

## 10.2 FINANCIAL CONTRIBUTIONS

### 10.2.1 BACKGROUND

#### 10.2.1.1 Resource Management Act

The Resource Management Act 1991 requires Council to manage the effects of development in a manner which promotes the sustainable management of natural and physical resources.

The requiring of financial contributions on subdivision and development is one mechanism whereby the effects on the environment of such activities can be avoided, remedied or mitigated. Financial contributions can be in various forms (eg works, cash, land) and are thus a flexible means of managing the environmental effects of activities. There are other mechanisms that have been used to control effects on the environment including:

- Ø Restricting or avoiding development on unsuitable land (eg by zoning);
- Ø Controlling how land is developed;
- Ø Managing effects through performance standards;
- Ø Requiring assessment of activities and their effects through the resource consent process; and
- Ø Council undertaking appropriate works.

Section 108(9) of the Act defines financial contributions to be:

- Ø Money.
- Ø Land, including an esplanade reserve or esplanade strip (other than in relation to a subdivision consent), but excluding Maori land within the meaning of the Maori Land Act 1993 unless that Act provides otherwise.
- Ø Works, including the protection, planting or replanting of any tree or other vegetation or the protection, restoration, or enhancement of any natural or physical resource.
- Ø Services (eg water supply, sewerage treatment, stormwater discharge, roading).
- Ø Any combination of the above.

#### 10.2.1.2 Past Practice

The practice of local government and developers each having a role in providing services to "greenfield sites" and redevelopments within existing areas has occurred for many years.

One method to facilitate the provision of services is for developers to either physically provide the service, land or facility, or to pay a financial contribution to Council for land or a service, which will be purchased or installed by Council at a later date. This practice has enabled developments to proceed at times when developers and Council individually, have not been in a position to fund all the necessary services or where it is impracticable at the time to physically provide them.

Services (including reserve land and community recreation facilities) to a subdivision or development are provided for a number of reasons, including:

- Ø Protecting the environment from the adverse effects of development (eg sewage is managed in order that the contamination of water is avoided; stormwater is managed to

avoid erosion and flooding effects; and reserves protect landscape amenities, as well as providing "green spaces" in the urban areas)

- Ø Enabling people and the community to provide the services that are necessary for their wellbeing (eg footpaths, roads and cycleways provide the physical access to allow communication and social mixing; and street lighting provides security and visibility at night).
- Ø Providing convenience for the user (eg telecommunications and energy).

Further provision of services requires the commitment of significant energy and other resources. Services themselves are major users of resources, both in their structures (pipes, valves, cement etc) and in their installation and maintenance.

The acceptance by Council of a number of financial contributions and Council physically providing the service is a more efficient use of resources and energy than if individual developers separately provided their share of the service. In many instances, it would be impracticable and inefficient for developers to upgrade the road only to the degree their development required.

#### 10.2.1.3 Service Programming

The Council employs three methods for programming the finances necessary to provide new services and to upgrade existing services. These are the Services Development Plan (SDP), the Community Recreational Facilities Development Plan (CRFDP) and the Annual Plan (AP).

The SDP sets out the roading and other services development proposals for a ten year period. The SDP is being developed by Council using the data it holds on the capacity and standards of existing services and the future needs as evidenced by foreseeable demands. Consultation with the community on the type, standard and priority of services it considers necessary will be undertaken. From there, a programme of District works is then drawn up. Council is currently preparing its Services Development Plan for the next 10 years. The SDP will be monitored and reviewed on an annual basis and adjustments made as necessary.

The CRFDP sets out the recreational facilities (land, reserves, halls, swimming pools, libraries etc) required on a Ward and District basis for the next ten years. The CRFDP is being developed by Council using the data it holds on the areas of reserve, the type of reserves, the number and type of facility, and comparing that with the existing and expected population in each Ward and for the District as a whole. Consultation, review and monitoring will be undertaken in a similar manner to the SDP.

Both the SDP and the CRFDP will be implemented through the Annual Plan (AP), which is the process by which Council programmes the expenditure of funds on an annual basis for a three year period. The AP process also involves public consultation on the priorities for Council projects.

