some areas a slight decline is forecast. However dwellings are projected to increase in all the outlying rural settlement areas.

Household size
The average household size of a given area is the total resident population divided by the total number of households. A household can be one person who usually lives alone, or two or more people who usually live together and share facilities in a dwelling. There may be more than one family in a household. The average household size for the district has been declining over time and is projected to continue to decline.

Figure 2



Dwellings

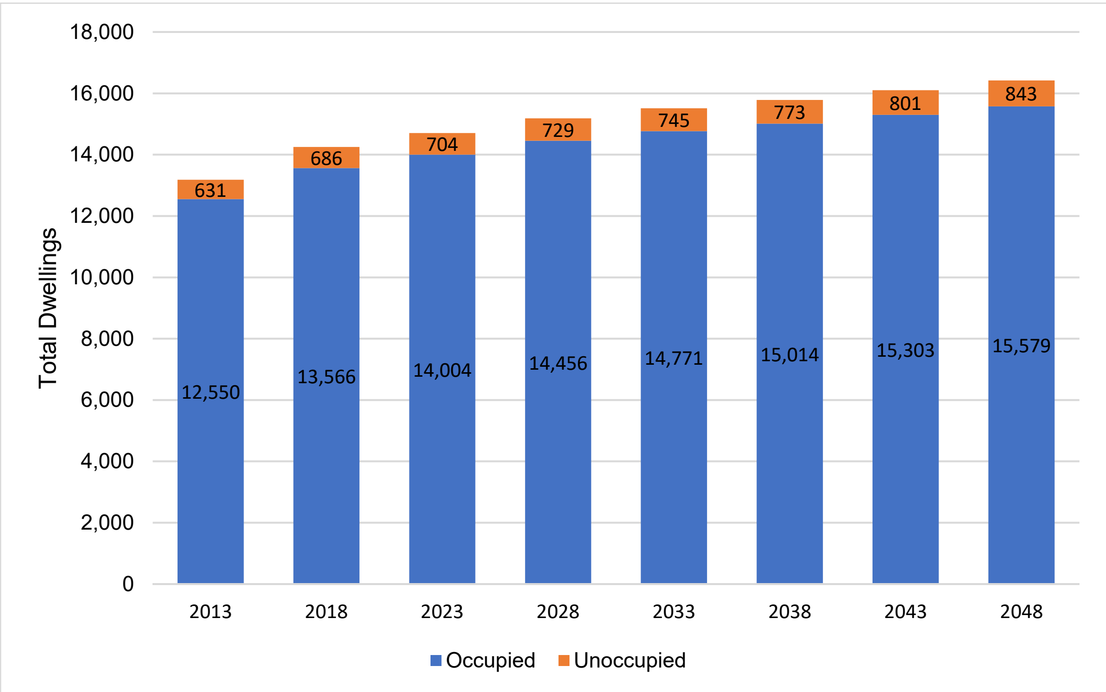
Under the medium growth scenario the fertility and mortality rates result in an increase in population, however there is no migration into the district, resulting in only a moderate increase in total population. This flows through to an increase in the number of dwellings.

The number of dwellings in all wards is projected to increase by between 0.3% and 0.6% per year. This equates to an increase of 34 dwellings per year in the Matamata Ward, 29 in the Morrinsville Ward and 9 in the Te Aroha Ward. The proportion of occupied dwellings is projected to remain relatively stable at around 95%.

As with the population, strong dwelling growth is projected in all three urban towns. This is due to the increase in population and a decrease in the average household size. In the urban towns the dwelling growth in Matamata and Morrinsville is projected to be around 0.6 and 0.7% per year, or 22 and 23 dwellings per year respectively to 2048. Te Aroha is slightly lower at 0.4% per year, or 7 dwellings per year. The dwelling growth in Te Aroha is relatively high compared to the population growth due to a bigger decline in the average household size compared to the other two towns. This trend creates a higher demand for additional dwellings.

The rural settlement areas also show an increase in dwellings at an overall average growth rate of 0.4%, or 20 dwellings per year to 2048. The range in dwelling growth rates across the rural settlement areas is between 0.1% and 0.8% per year.

Figure 3



The number of dwellings under construction is projected to grow from 63 in 2018 to in 68 in 2028 and 73 in 2048.

Although the average annual dwelling growth of around 73 dwellings per year is still lower than that previously experienced, it should be noted that residential building consents have declined significantly since the mid-2000s peak. The number of building consents peaked at 282 in 2006 and averaged about 115 over the past five years.

Table 2

		Historical change (2001 - 2017)			Projected 10 year change (2018 - 2028)			Projected 30 year change (2018 - 2048)		
		Total Growth	Average Annual Growth	Average Annual Growth Rate	Total Growth	Average Annual Growth	Average Annual Growth Rate	Total Growth	Average Annual Growth	Average Annual Growth Rate
Dwellings	**District**	**2,464**	**154**	**1.2%**	**938**	**94**	**0.6%**	**2,180**	**73**	**0.5%**
	Matamata Ward	1,123	70	1.4%	410	41	0.7%	1,033	34	0.6%
	Morrinsville Ward	933	58	1.3%	370	37	0.7%	869	29	0.5%
	Te Aroha Ward	408	26	0.8%	158	16	0.4%	278	9	0.3%

Rating units

Rating units are usually the same as a Certificate of Title. Although in some circumstances, properties that are owned by the same person and next to each other can be counted as one rating unit.

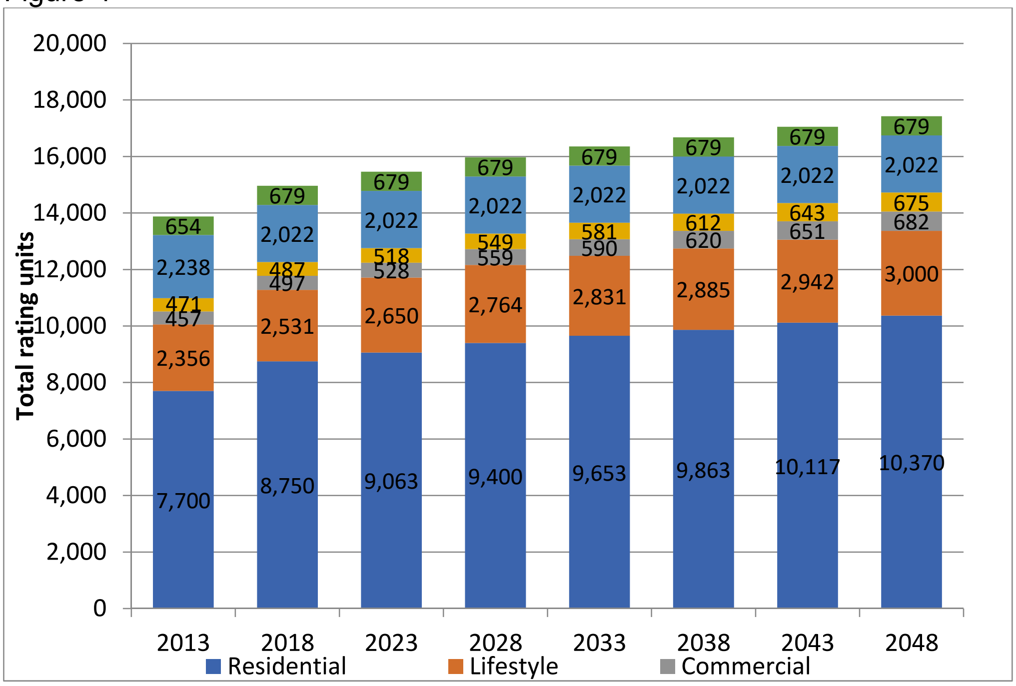
Rating units are projected to grow at over 0.7% per cent per annum over the 10 year period (2018- 28) and 0.5% per cent for the 30 year period (up to 2048).

Table 3

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Rating Units	14,965	15,064	15,163	15,262	15,361	15,460	15,562	15,665	15,768	15,870	15,973

The projected district wide growth in rating units, by type is shown in the following graph. This shows the district's reliance on residential rating units - nearly three quarters of the total rating units are in the Residential or Lifestyle category. Rural Industry rating units are around 16% of the total rating units. The remainder is spread between Commercial, Industrial and Other rating units, each making up less than 5% of the total.

Figure 4



The total rating unit growth for each area relies predominately on dwelling growth. Therefore the forecast dwellings for the wards and settlement areas (discussed in the above dwelling section) are reflected in the rating unit forecasts.

Both Industrial and Commercial rating units are projected to increase in the three urban towns. More than 70% of the Commercial rating unit growth to 2048 is within the urban towns, predominately in Matamata and Morrinsville, while the Industrial rating unit growth is more evenly distributed between the urban towns (around 55%, predominantly in Morrinsville) and rural settlement areas (35%).