#### 10.2.1.4 Types of Services

To assist in determining responsibility for provision, services can be divided into two separate categories, as follows:

1. **On-site Services**, being those works carried out within and as part of a subdivision or development. These are held to be the responsibility of the subdivider or developer and it is proposed that this practice should continue. On-site services include parking, water, power and stormwater. The only exception to this approach is for parking in the Town Centre zone, where Council may accept a cash payment-in-lieu being made, and the Council will be responsible for the provision of parking within this zone generally.
2. **Off-site/Ward and District Services**, being those trunk and community services outside the site of the subdivision or development, which serve the community in general and are incidental to the subdivision or development.

These are community facilities (libraries, reserves, halls) or public works or network utilities (sewage and water treatment plants, landfill) that are the responsibility of Council, and which are provided by Council using funds from rates, grants, loans or user payments. The provision of these services are the subject of the SDP, CRFDP and AP programmes and the use of financial contributions is a further appropriate means to ensure these services can readily accommodate proposed subdivisions and developments.

Council considers that financial contributions need only be accepted for the following off-site services:

- Ø Reserves and community facilities;
- Ø Roads;
- Ø Water supply;
- Ø Sewerage; and
- Ø Stormwater/land drainage.

The on-site services and the off-site services that are required as a direct result of a development are the responsibility of the developer. If these cannot be provided, then the development will generally not proceed. Off-site services that are not a direct result of a development, or are Ward and District services are not required to be provided by the developer as they are considered to be a District responsibility.

#### 10.2.1.5 Proposed Approach

The way in which and the type of financial contribution (land, works, services, money etc) that will be acceptable to Council is summarised below:

1. If a development or subdivision requires a service that is already budgeted for within the AP for that year (not the following years), then no financial contribution is required. If the service is required ahead of the time that Council has programmed for that year, then Council will enter into an agreement with the developer, to the effect that the developer can provide the service and Council will reimburse only the amount that was budgeted for in the AP.
2. If a development or subdivision requires a service that is not budgeted for in the AP for that year, but is in either the AP for the following years or is in the SDP or CRFDP, then a financial contribution is required. This financial contribution can be in the form of works, services, land, money or combination of these. (See 4. below).
3. If a development or subdivision requires a service that is not covered in 1 or 2 above, then the financial contribution will, in general, only be acceptable in the form of the developer vesting the land or carrying out the work or installing the service etc.

The contribution may be accepted in the form of money. This will usually be in the situation where Council considers that it is more appropriate for Council to carry out the work (eg work required on the upgrading of a water treatment plant). The other situation where Council will accept a money contribution is where it is physically impossible to provide the contribution in any other form.

4. In 2. and 3. above, the type of contribution will vary between situations depending on the effect (type, degree of detriment etc) and the amount of the contribution.

For example, a development may necessitate the vesting of land as a community recreational facility contribution, but the amount of contribution is very small and/or the location of the land is impracticable for recreation purposes. In such a case, the financial contribution should be in the form of money. This would enable the Council to put this contribution with others collected for developments in the same area and thus provide a facility that best serves the needs of the community. This will also mean that the amount that would need to set aside in the SDP, CRFDP or AP would be reduced accordingly or could be spent on other recreational facilities.

This acceptance of the financial contribution in the form of money will be conditional upon the detrimental effects of the activity being such that in the Councils opinion, the service, facility or works does not need to be provided immediately.

#### 10.2.2 RESOURCE MANAGEMENT ISSUES

The role that financial contributions can play in avoiding, remedying or mitigating the effects of development or subdivision on the environment, must be developed in tandem with other methods available.

To develop an appropriate manner in which to "signal" to the market that there is a cost involved in carrying out the development or subdivision and that the burden of that cost should be borne equitably between the developer and the community. An undue financial burden on community public facilities should at least be partly offset by a contribution from the developer.

#### 10.2.3 ANTICIPATED ENVIRONMENTAL RESULTS

Avoiding, remedying or mitigating the effects of land use activity and subdivision upon the natural and physical environment.

Creating a healthy, safe and unpolluted environment for residents and visitors to the District.

Reduction in the use of resources and energy devoted to the installation and maintenance of public services, thereby contributing to the sustainable management of natural and physical resources.

#### 10.2.4 OBJECTIVES AND POLICIES

##### Objective 1

*To secure the appropriate provision of land, public services and facilities required to avoid, remedy or mitigate the detrimental effects of subdivision and development.*

##### Policies

Objective 1 will be achieved by implementation of the following policies:

1. Zoning land for activities that can be physically and financially provided with the necessary services.
2. That the costs of subdivision and development are shared in an equitable manner between the community and the developer.
3. Council providing the services required by development and subdivision, through the Services Development Plan, the Community Recreation Facilities Development Plan and the Annual Plan procedures.

##### Reasons

1. There are mechanisms within and outside the District Plan that can be used in different situations to control and manage the effects of developments and subdivision.
2. Within the District Plan, rules are the primary tool used to achieve the objectives and policies. One set of rules provides for financial contributions.

##### Objective 2

*To provide a financial contributions system that is fair and equitable, while meeting the need to avoid, remedy or mitigate the effects of development or subdivision on the environment. This system is to be carried out in a coordinated and sustainable way which uses the least resources and energy (for the service itself, its installation and its maintenance).*

## Policies

Objective 2 will be achieved by implementation of the following policies:

1. Requiring all on-site works and services required solely to serve the development or subdivision to be provided as part of and at the entire cost of the developer or subdivider. (See the exception in 2. below).
2. Allowing for a cash payment-in-lieu of providing the on-site service of carparking in the Town Centre zone only. Council will coordinate carparking in this situation.
3. Providing for services that cannot be directly attributable to the effects of a development/subdivision or are Ward or District wide services that are of benefit to the wider community, to be funded through the use of rates, loans, gifts, government subsidies and user service charges, and to be implemented by Council.
4. Using the Services Development Plan, the Community Recreation Facilities Development Plan and the Annual Plan process and documents to determine when a financial contribution is required and in what form. Both processes involve public consultation and regular monitoring, reviewing and reporting.
5. Accepting contributions for only the following services:
  - Ø Community recreational facilities.
  - Ø Stormwater/land drainage.
  - Ø Roading.
  - Ø Sewerage/wastewater systems.
  - Ø Water supply.
6. Requiring the financial contribution to be assessed only on those effects on the service that are directly attributable to the development/subdivision.
7. Targeting the financial contribution to avoid, remedy or mitigate the effects of development/subdivision, rather than as a source of general funding, or day to day administration and maintenance of the service.
8. Not using financial contributions as a means of incentive to encourage or discourage development in specific areas, except insofar as the identification of the true costs that such development creates, serves as an economic instrument. Council can employ other mechanisms to encourage development into specific areas (eg rates relief, bonus provisions, zoning).
9. Clearly explaining in the District Plan, the manner in which financial contributions are collected, administered and used, including matters such as calculation of the contribution, when to pay, credits, dispensations and refunds.

## Reasons

1. Financial contributions are an appropriate tool to use in the controlling and management of effects on the environment. They clearly indicate to developers the costs that would be imposed on the environment and the community if those effects were not avoided, remedied or mitigated.
2. The taking of contributions needs to be coordinated with the programme of Council works to ensure that provision of services is implemented in a practical manner.
3. The District Plan is the document which integrates and leads the programme of services required, through the location and extent of zones and by the standards of development.

(Note: For the objectives and policies for each service identified in Policy 5. above, see Sections 10.2.7 -10.2.11).

### 10.2.5 METHODS TO IMPLEMENT OBJECTIVES AND POLICIES

The principal method by which Council will implement the above objectives and policies through the District Plan is by the use of Rules to control, manage and direct the provision of services throughout the District.