The number of Rural Industry and Other Rating Units is projected to remain unchanged from the 2016 level.

Table 4

		Historic change (2013 - 2018)			Projected 10 year change (2018 - 2028)			Projected 30 year change (2018 - 2048)		
		Total Growth	Average Annual Growth	Average Annual Growth Rate	Total Growth	Average Annual Growth	Average Annual Growth Rate	Total Growth	Average Annual Growth	Average Annual Growth Rate
Rating Units	**District**	**1,089**	**218**	**1.5%**	**1,008**	**101**	**0.7%**	**2,462**	**82**	**0.5%**
	Matamata Ward	558	112	2.0%	455	45	0.7%	1,186	40	0.6%
	Morrinsville Ward	433	87	1.7%	392	39	0.7%	964	32	0.6%
	Te Aroha Ward	99	20	0.5%	161	16	0.4%	312	10	0.3%

4.2 Non-residential projections

To estimate the projected non-residential growth in the district, we reviewed detailed building consent data to identify long-term trends in new Gross Floor Area by building type (retail, warehouse, office etc.) and ward.

The data covered every consent issued in the district since 1990 (28 years' worth). These were converted to annual averages, and overlaid with non-residential conversion factors to estimate annual average non-residential HEUs by ward and activity (roads, water etc.).

Table 5

	Water & Wastewater		Roading	
Wards	Long-term trend	Projected	Long-term trend	Projected
Matamata Ward	16	8	29	18
Morrinsville Ward	7	4	16	10
Te Aroha Ward	5	2	8	4
District Totals	**28**	**14**	**52**	**32**

According to Table 5, historic growth has been higher than our previous projections for each ward and each activity. However, these long-term trends may be misleading for the purposes of setting development contributions, because some of this new Gross Floor Area may simply reflect the replacement of existing buildings, which do not attract Development Contributions. In addition there is a lot of uncertainty around future growth, and the past is not always a good predictor of the future. On this basis the non-residential projections have been adjusted downward to reflect actual development contributions collected in recent years. It has also been assumed that growth will not be linear over the 10 year timeframe.

The resulting projections are shown in Tables 6, 7, 8 and 9.

Table 6 – 9 Predicted non-residential growth (HEU equivalent per year)

Table 6
Roading HEU Equivalent

Area/Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
District	129	129	129	129	129	117	117	117	117	117
Matamata Ward	65	65	65	65	65	60	60	60	60	60
Morrinsville Ward	65	65	65	65	65	60	60	60	60	60
Te Aroha Ward	65	65	65	65	65	60	60	60	60	60

Table 7
Stormwater HEU Equivalent

Area/Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
District	110	110	110	110	110	94	94	94	94	94
Matamata Ward	53	53	53	53	53	48	48	48	48	48
Morrinsville Ward	42	42	42	42	42	36	36	36	36	36
Te Aroha Ward	15	15	15	15	15	10	10	10	10	10

Table 8
Wastewater HEU Equivalent

Area/Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
District	110	110	110	110	110	94	94	94	94	94
Matamata Ward	53	53	53	53	53	48	48	48	48	48
Morrinsville Ward	42	42	42	42	42	36	36	36	36	36
Te Aroha Ward	15	15	15	15	15	10	10	10	10	10

Table 9
Water HEU Equivalent

Area/Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
District	110	110	110	110	110	97	97	97	97	97
Matamata Ward	53	53	53	53	53	48	48	48	48	48
Morrinsville Ward	42	42	42	42	42	36	36	36	36	36
Te Aroha Ward	15	15	15	15	15	13	13	13	13	13

4.3 Capital expenditure required to service growth

Table 10 presents capital expenditure (from the Long Term Plan) that we expect to incur to meet the increased demands resulting from growth. This also includes expenditure that we have incurred in anticipation of growth. What follows is an explanation of growth related expenditure. Schedule 1 of this Policy sets out these projects in more detail.

Table 10: Summary of Capital Expenditure ($000s) 2018-28 excluding inflation

Activity	Total capital expenditure on all projects $	Capital expenditure attributable to growth $
Roading	10,660,000	4,131,450
Stormwater	500,000	400,000
Wastewater	4,500,000	3,700,000
Water	3,295,000	2,676,000

4.3.1 Roading

Growth related works for roading are split into three catchments, one for each of the three wards - Te Aroha, Matamata and Morrinsville. Works focus mainly on footpath, kerb and channel and road.

4.3.2 Stormwater

Growth related works for stormwater are split into three catchments, one for each of the three urban centres - Te Aroha, Matamata and Morrinsville. Works focus mainly on completed work expanding reticulation networks.

4.3.4 Wastewater

Like stormwater, there is one wastewater catchment for each of the three main urban centres. Growth related works encompass several activities, such as completed trunk main replacements (in Te Aroha) and treatment plant upgrades (for all three centres) and provision for additional subdivision demands.

4.3.5 Water

Water catchments broadly match those of wastewater and stormwater - one for each of the three main urban centres. Growth related works programmed in the Long Term Plan reflect a diverse mix of activities, such as completed work for the provision of bores, reservoirs, standby generators, and booster pumps. There is also provision for additional subdivision demands.

4.4 Policy rationale

Section 106(2)(c) of the Local Government Act 2002 requires us to explain in terms of the matters outlined in section 101(3), why we have determined to use development contributions to meet the expected capital expenditure set out in Table 4.

4.4.1 Community outcomes

Using development contributions to fund growth related capital expenditures will help contribute to the following community outcomes, as set out by our Long Term Plan:

Connected Infrastructure

- Infrastructure and services are fit for purpose and affordable, now and in the future. Quality infrastructure is provided to support community wellbeing.

Economic Opportunities

- Our future planning enables sustainable growth in our district

4.4.2 Distribution of benefits

By definition, capital works funded by development contributions relate primarily to future residents and businesses. Their aim is to increase capacity to accommodate new users, not to improve service levels for existing users. As a result, new users benefit directly from the growth related works their development contributions are put towards. While there may be some spill over benefits (where existing ratepayers benefit from growth related works) these are generally offset by new ratepayers benefiting from existing infrastructure, such as roads. Overall, new residents and businesses gain the most benefit from these works and, therefore, are the primary funding source.

4.4.3 Period over which benefits occur

Most infrastructural assets have very long useful lives. In order to make sure the period of funding and the period of benefit are the same, a long life funding tool such as development contributions must be used. Our Policy allows for the costs of growth related infrastructure to be recovered over 25 years, ensuring that each generation of development ‘pays its own way.’ That is to say, each generation of development pays only for its own needs, not those of future generations.

4.4.4 Need to undertake activity

Pressures caused by growth are the sole driver of capital works funded by development contributions. Requiring these capital works to be funded by the growth community helps to ensure that the costs are covered by those that cause them to be incurred. This is both efficient and equitable.

4.4.5 Separation from other activities

Growth related capital works do not usually stand-alone within our capital works programme; they are usually included within much larger projects that simultaneously cater for a number of different needs. The use of development contributions to fund the growth components not only improves equity, but also transparency and accountability. It forces us to allocate the shared costs of capital works between various project drivers and to recover those costs according to the amount of pressure that each driver exerts on our services.

5.0 Charges, usage and limitations

5.1 Schedule of charges

Table 9 presents the development contributions per Household Equivalent Unit for 2018/19 by ward. These charges will be reviewed each financial year in accordance with section three of this Policy.

Table 11: Development contributions per Household Equivalent Unit for 2018/19 (including GST at the current rate of 15%)

Area	Roading $	Stormwater $	Wastewater $	Water $	Total per HEU $
Matamata Ward	4,477	519	8,012	4,198	17,207
Morrinsville Ward	1,920	NIL	6,399	4,038	12,357
Te Aroha Ward	934	NIL	3,023	31	3,988

5.2 Use of development contributions

We will only use development contributions toward the activity they were collected for. The contributions will be gathered from all parties involved in the development, and the total amount will be used specifically within that catchment area. This means that contributions may not be redistributed across catchments or across activities; however, they may be reallocated across projects within a catchment. For example, contributions collected for water projects in the Matamata water catchment will only be spent on water projects in the Matamata ward.

5.3 Limitations

We will not require a development contribution for network infrastructure, reserves or community infrastructure in the following cases:

- where, under section 108(2)(a) of the Resource Management Act 1991 we have imposed a condition on a resource consent in relation to the same development for the same purpose;
- where the developer will fund or otherwise provide for the same reserve network infrastructure, or community infrastructure; or
- where we have received, or will receive, full funding from a third party.

In addition, development contributions will not be used for the renewal or maintenance of assets, or for capital works projects that are not related to growth.

6.0 How to calculate development contributions payable on an individual development

The following steps demonstrate how we will calculate the contributions payable on a development.

Examples have been included in section 12 to help demonstrate and clarify the way contributions are calculated.