Council recognises that there are other complementary methods available to deal with the effects of development/subdivision on the environment. Council providing the necessary services prior to development occurring is one method. However, in the past, Council has not always been able to accurately predict where and to what extent services have been required. This has led to waste of community funds, either through providing the wrong type or "unrequired" services, or having to quickly provide services for unplanned demand. It is more appropriate that the market takes the responsibility and the risks for providing services ahead of what Council has been able to determine are required.

The SDP, CRFDP and AP are mechanisms that allow for the implementation of services which are planned and budgeted for.

Monitoring of the financial contributions required to be provided (including the payment of money) and the implementation of the SDP, CRFDP and AP programmes will be carried out by Council. Further, the need for Council to undertake works or services not provided for in those programmes will also be monitored. The monitoring and review process will indicate the degree to which the various mechanisms are meeting the demands of the community and the level of coordination between them.

### 10.2.6 GENERAL RULES APPLICABLE TO ALL DEVELOPMENTS AND SUBDIVISIONS

1. All works and services required by this District Plan to be provided (as part of any activity in any zone) on or within the site and for the purpose of that development or subdivision, shall be funded entirely as a cost to the development or subdivision.  
  
(Refer to Performance Standard 9.3.6 - Payment-in-lieu of Parking for the only exception to this rule).
2. All works (as defined in Section 108(9)(c) of the Act) required for the purposes of a development or subdivision, and/or required to ensure compliance with any standard, rule or other authority shall be funded entirely as a cost to the development or subdivision.
3. Any spare capacity for future demand, which is built into the work or service by the developer/subdivider at the Council's request shall be paid for by Council in either works, services, money or combination of these. Such arrangement to be negotiated and agreed by both parties.
4. If a development or subdivision requires a service that is already budgeted for within the AP for that year (not the following years), then no financial contribution is required. If the service

is required ahead of the time that Council has programmed for that year, then Council will enter into an agreement with the developer, to the effect that the developer provide the service and Council will reimburse only the amount that was budgeted for in the AP.

5. If a development or subdivision requires a service that is not budgeted for in the AP for that year, but is in either the AP for following years or is in the SDP or CRFDP, then a financial contribution is required. This financial contribution can be in the form of works, services, land, money or combination of these. (See 7 below).

6. If a development or subdivision requires a service that is not covered in 4 or 5 above, then the financial contribution will, in general, only be acceptable in the form of the developer vesting the land or carrying out the work or installing the service etc.

The contribution may be accepted in the form of money. This will usually be in the situation where Council considers that it is more appropriate for Council to carry out the work (eg work required on the upgrading of a water treatment plant). The other situation where Council will accept a money contribution is where it is physically impossible to provide the contribution in any other form.

7. In 5 and 6 above, the type of contribution will vary between situations depending on the effect (type, degree of detriment etc) and the amount of the contribution.

This acceptance of the financial contribution in the form of money will be conditional upon the detrimental effects of the activity being such that in the Council's opinion, the service, facility or works does not need to be provided immediately.

#### 8. Where Payable

(i) Financial contributions are "payable" in the circumstances set out under Sections 10.2.7 - 10.2.11.

(ii) In addition, financial contributions may be imposed where Council considers it necessary to avoid, remedy or mitigate the effects of developments or subdivisions that are either discretionary or non complying activities.

#### 9. When Payable

(i) Financial contributions payable in the form of money or works as part of a subdivision consent must be paid or completed prior to the issue of a certificate under Section 224 of the Act, while contributions in the form of land shall vest on the deposit of the survey plan under Section 223 of the Act.

(ii) Contributions "payable" in any form, in respect of a development must be paid prior to the uplifting of a building consent or where no building consent is involved, before the commencement of the activity (notwithstanding whether the activity is permitted, controlled or approved by discretionary/non complying activity consent).

(iii) Except in the case of a money contribution in respect of a subdivision or development, provision or installation of any contribution may be deferred subject to the satisfactory protection of that contribution by a bond. (Refer to Rule 10.1.5.5 E. for the rules relating to bonds).

#### 10. Amount Payable

(i) The amount payable shall be in accordance with the formulae and standards set out under Sections 10.2.7 - 10.2.11.