- Step 1: Identify catchments: Go to the catchment maps in the section 14 and, for each service, identify which catchment your development falls in.
- Step 2: Identify contributions payable: Go to the development contributions schedule in section 5.1 and identify the contributions payable per unit of demand in the catchments identified in step 1.
- Step 3: Calculate the number of HEUs: Use Table 6: Base units (Demand per Household Equivalent Unit) in section 10 along with details of your proposed development to calculate the number of Household Equivalent Units generated for each activity. Then, using the information in section 7.8, subtract any credits that may apply. In general, credits are given as per the existing status of properties. Credits may also be granted for historic payments of development contributions or financial contributions.
- Step 4: Calculate charges for each service: Multiply the Household Equivalent Units calculated in step 3 by the contributions payable identified in step 2.
- Step 5: Aggregate charges and add GST: Calculate the total development contributions payable by summing the charges calculated in step 4 and adding GST at the prevailing rate.

7.0 Assessment and application of the Policy

7.1 Timing of assessment

Development contributions do not automatically apply to every development in the district. Whether or not a development will have to pay development contributions will be assessed when granting:

- a resource consent (including a change to a condition of a resource consent under section 127 of the Resource Management Act 1991);
- a building consent under the Building Act 2004;
- a certificate of acceptance under section 98 of the Building Act 2004 if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is granted; or
- a service connection.

7.2 Assessment process

Assessment of whether development contributions will be required will be made against the first consent application lodged for each development.

If a subsequent resource consent (including a change to a condition of a resource consent), building consent, certificate of acceptance under section 98 of the Building Act 2004 or service connection is sought, a reassessment will be undertaken using the current Development Contributions Policy at the time. Any increase or decrease in the number of Household Equivalent Units (relative to the original assessment) will be calculated and the contributions adjusted to reflect this.

If, for whatever reason, development contributions were not assessed at the first available opportunity, they can still be required at subsequent stages in the development process if a further consent is sought.

7.3 Residential activities

7.3.1 Resource consent applications

The creation of allotments via subdivision provides scope for new dwellings, and therefore attracts development contributions at a rate of one Household Equivalent Unit per additional allotment.

Any resource consent application that creates the potential to build additional independent dwelling units will also attract development contributions at a rate of one Household Equivalent Unit for each independent dwelling unit.

7.3.2 Building consent applications

Dwellings constructed on allotments with registered titles may attract development contributions under this Policy. The extent of any development contributions payable will depend on whether any payments were made at earlier stages in the development process, as well as the specific services that the development is connected to.

Additions to residential dwellings do not attract development contributions unless they create additional independent dwelling units. This means that extensions and alterations to existing dwellings, garages, car ports and garden sheds do not attract charges.

Dependent persons dwelling shall be assessed at 0.5 Household Equivalent Unit each. However, if no separate connections are required (for water, wastewater or stormwater) the development contributions will be waived for each such activity.

7.3.3 Service connection applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be assessed as per section 7.3.2. Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity that the connection is sought for. Applications to separate out shared connections will not attract development contributions.

7.4 Non-residential activities

7.4.1 Subdivision

Non-residential subdivisions will attract development contributions on each additional allotment created. If the intended land use is unknown at the time of subdivision, each allotment will be charged a development contribution equal to one Household Equivalent Unit. The balance will then be assessed at the time a building consent, land use consent or service connection application is lodged (at which time the land use will be considered known).

If the intended land use is known at the time of subdivision, contributions will be based on:

- each lot’s planned Gross Floor Area, and
- the intended land use.

7.4.2 Land use and building consent applications

Non-residential developments will attract development contributions based on their Gross Floor Area and potential land use. If an existing structure is demolished or removed prior to construction, the Gross Floor Area of that structure will be used as a credit against any new structure(s) erected on the site. If there is no existing structure(s) on the site, a credit of one Household Equivalent Unit for infrastructure and/or services available at the time of subdivision will be allocated against the new Gross Floor Area of the development (see section 7.8).

7.4.3 Service connection applications

Service connection applications accompanied by building consent applications will not be assessed separately. Instead, they will be assessed as per section 7.4.2. Unaccompanied service connection applications will be assessed in the same manner as resource consent or building consent applications, but only for the activity that the connection is sought for. Applications to separate shared meters will not attract contributions.

7.5 Council developments

We are exempt from paying development contributions on any development that is a capital expenditure that development contributions are required for. This avoids the possibility of collecting development contributions for one activity and using them to help fund another activity. However, any other council development may be liable for development contributions.

7.6 Exceptional circumstances

7.6.1 Private development agreements

The Local Government Act 2002 provides that we can enter in to private developer agreements for the provision of services in our district. In certain circumstances, where we believe it is in the best interests of the community, private development agreements may be entered into with a developer, in accordance with the provisions of sections 207A to 207F of the Local Government Act 2002. Private development agreements may be used in lieu of development contributions where we agree with a developer that particular infrastructure and/or services can be provided in a manner different to our standard procedures/guidelines, and where our minimum level of service will be achieved.

Such agreements must clearly state:

- the rationale for the agreement;
- the details of the agreement;
- the basis of any cost sharing;
- how and when the associated infrastructure will be provided, and
- which lot(s) the agreement refers to.

One example where a private development agreement may be used is when a development requires a special level of service, or is of a type or scale that is not readily assessed in terms of standard units of demand. Another is where significant developments and/or plan changes are proposed and capital expenditures are required but none have been budgeted and no development contribution has been set.

7.6.2 Special assessments

Our Policy is based on the average infrastructure demands of a wide range of residential and non-residential developments. However, there may be instances where a development does not readily fit within the specified development categories, or where the infrastructure demands created by the development differ significantly from the averages upon which the Policy is based. In these circumstances, we may undertake a special assessment at our sole discretion.

We will make a decision on whether a special assessment will be undertaken at the application stage, once details of the development are known. Applicants will be expected to provide supporting information and detailed calculations of the likely demand for roading, water, wastewater and stormwater associated with the development. This information will be used to calculate the number of Household Equivalent Units for each activity for which the development will be liable.

Instances where we may consider the use of the special assessment process may include (but are not limited to) Intensive Farming, warehouses and coolstores.

7.7 Application in other circumstances

7.7.1 Cross boundary developments

Some developments may span several catchments and/or straddle the district boundary with another territorial authority. In this event, the following rules will apply:

- Where a development spans more than one catchment, the total Household Equivalent Units of that development will be allocated to the various catchments on the basis of site area. The resulting number of Household Equivalent Unit in each catchment will then be used to calculate contributions payable.
- Where a development straddles the district boundary with another territorial authority, development contributions will only be payable on the Household Equivalent Units (or parts thereof) that are located within the Matamata-Piako District.

7.7.2 Boundary adjustments

Where consent is granted purely for the purposes of boundary adjustment, and no additional titles are created, development contributions will not be required.

7.8 Credits

7.8.1 Overview

Where development contributions have already been paid for an allotment, credits will be given towards the activities that the payment was made toward. Provided written evidence of payment can be produced, no historical time limit will apply in the calculation of such credits, and all previous credits will be taken into account. This also applies to historic payments for financial contributions.

Where there is no logical connection to a reticulated system at the time development contributions are paid, a credit will be applied for those activities for which no logical connection exists. If a subsequent service connection is made, development contributions will be reassessed at the service connection stage in accordance with the provisions of this Policy. If a property was not connected to a service as at 1 July 2018, it is not assessed to have any credit for that service.

Credit will also be given for the pre-existing status of properties as at 1 July 2018, even if no previous financial or development contributions have been paid. Credits will be associated with the existing title and calculated and assigned to individual activities. More details on the nature of these credits are outlined below.

7.8.2 General principles of credit

- Residential credits will apply at the rate of one Household Equivalent Unit per connected service per existing allotment or independent dwelling unit.
- Non-residential credits will be calculated on the basis of the Gross Floor Area of the existing development, and converted to Household Equivalent Unit using the conversion factors set out in Table 7.

- On subdivision of undeveloped land, historic credits of one Household Equivalent Unit per service connected per existing title will be allocated.
- For existing non-residential buildings that are extended or demolished and rebuilt to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding. In order to earn such credits, the onus is on developers to prove the existing Gross Floor Area. This includes having a building consent for the removal of buildings.
- For existing residential buildings that are demolished or destroyed, no development contributions will be payable provided that the same number of independent dwelling units are rebuilt. Any additional independent dwelling units will be assessed for payment of development contributions according to the terms of this Policy.
- Credits must be allocated to the same allotment or allotments. This prevents the transfer of credits from one allotment to another.
- Credit will not be granted for infrastructure provided in excess of what is required as a condition of any consent(s) issued by us.
- Credits cannot be used to reduce the total number of Household Equivalent Units to a negative number. That is to say, credits cannot be used to force payments by Council to the developer.

8.0 Remissions, reconsiderations and objections, refunds, and postponements

8.1 Remissions

Remissions are adjustments to the scheduled charges for a particular activity, either as a percentage or in absolute (dollar value) terms. Remissions will only be invoked as a resolution of Council, and are not able to be requested by applicants.

8.2 Reconsideration of development contributions

An applicant who is required to make a development contribution may request a reconsideration of the development contribution assessment if they believe that:

- the development contribution was incorrectly calculated or assessed under the Policy;
- the Policy was incorrectly applied; or
- the information used to assess the development against the Policy, or the way the information was recorded or used, was incomplete or contained errors.

A request for a reconsideration must be provided in writing to the Council within 10 working days of the applicant or their agent receiving notice from the Council of the development contributions that the Council requires.

We will reconsider the development contributions assessment made, against the grounds for a reconsideration made by the applicant and will, within 15 working days, advise in writing the outcome of the reconsideration to the person who has lodged the reconsideration request.

The Council delegates to its Chief Executive Officer and in his/her absence the Group Manager Business Support, Group Manager Community Development, or Group Manager Service Delivery the responsibility for reviewing and deciding on reconsideration requests. If the name of the any of the above position titles change without substantial changes being made to the position holder's job description (in respect of the function to which this delegation relates), the current delegations in the name of the previous position title are and shall be effective for the position holder of the new position title.

The staff member who assessed the development contribution may be requested to provide details of the development contribution levied but may not take part in the decision-making of the reconsideration.

Council will not accept an application for a reconsideration if an objection to the development contribution requirement has already been lodged under section 8.3 of this Policy.

8.3 Right to object to an Independent Commissioner

An applicant who is required to make a development contribution may lodge an objection to the development contributions assessed to an Independent Commissioner in accordance with sections 199A-D and schedule 13A of the Local Government Act 2002.

We may recover from a person making an objection our actual and reasonable costs in respect of an objection. These costs are:

- the selection, engagement, and employment of the development contributions commissioners; and

- the secretarial and administrative support of the objection process; and
- preparing for, organising, and holding a hearing.

Our actual and reasonable costs in respect of objections are recoverable as a debt under section 252 of the Local Government Act 2002. Our charges are set out in our most recent Fees and Charges document.

8.4 Refunds

There may be occasions where we must refund development contributions collected under this Policy. The specific circumstances in which this may occur, as well as the way in which refunds must be handled, are set out in sections 209 and 210 of the Local Government Act 2002. In essence, refunds may occur if:

- development or building does not proceed;
- a consent lapses or is surrendered; or
- we do not provide the reserve, network infrastructure or community infrastructure for which the development contribution was required.

Any refunds will be issued to the consent holder (or their personal representative) of the development to which they apply.

The refund amount will be the contribution paid, less any costs we have already incurred in relation to the development or building and its discontinuance and will not be subject to any interest or inflationary adjustment.

8.5 Postponement

Council may consider postponements of development contributions payable under this Policy by public resolution.

If development contributions are postponed we will register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required, as provided for in section 208 of the Local Government Act 2002.

9.0 Other administrative matters

9.1 Updated assessments and invoicing

The Local Government Act 2002 allows us to assess applications (for consents and service connections) at various stages of the development process to determine the extent of any development contributions payable. We will undertake such assessments as early as possible (after all information has been received).

An applicant can request an invoice be generated at any time. If not requested by the applicant, an invoice will be issued at the earliest of:

- an application for a certificate under section 224(c) or 226 of the Resource Management Act 1991;
- an application for a Code Compliance Certificate under section 92 of the Building Act 2004;
- a request for a Certificate of Acceptance under section 98 the Building Act 2004; or
- a request for service connection.

An assessment and invoice remain valid for the financial year (1 July – 30 June) in which they were generated, after which an updated assessment must take place and a new invoice will be generated to take in to account changes to the development contribution following a review as specified in section 3.3.

9.2 Timing of payments

The due date for payment will be:

- for subdivision resource consents: prior to issue of the section 224(c) or 226 certificate;
- for other resource consents: 180 days from granting or prior to the commencement of consent, whichever is earlier;
- for building consents: 180 days from granting or prior to Code Compliance Certificate, whichever is earlier;
- for a Certificate of Acceptance for building work already done: prior to the issue of the Certificate of Acceptance; or
- for service connections: prior to a connection being made.

9.3 Non-payment and enforcement powers

Until a development contribution required in relation to a development has been paid, Council may:

- in the case of a development contribution assessed on subdivision, withhold a certificate under section 224(c) of the Resource Management Act 1991;
- in the case of a development contribution assessed on building consent, withhold a Code Compliance Certificate under section 95 of the Building Act 2004;

- in the case of a development contribution assessed on an authorisation for a service connection, withhold a service connection to the development;
- in the case of a development contribution assessed on a land use consent application, prevent the commencement of resource consent under the Resource Management Act 1991; or
- in the case where a development has been undertaken without a building consent, withhold a Certificate of Acceptance for building work already done under section 99 of the Building Act 2004.

We may register the development contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land in respect of which the development contribution was required, as provided for in section 208 of the Local Government Act 2002.

9.4 Contributions taken as money in the first instance

The Local Government Act 2002 specifies that development contributions may be taken either as money, land or both. We will usually take development contributions as money, but may also accept land from time to time at our sole discretion as per the Policy in place at time of assessment.

9.5 GST

The entire process for calculating development contributions is GST exclusive.

Once all calculations are complete, GST will be added to the final invoice as required by the prevailing legislation and/or regulations of the day. Please also note that assessments are not tax invoices for the purpose of GST.

10.0 Measuring demand

10.1 Units of demand

Units of demand provide the basis for distributing the costs of growth. They illustrate the rates at which different types of development utilise capacity. We have adopted the Household Equivalent Unit as the base unit of demand, and describe the demand from other forms of development as Household Equivalent Unit multipliers.

The following subsections outline the demand characteristics of each Household Equivalent Unit and the multipliers used to convert non-residential demand to Household Equivalent Units.

10.2 Base units

Table 12 summarises the demand characteristics of each Household Equivalent Unit, which represents an average household living in a single dwelling.

Table 12: Base units (demand per Household Equivalent Unit)

Activity	Unit of measurement	Demand per HEU
Roading	Vehicle trips per day	10 trips
Water	Litres/lot/day	650 litres
Wastewater	Litres/lot/day	488 litres
Stormwater	Impervious surface area	250m2

10.3 Conversion factors

Table 13 outlines the factors used to convert non-residential demands to Household Equivalent Units.

Table 13: Household Equivalent Units per 100 metres squared of Gross Floor Area (*Impervious surface area (ISA) for stormwater)

Activity	Commercial	Industrial	Retail
Roading	0.40	0.40	1.40
Water	0.26	0.26	0.26
Wastewater	0.26	0.26	0.26
Stormwater (ISA*)	0.26	0.26	0.26

11.0 Methodology and significant assumptions for setting development contributions

11.1 Methodology overview

The method we use to calculate development contribution charges comprises the following eight steps:

- Step 1: Define catchments.
- Step 2: Define levels of service.
- Step 3: Identify growth related capital works.
- Step 4: Allocate project costs between growth and non-growth drivers.
- Step 5: Define appropriate units of demand.
- Step 6: Identify the design capacity for growth.
- Step 7: Allocate costs to each unit of demand.
- Step 8: Calculate fees by activity and catchment.

11.2 Methodology steps

11.2.1 Define catchments

Service catchments are geographic boundaries within which linkages can be created between infrastructure investments and the specific developments that benefit from those investments and/or which cause them to occur. The smaller the catchment; the tighter these linkages become. For example, suppose we install a water treatment plant to serve a small area of growth. If a catchment is used to isolate the specific developments that caused that particular investment to occur (and who will receive direct service from it), only those developments will help fund our costs. If a catchment is not used, however, the costs of that investment will be spread across all the developments in the district, regardless of whether they caused (or benefited from) the investment.

Given the intentions of the Local Government Act 2002 - to allocate costs on the basis of causation and benefits received - it follows that catchments should be used wherever possible.

11.2.2 Define levels of service

Service levels define the quality of service, and are typically embedded in our asset management plans. Service levels are critically important because they help identify any shortfalls in the existing service and, therefore, the extent to which capital works reflect backlog (to resolve poor existing service levels). This, in turn, informs the allocation of project costs between growth and non-growth drivers.

11.2.3 Identify growth related capital works

The specific capital works need to be identified for which development contributions are sought. These comprise both future capital works - as listed in our Long Term Plan - and historic works undertaken in anticipation of growth.