(ii) The value of any contribution shall be determined at the time the resource consent or other consent is granted by Council. Where payment or vesting is delayed for a year or more, it shall be adjusted annually on the anniversary of the consent in accordance with the relevant rule or with the Consumer Price Index (whichever is applicable).

(iii) GST is payable on all contributions.

#### 11. Credits and Refunds

(i) Contributions in excess of that required, will be recorded as a credit to run with the land, but only in respect of the service for which the contribution was paid, and only in respect of development/subdivision of specified land in the immediate vicinity.

(ii) No financial contribution shall be payable if such a contribution has already been paid in respect of that area of land.

(iii) Where a contribution was made in respect of a residential development of two or more dwellings on one allotment (without subdivision), and the allotment is subsequently subdivided to create separate allotments for those dwellings, no further contribution is payable for those allotments.

(iv) Where an activity does not proceed and the consent lapses or is cancelled, the financial contribution shall be refunded in accordance with Section 110 of the Resource Management Act 1991, upon application by the person who paid the contribution.

(v) Where Council has accepted a financial contribution it shall be obliged to carry out that work at the appropriate time. In the event that Council carries out the work at less cost than the contribution paid, then Council shall refund the "balance" to the person who paid the contribution.

#### 12. Administration

(i) Financial contributions shall be established and administered in accordance with Section 111 of the Resource Management Act 1991 and Section 223F of the Local Government Act 1974.

(ii) A register of the following information (as a minimum) shall be recorded and be available as public information:

- Ø the amount
- Ø who paid and when
- Ø the service to which the contribution relates
- Ø in the case of refunds, who is to receive them
- Ø in the case of credits, to whom or what land the credit is applicable to.

### 10.2.7 ROADS

#### 10.2.7.1 Background

Growth in traffic volumes leads to the need for funding and works to upgrade the roading network to accommodate the additional traffic.

Subdivision and subsequent residential development are the main contributors to increasing traffic volumes. Such activities demand a level of roading service to a sealed standard. Therefore, it is

equitable that new residential development and subdivision should contribute to the cost of improvement.

There are also developments that involve the use of heavy commercial vehicles. Although the number of vehicles may not be large, the weight of the vehicles can cause substantial damage to the roading network. Such activities include transport depots, extractive industries, meatworks, forestry and dairy factories. For most of these activities, a resource consent is required to be obtained. This allows for the evaluation of the appropriate level of work, service, money or other form of contribution to deal with the effects on the road, and for conditions to be included with the consent granted.

A large part of the rural roading network is constructed to a sealed standard. This resource needs to be protected and the same level of amenity, safety and convenience made available to all parts of the District where that is considered desirable.

Council's current expenditure programme is aimed at sealing roads on the basis of monitored traffic volume.

**Rural and Rural Residential Zones**

Roads (or sections of roads) in the Rural and Rural-Residential zones with an Annual Average Daily Traffic (AADT) of 50 or more vehicles are proposed to be upgraded to a sealed standard. These roads will be on the SDP and also on the AP. Once all the roads with an AADT of 50 or more have been sealed to the required standard, a decision will need to be made whether additional roads will be sealed. At this stage, the threshold for requiring financial contributions in respect to roads in these zones has been set at an AADT of 50 vehicles.

Financial contributions will not be taken on developments or subdivision that increase the AADT to less than 50 AADT. This is due to the problems associated with:

- ∅ collecting and administrating small amounts of money;
- ∅ the situation that on some roads, there will not be any further development and accordingly no further money;
- ∅ the length of time taken to achieve an AADT of 50 (if ever);
- ∅ including sunset and refund rules in the District Plan;
- ∅ returning money to contributors at a later date when the works have not been undertaken.

**Urban Zones**

In the urban environment (includes Residential, Marae Development, Town Centre, Township, Reserve and Industrial zones), Council has aimed to provide a level of amenity of streets, by requiring sealed construction, kerb and channel, lighting and footpaths where each of those elements is appropriate.