11.2.4 Allocate project costs

Many of the capital works projects underlying this Policy are multi-dimensional. That is to say, very few projects are designed to serve only growth. The reason for this is so called 'economies of scope.' Economies of scope mean that it is cheaper to undertake one project that serves several purposes than to undertake a series of smaller single purpose projects. Economies of scope lead to shared costs, and the goal of cost allocation is to spread those shared costs across project drivers (one of which is growth). The cost allocations underlying this Policy were based on a two staged approach. In stage one, the method checks whether a project bears any relation to growth. If so, stage two derives a percentage cost allocation. Both stages of the allocation process have been guided by a number of considerations, such as:

- Section 101(3) of the Local Government Act 2002 sets out the issues to which we must have regard when determining our funding sources. These include
    - the distribution of benefits (both temporally and spatially);
    - the extent of any cost causation;
    - the impacts on community outcomes;
    - policy transparency;
    - the overall impact of any allocation of liability for revenue needs on the community;
- asset management plans, which provide detail about the scale and nature of capital works;
- network modelling, which helps understand the usage of infrastructure networks;
- cost allocation principles, such as standalone costs and incremental costs; and
- the presence of any third party funding.

11.2.5 Define appropriate units of demand

After identifying the specific capital works for which contributions will be required, we need to identify the unit of demand used to attribute costs to different forms of development. The Local Government Act 2002 requires this to be done on a consistent and equitable basis. We consider the Household Equivalent Unit, which captures the demands of an average household, as the appropriate unit of demand, and specify the demands imposed by other forms of development as multipliers. This approach mirrors that used by other councils in New Zealand.

11.2.6 Identify the design capacity for growth

The design life of an asset is the period over which it has spare capacity to accommodate new users. This may differ from its useful life, which is the period over which it remains in service. In general, project costs should be spread over the assets design life. This makes sense, because only developments occurring within the design life can physically connect to the network and receive benefit from its provision. In some cases, however, the design life may be very long and a shorter funding period may be used. In this Policy, costs are spread over the shorter of asset design life of 25 years.

11.2.7 Allocate costs to each unit of demand

This is a fairly straight forward exercise, and is carried out within the development contributions funding model. It entails spreading the total growth related costs of each project (along with any debt servicing) costs to the various developments that fall within the same catchment and within the asset's design life.

11.2.8 Calculate fees by activity and catchment

The final step is to aggregate the costs of each project at the activity/catchment level. The results are then used to derive the schedule of development contributions reproduced in section 5.1.

11.3 The funding model

A funding model has been developed to calculate charges under this Policy. It tracks all the activities for which contributions are sought, the catchments underlying each activity, and the infrastructure projects related to growth. It also houses growth projections for each catchment and each type of development. The funding model embodies a number of important assumptions, including that:

- all capital expenditure estimates are inflation adjusted and GST exclusive;
- the backlog, renewal and maintenance portions of each project will not be funded by development contributions;
- methods of service delivery will remain largely unchanged;
- interest will be earned by us where contributions precede works. Conversely, interest expenses will be incurred (or interest revenue will be foregone) where works precede contributions. Both are calculated at an average annual interest rate of 5.5%;
- any debts incurred for a project will be fully repaid by the end of that project's funding period;
- the development contributions charges listed in table 5 will be adjusted each year based on the Producers Price Index Outputs for Construction provided by Statistics New Zealand. This has been modelled as an average increase of 2.5% per annum;
- increases in general rates and user charges - due to increases in the number of ratepayers - will be sufficient to fund increases in operational expenses (including depreciation) associated with growth related capital works.

11.4 Other significant assumptions

A number of other important assumptions underlie this Policy. The most significant of these are outlined below.

11.4.1 Planning timeframe

This Policy is based on the ten year timeframe of our Long Term Plan and on the principle that costs, triggered by growth over that period should be both allocated to, and recovered within, that period. However, in many cases, economies of scale require us to build assets of greater capacity that extend beyond the timeframe of our Long Term Plan.

We accept that, in such cases, we may have to bank roll costs and recover them over time from future developments. Any costs incurred in anticipation of future growth (i.e. beyond our Long Term Plan) will be allocated to and recovered in those later years, subject to a maximum total recovery period of 25 years.

Where the risks to the community associated with 'bank rolling' future growth is considered too great by Council, we will seek to share the risk with developers through private developer agreements.

11.4.2 External funding

This Policy assumes that the eligibility criteria used and the funding provided by third parties (such as New Zealand Transport Agency) remain unchanged over the life of the Long Term Plan.

11.4.3 Best available knowledge

The growth projections and capital works programme underlying this Policy represent the best available knowledge at the time of writing. These will be updated as new information becomes available and incorporated into the Policy at review times.

11.4.4 Changes to capital works programme

Deviations from projected growth rates will result in acceleration or delay of the capital works programme (or the resequencing of projects), rather than more significant changes to the overall scope of capital works.

11.4.5 Avoidance of double dipping

Development contributions will not be sought for projects already funded by other sources, such as external subsidies or financial contributions.

11.5 Identification of risks

The main risks associated with this Policy are uncertainty over:

- the rate and timing of growth; and
- the exact nature of growth related capital works, and their associated cost and timing. In both cases, the most effective risk mitigation strategy is to constantly monitor and update the Policy as new information becomes available.

12.0 Examples

This section provides a range of examples to demonstrate the application of the Policy.

Example 1

An existing residential lot is subdivided into two new lots. A credit is provided for the existing lot, with development contributions payable only on the one new lot being created. Using the charges listed in section 5.1, the development contributions payable on this development are Matamata $17,207 Morrinsville $12,357 and Te Aroha $3,988 (GST inclusive). The table below sets out the calculations.

Activity	Total HEUs	Credit HEUs	Extra HEUs	$/HEU Matamata	$/HEU Morrinsville	$/HEU Te Aroha	Contribution Matamata $	Contribution Morrinsville $	Contribution Te Aroha $
Roading	2	1	1	3,893	1,670	812	3,893	1,670	812
Stormwater	2	1	1	451	0	0	451	0	0
Wastewater	2	1	1	6,967	5,565	2,629	6,967	5,565	2,629
Water	2	1	1	3,650	3,511	27	3,651	3,511	27
Subtotal				14,962	10,746	3,468	14,962	10,746	3,468
GST				2,244	1,612	520	2,244	1,612	520
Total				17,206	12,358	3,988	17,206	12,358	3,988

Example 2

An existing residential lot is subdivided into three new lots. A credit is provided for the existing lot, with development contributions payable only on the two new lots. Using the charges listed in section 5.1, the development contributions payable on this development are Matamata $34,414 Morrinsville $24,714 and Te Aroha $7,976 (GST inclusive). The table below sets out the calculations.

Activity	Total HEUs	Credit HEUs	Extra HEUs	$/HEU Matamata	$/HEU Morrinsville	$/HEU Te Aroha	Contribution Matamata $	Contribution Morrinsville $	Contribution Te Aroha $
Roading	3	1	2	3,893	1,670	812	7,786	3,340	1,624
Stormwater	3	1	2	451	0	0	902	0	0
Wastewater	3	1	2	6,967	5,565	2,629	13,934	11,130	5,258
Water	3	1	2	3,651	3,511	27	7,302	7,022	54
Subtotal				14,962	10,746	3,468	29,924	21,492	6,936
GST				2,244	1,612	520	4,489	3,224	1,040
Total				17,206	12,358	3,988	34,413	24,716	7,976

Example 3

A dependent persons dwelling is constructed on an existing residential lot with separate connections to the water, wastewater and stormwater systems. A credit is provided for the existing dwelling, with a 0.5 Household Equivalent Unit charge applicable for the new dependent persons dwelling. Using the charges listed in section 5.1, the development contributions payable on this development are Matamata $8,604 Morrinsville $6,179 and Te Aroha $1,994 (GST inclusive). The table below sets out the calculations.

Activity	Total HEUs	Credit HEUs	Extra HEUs	$/HEU Matamata	$/HEU Morrinsville	$/HEU Te Aroha	Contribution Matamata $	Contribution Morrinsville $	Contribution Te Aroha $
Roading	1.5	1	0.5	3,893	1,670	812	1,947	835	406
Stormwater	1.5	1	0.5	451	0	0	226	0	0
Wastewater	1.5	1	0.5	6,967	5,565	2,629	3,484	2,783	1,315
Water	1.5	1	0.5	3,651	3,511	27	1,826	1,756	14
Subtotal				14,962	10,746	3,468	7,483	5,374	1,735
GST				2,244	1,612	520	1,122	806	260
Total				17,206	12,358	3,988	8,605	6,180	1,995

Example 4

A residential lot with two existing dwellings is subdivided so that each dwelling is on a separate title. Since there was already two dwellings on the site, and because the subdivision has not created the potential for any additional dwellings, no development contributions are payable.

Example 5

A building consent application has been made for a new industrial building/warehouse on a vacant industrial lot with all services available. The building has a Gross Floor Area (GFA) of 1500m^2 and the site has a total Impervious Surface Area (ISA) of 1800m^2 (for stormwater calculations only). As this is a vacant industrial lot a credit of 1 HEU (250m^2) will apply.

The development contributions payable on this development are Matamata $64,161 Morrinsville $43,524 and Te Aroha $14,599 (GST inclusive).

The conversion factors supplied in section 10.3 of the Policy are then used to calculate the per 100m^2 amount.

Activity	$/HEU Matamata	$/HEU Morrinsville	$/HEU Te Aroha	Conversion Factors	Per 100m2 Matamata $	Per 100m2 Morrinsville $	Per 100m2 Te Aroha $
Roading	3,893	1,670	812	0.40	1,557	668	325
Stormwater	451	0	0	0.26	117	0	0
Wastewater	6,967	5,565	2,629	0.26	1,811	1,447	684
Water	3,650	3,511	27	0.26	949	913	7

Using the per 100m^2 figure this is then calculated by the additional m^2

Activity	Total m2	Credit m2	Additional m2	Additional m2/100	Per 100m2 Matamata $	Per 100m2 Te Aroha $	Per 100m2 Morrinsville $	Contribution Matamata $	Contribution Morrinsville $	Contributions Te Aroha $
Roading	1500	250	1250	12.5	1,557	325	668	19,465	8,350	4,063
Stormwater	1800	250	1550	15.5	117	0	0	1,818	0	0
Wastewater	1500	250	1250	12.5	1,811	684	1,447	22,643	18,086	8,544
Water	1500	250	1250	12.5	949	7	913	11,866	11,411	88
Subtotal								55,792	37,847	12,695
GST								8,369	5,677	1,904
Total								64,161	43,524	14,599

Example 6

A shop in town has made a building consent application for alterations/extensions of their building by adding a second storey to the building. The total GFA of the building will be 600m^2 of which 300m^2 is the existing ground floor. The additional Gross Floor Area (GFA) will be 300m^2 which is the GFA of the second storey additions. The Impervious Surface Area (ISA) of the site will not change so no stormwater development contributions will apply. The conversion factors supplied in section 10.3 of the Policy are then used to calculate the per 100m^2 amount. The development contributions payable on this development are Matamata $28,328 Morrinsville $16,208 and Te Aroha $6,305 (GST inclusive).

Activity	$/HEU Matamata	$/HEU Morrinsville	$/HEU Te Aroha	Conversion Factors	Per 100m2 Matamata $	Per 100m2 Morrinsville $	Per 100m Te Aroha $
Roading	3,893	1,670	812	1.40	5,450	2,338	1,137
Stormwater	451	0	0	0.26	117	0	0
Wastewater	6,967	5,565	2,629	0.26	1,811	1,447	684
Water	3,651	3,511	27	0.26	949	913	7

Using the per 100m^2 figure this is then calculated by the additional m^2

Activity	Total m2	Credit m2	Additional m2	Additional m2 /100	Per 100m2 Matamata $	Per 100m2 Morrinsville $	Per 100m2 Te Aroha $	Contribution Matamata $	Contribution Morrinsville $	Contribution Te Aroha $
Roading	600	300	300	3	5,450	2,338	1,137	16,351	7,014	3,411
Stormwater	NA	NA	NA	NA	117	0	0	0	0	0
Wastewater	600	300	300	3	1,811	1,447	684	5,434	4,341	2,051
Water	600	300	300	3	949	913	7	2,848	2,739	21
Subtotal								24,633	14,094	5,483
GST								3,695	2,114	822
Total								28,328	16,208	6,305

Example 7

A resource consent for a subdivision is applied for in a rural/residential area where there are no services available or a building consent is filed for a warehouse in an area where no services are available. In either of the above scenarios a roading contribution only would apply per additional lot created.

In the case of the subdivision example the development contributions payable on this development are Matamata $4477, Morrinsville $1921 and Te Aroha $934 (GST inclusive).

Activity	Total HEUs	Credit HEUs	Extra HEUs	$/HEU Matamata	$/HEU Morrinsville	$/HEU Te Aroha	Contribution Matamata $	Contribution Morrinsville $	Contribution Te Aroha $
Roading	2	1	1	3,893	1,670	812	3,893	1,670	812
Subtotal				3,893	1,670	812	3,893	1,670	812
GST				584	251	122	584	255	112
Total				4,477	1,921	934	4,477	1,921	934

The roading contributions payable on the warehouse would depend on the size of the warehouse, with calculations similar to example 5.

13.0 Glossary of terms

Activity means a good or service provided by, or on behalf of, a local authority or a council controlled organisation e.g. water supply, transport networks.

Allotment has the meaning given to it in section 218(2) of the Resource Management Act 1991.

Allotment area is the total land area of an allotment.

Applicant is the person/persons that apply for resource consent, building consent, certificate of acceptance or service connection.

Asset management plan means our documents outlining how each main asset class will be managed, upgraded and expanded as required.

Catchment means the area served by a particular infrastructure investment.

Capital expenditure means the total cost of capital works for network infrastructure, reserves and community infrastructure.

Commercial means any activity involving commercial transactions, or providing commercial or administrative services, and includes, non-school activities, offices and banks; but excludes premises or activities involving industrial manufacture or production and retail trade. For the purposes of development contributions any consents deemed to be a commercial land use type will be assessed for development contributions.

Community facilities means reserves, network infrastructure, or community infrastructure that development contributions may be required for in accordance with section 199 of the Local Government Act 2002

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

(a) community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated;

(b) play equipment that is located on a neighbourhood reserve;

(c) toilets for use by the public.

Community outcomes means the outcomes that we aim to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions.

Development means;

(a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but

(b) does not include the pipes or lines of a network utility operator.

Development contribution means a contribution -

(a) provided for in a Development Contribution Policy; and

(b) calculated in accordance with the methodology; and

(c) comprising

 (i) money; or

 (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Maori land within the meaning of

Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or

(iii) both.

Development Contribution Policy means the policy on development contributions adopted under section 102(1) of the Local Government Act 2002.

Dwelling means any building, whether permanent or temporary, that is occupied, in whole or in part, as a residence; and includes any structure or outdoor living area that is accessory to, and used wholly or principally for the purposes of, the residence; but does not include the land upon which the residence is sited.

Financial contribution has the same meaning as financial contributions in section 108(9)(a)-(c) of the Resource Management Act 1991.

Goods and Services Tax (GST) means goods and services tax under the Goods and Services Tax Act 1985.

Gross Floor Area (GFA) means, for the purposes of development contributions, the sum of the area of all floors of all buildings on any site measured from the exterior faces of the exterior walls, or from the centre lines of walls separating two abutting buildings but excluding:

(a) carparking;

(b) loading docks;

(c) vehicle access and manoeuvring areas/ramps;

(d) plant and equipment enclosures on the roof;

(e) service station canopies;

(f) pedestrian circulation space in an enclosed retail shopping centre; and

(g) foyer/lobby or a primary means of access to an enclosed retail shopping centre, which is accessed directly from a public place.

Household Equivalent Unit (HEU) means an average residential dwelling occupied by a household of average size.

Industrial means any:

(a) Premises used for any industrial or trade purposes, or

(b) Premises used for the storage, transfer, treatment, or disposal of waste materials or for other waste management purposes, or used for composting organic materials, or

(c) Other premises from which containment is discharged in connection with any other industrial or trade process.

(d) Activity where people use materials and physical effort to:

  (i) extract or convert natural resources

  (ii) produce goods or energy from natural or converted resources

  (iii) repair goods

  (iv) store goods (ensuing from an industrial process)

(e) Rural industry, such as intensive farming.

For the purposes of development contributions any consent deemed to be an industrial land use type will be assessed for development contributions.

Intensive Farming means mushroom farming, intensive livestock farming including pig farming of more than 10 weaned pigs, rabbit farms, animal feed lots and other activities (whether free range or indoors) which have or require:

(a) No dependency whatsoever on the qualities of the soils naturally occurring on the site; or

(b) Buildings for the uninterrupted housing and growth of livestock or fungi.

Note : This excludes greenhouses and other buildings used for the growth of vegetative matter.

Impervious Surface Area (ISA) means the area of any site that is not capable of absorbing water and includes any area that:

(a) falls within the definition of coverage;

(b) is covered by decks;

(c) is occupied by swimming pools;

(d) is used for parking, manoeuvring or loading of motor vehicles; or

(e) is paved with a continuous surface with a run off coefficient of greater than 0.45.

Local authority means a regional council or territorial authority.

Methodology has the same meaning as methodology in section 197 of the Local Government Act 2002.

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

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

Non-residential development means any activity in a non-residentially zoned area, excluding rural areas, or where the predominant activity is not residential or rural.

Residential development means any activity in a residentially zoned area or where the predominant activity is not non-residential or rural.

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

Service connection means a physical connection to a service provided by, or on behalf of, a territorial authority.

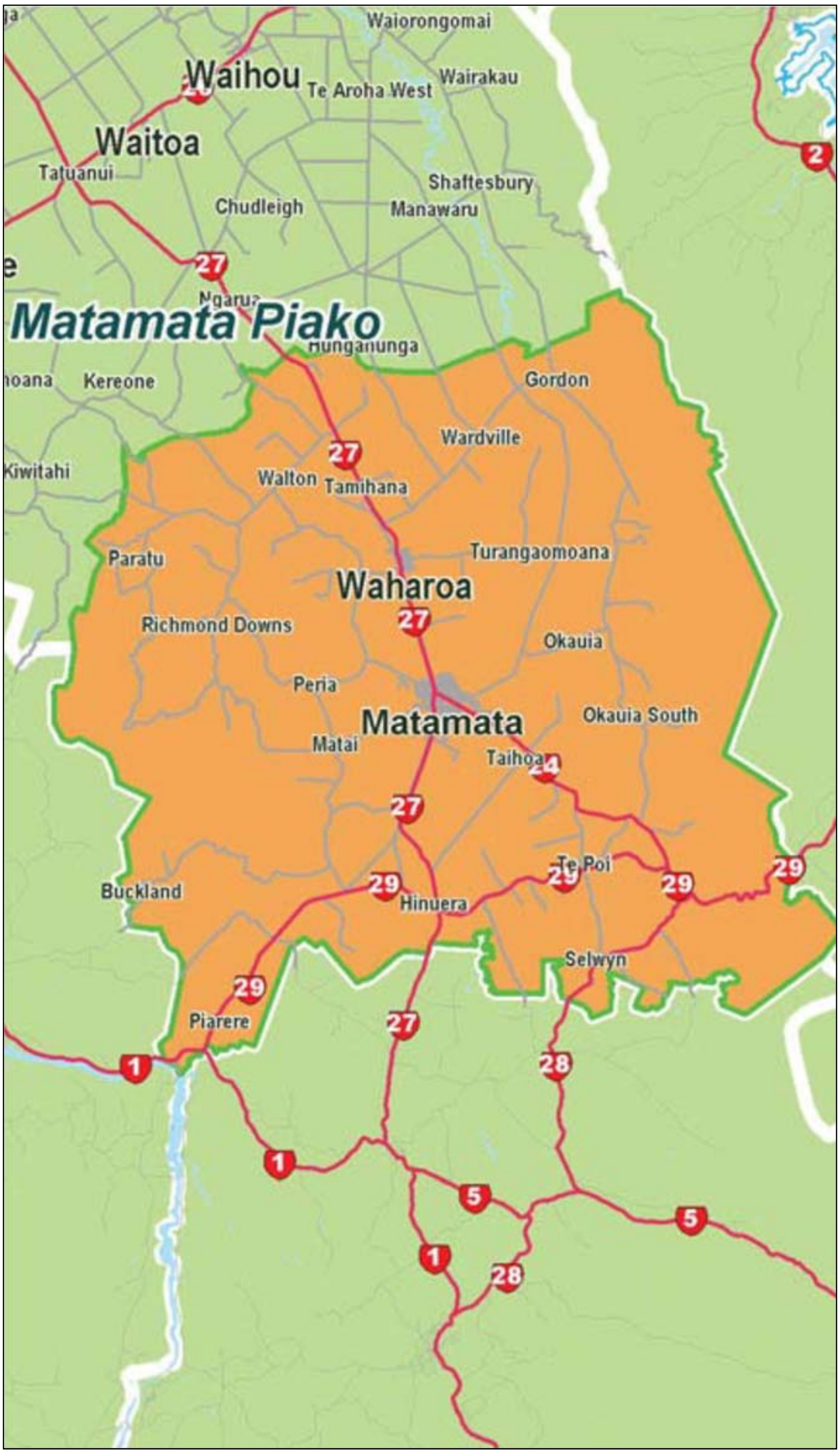
Subdivision has the same meaning as Section 218 of the Resource Management Act 1991.

Third party funds mean funding or subsidy, either in full or in part, from a third party.

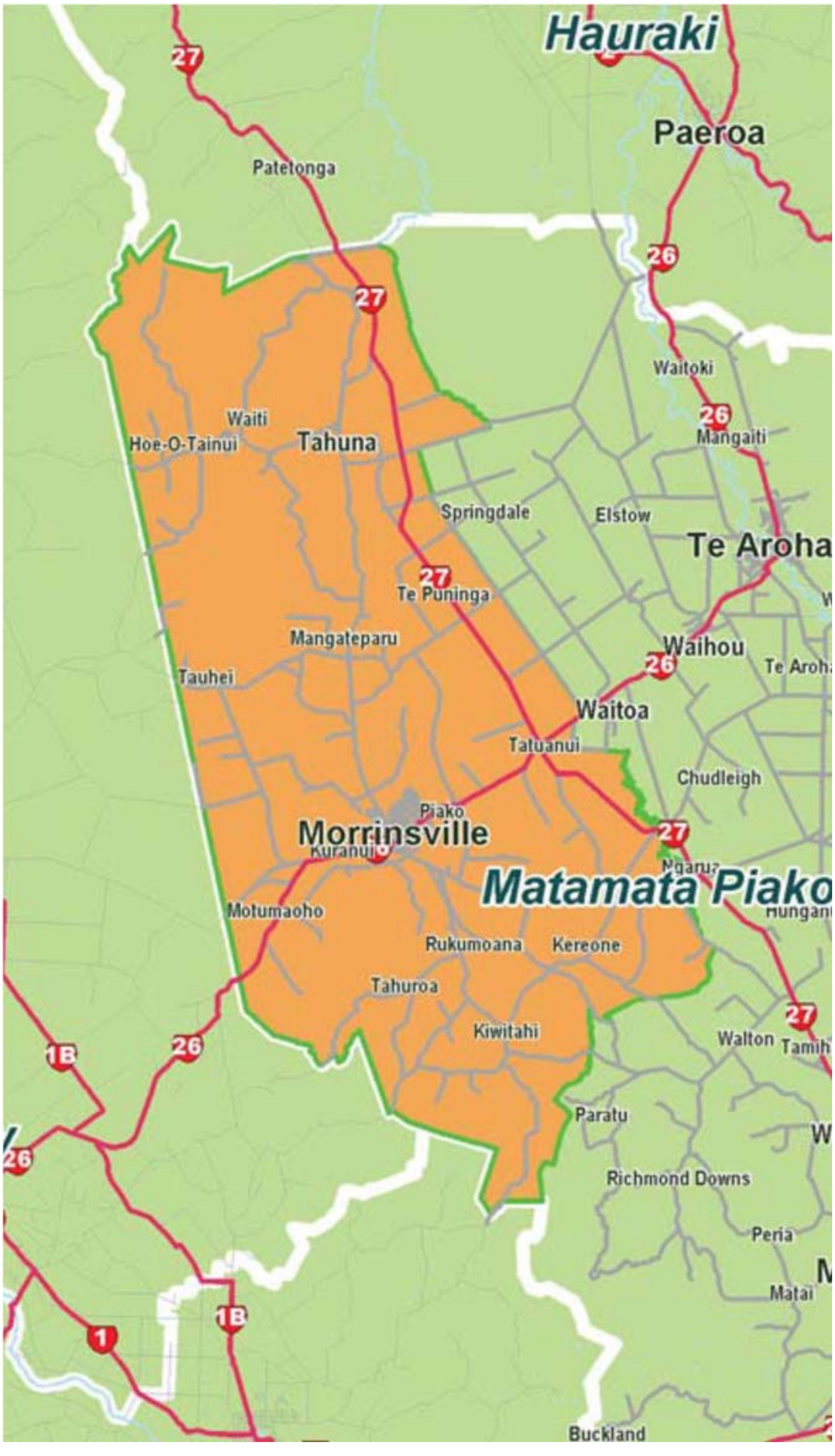
Unit of demand means the measure of demand for community facilities.

14.0 Catchment maps

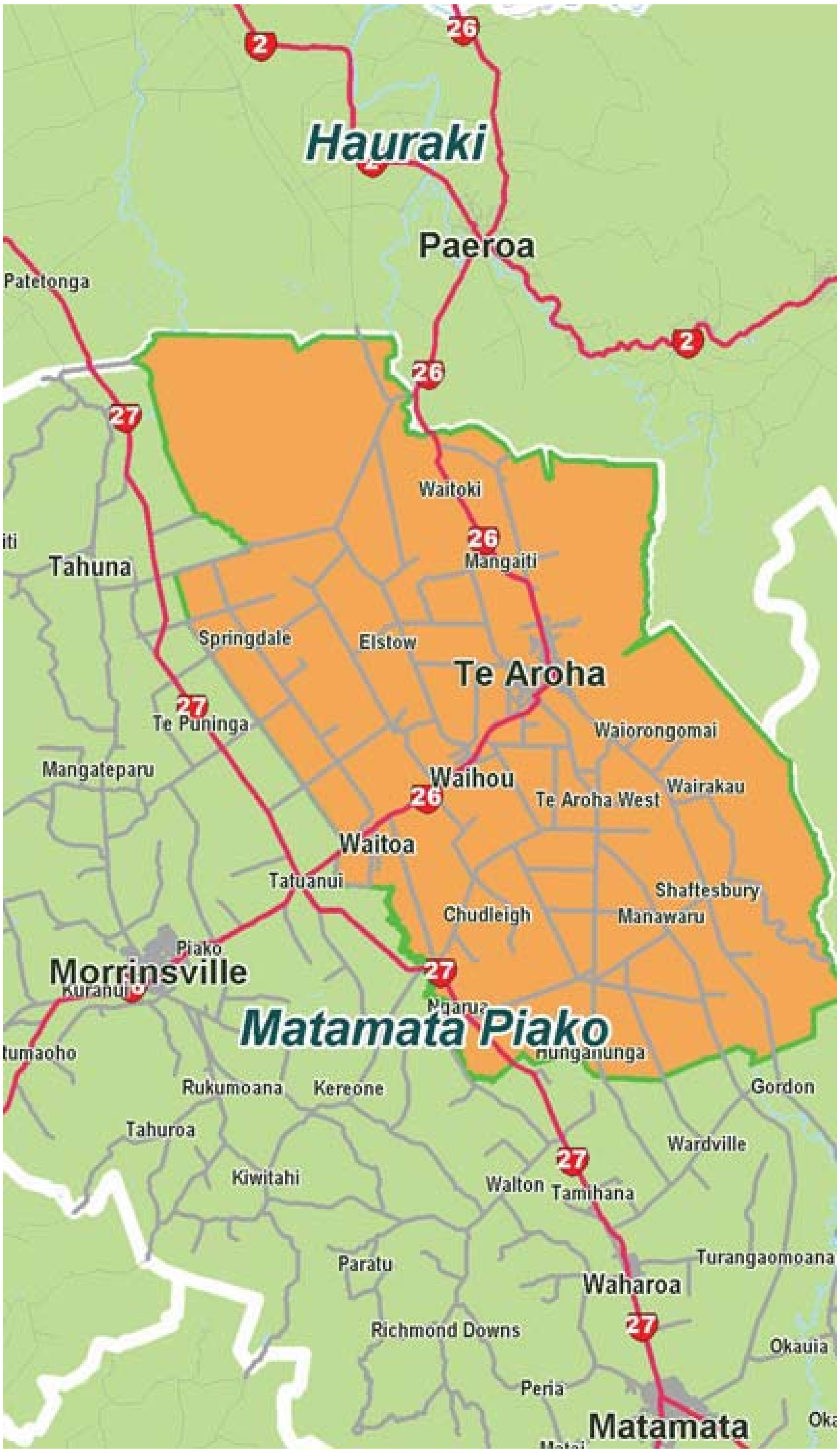
Matamata Ward



Morrinsville Ward



Te Aroha Ward



15.0 Schedule of assets

Activity	Catchment	Location	Description	Other funding %	Growth %	Proposed projects ($) 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Roads and transport	Matamata	Matamata Bypass	Land acquisition	90%	10%				1,100,000						
Roads and transport	Matamata	Matamata Bypass	Feasibility and design for the bypass	90%	10%		1,000,000	1,000,000							
Roads and transport	Matamata	New footpath	New footpaths	95%	5%	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Roads and transport	Matamata	New kerb and channel	New kerb and channel	95%	5%	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Roads and transport	Matamata	New street lighting	New street lighting	95%	5%	68,278	68,278	68,278	68,278	68,278	68,278	68,278	68,278	68,278	68,278
Roads and transport	Matamata	Seal widening of roads	Seal widening of narrow roads in the rural area	70%	30%	80,000	104,000	80,000		104,000	80,000		104,000	80,000	
Roads and transport	Matamata	Tower Road area	Parking bays on adjoining roads	0%	100%					300,000					
Roads and transport	Matamata	Tower Road area	Intersection work	0%	100%			5,000							
Roads and transport	Matamata	Tower Road area	Pedestrian work	0%	100%							25,000			
Roads and transport	Matamata	Station Road 1	To improve the pavement on Station Road. Amend the road layout and provide some parking bays.	20%	80%					730,000					
Roads and transport	Matamata	Station Road 2 -		20%	80%								300,000		
Roads and transport	Matamata	Hampton Terrace	To improve the pavement on Hampton Terrace and at some places widen the road.	0%	100%										190,000
Roads and transport	Matamata	Banks/Burwood Roads	Banks/Burwood intersection upgrade	25%	75%										115,000
Roads and transport	Matamata	Haig Road	Haig Road upgrade	0%	100%					335,000					
Roads and transport	Matamata	Hinuera to Station Roads- widening of the link road	Additional widening to the new road linking Hinuera Road to Station Road.	0%	100%					100,000	100,000	100,000	100,000	100,000	
Roads and transport	Matamata	Waharoa - Factory Road upgrade	Upgrade the pavement and stormwater of Factory Road	90%	10%			250,000							
Roads and transport	Morrinsville	Avenue Road North	Widening the western side of Avenue Road North, Morrinsville.	30%	70%								120,000		
Roads and transport	Morrinsville	Hangawera Road to Snell Road Link	Additional widening to the new road linking Hangawera Road to Snell Street	40%	60%			100,000	100,000	100,000					
Roads and transport	Morrinsville	New footpath	New footpaths	95%	5%	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Roads and transport	Morrinsville	New kerb and channel	New kerb and channel	95%	5%	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Roads and transport	Morrinsville	New street lighting	New street lighting	95%	5%	49,636	49,636	49,636	49,636	49,636	49,636	49,636	49,636	49,636	49,636
Roads and transport	Morrinsville	Seal widening of roads	Seal widening of narrow roads in the Morrinsville rural area	70%	30%	80,000		80,000	104,000		80,000	104,000		80,000	104,000
Roads and transport	Te Aroha	Stirling Street North	To widen the road and strengthen the pavement.	70%	30%		90,000								
Roads and transport	Te Aroha	New footpath	New footpaths	95%	5%	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Roads and transport	Te Aroha	New kerb and channel	New kerb and channel	95%	5%	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
Roads and transport	Te Aroha	New street lighting	New street lighting	95%	5%	42,086	42,086	42,086	42,086	42,086	42,086	42,086	42,086	42,086	42,086
Roads and transport	Te Aroha	Seal widening of roads	Seal widening of narrow roads in the Te Aroha rural	70%	30%		56,000		56,000	56,000		56,000	56,000		56,000

Activity	Catchment	Location	Description	Other funding %	Growth %	Proposed projects ($) 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Stormwater	Matamata	Tower Road Development- Matamata	To increase the current stormwater retention pond at Tawari Street in Matamata	20%	80%		400,000								
		Eldonwood South Development	To provide stormwater soakage for the new collector road between Hinuera and Station Roads.	20%	80%		100,000								
Wastewater	Matamata	Subdivision requirements	To support subdivision demands	0%	100%	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500	19,500
		Burwood Road Bulk Sewer	Burwood Road Bulk sewer - install 300mm sewer main from Beatty under State Highway 27 & railway along Burwood Road	20%	80%					2,400,000					
		Tower Road Pump Station and new raising main	Tower Road Pump Station & new raising main to Wastewater Treatment Plant	20%	80%					1,600,000					
	Morrinsville	Subdivision Requirements	To support subdivision demands	0%	100%	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500	18,500
	Te Aroha	Subdivision requirements	To support subdivision demands	0%	100%	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Water	Matamata	Reticulation	Growth portion to upgrade 990 m of undersized water mains Total 8450m	50%	50%	10,000	10,000	10,000	10,000	10,000	10,000				
		Subdivision Requirements	To support subdivision demands	50%	50%	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250
		Tower Road works	Tower Road works - upgrade 200mm water main through Bridie Road to Tower Road	40%	60%				175,000						
		Eldonwood South works	Eldonwood South works - upgrade water mains , Beatty, Haig Streets, & Station Road.	40%	60%				360,000						
	Morrinsville	Subdivision Requirements	To support subdivision demands	50%	50%	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750	27,750
		New water bore	Drill new bore near town	0%	100%		100,000								
		New bore consent	new bore consent	0%	100%		100,000								
		Install new supply equipment	Install new supply equipment	0%	100%									1,500,000	
		Bolton Road Industrial area upgrade	Bolton Road Industrial area upgrade - Install 150 mm line & hydrants from Morrinsville-Walton Road along Walton Road	0%	100%		250,000								
	Te Aroha	Subdivision requirements	To support subdivision demands	50%	50%	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000