In urban areas, contributions for road upgrading will be assessed in relation to:

- ∅ The standard of formation of the street concerned (ie does it meet the standards for the status it has in the Rooding Hierarchy).
- ∅ The increase in traffic on the street resulting from the subdivision or development.

Unlike the rural and rural-residential situation, financial contributions will be taken on all developments and subdivisions in the urban areas. This is due to the following factors:

- ∅ Many of the streets are of a poor standard;
- ∅ The high cost of upgrading streets;
- ∅ Policies in the District Plan seek to encourage infilling, which places additional pressure on the streets. This also means that there are unlikely to be large "one-off" developments that would necessitate the upgrading of a street.

**10.2.7.2 Objectives and Policies**

**Objective 1**

*To ensure that roads and streets in the District are able to safely and efficiently accommodate additional traffic arising from subdivision and development.*

**Objective 2**

*To sustain and improve the roading resource of the District.*

**Policies for Objectives 1 and 2**

Objectives 1 and 2 will be achieved by implementation of the following policies:

1. Maintain roads and streets to a level of amenity that is consistent with the demands of the community.
2. Using the AADT, the status of the street in the hierarchy and the appropriate performance standards to determine the level of construction required for a road or street to fulfil the function demanded of it.
3. Accepting financial contributions in the form of works, services, money or combination of these.

**10.2.7.3 Rules**

(Refer to Rule 10.2.6 for General Rules).

**A. New Roads and Streets In All Zones**

The total cost of developing new roads and streets (including unformed legal roads and streets) required to serve a development or subdivision shall be met entirely as a cost to the developer.

**B. Existing Roads and Streets**

**(a) Rural and Rural-Residential Zones**

1. Where any development or subdivision will cause the AADT of an unsealed road (or part of a road) to exceed 50, then the financial contribution shall be calculated using the formula in 3 below, as the cost of improving (sealing) only the portion of road subject to the AADT over 50.
2. Where any development or subdivision takes place on any other unsealed road with an existing AADT greater than 50 and the road is identified as requiring work in the SDP (but is not on the AP), then the financial contribution shall be calculated using the formula in 3. below, as the cost of improving (sealing) only the portion of road subject to the AADT over 50.
3. The financial contribution required to be provided under 1. and 2. above shall be calculated using the following formula:

$$\text{Contribution} = \text{IC} \times \frac{\text{AV}}{(\text{AV} + \text{PV})}$$

IC = Cost of improving affected portion of road as per Services Development Plan

AV = additional AADT

PV = existing AADT

**(b) Urban Zones**

1. Where any development or subdivision causes the volume of traffic to increase, but the street:
  - (i) still has a level of traffic that is less than the lowest of the traffic range that the street is designed to accommodate by reference to the street hierarchy in Section 8.9; and
  - (ii) has not been formed to the required standard for a street with that status in the hierarchy, by reference to Performance Standard 8.9, a financial contribution **in the form of money only** shall be paid. The contribution shall be calculated for the length of street subject to the increase in traffic, as a percentage of the cost of improving the street to the standard that the street has in the hierarchy. The contribution in money shall be calculated using the formula in 3 below.
2. Where any development or subdivision causes the volume of traffic to increase, and the street:
  - (i) still has a level of traffic that is within the range of traffic volume that the street is designed to accommodate, by reference to the street hierarchy in Section 8.9; or
  - (ii) will then have a level of traffic that is **outside** the range of traffic volume that the street is designed to accommodate, by reference to the street hierarchy in Section 8.9; and
  - (iii) in the case of either (i) or (ii) has not been formed to the required standard for a street with that status in the hierarchy, by reference to Performance Standard 8.9, a financial contribution (**payable in any form**) shall be required. The contribution shall be calculated for the length of street subject to the increase in traffic, as a percentage of the cost of improving the street to the standard that the street has in the hierarchy, using the formula in 3. below.
3. The financial contribution required to be provided under 1. and 2. above shall be calculated using the following formula:

$$\text{Contribution} = \text{IC} \times \frac{\text{AV}}{\text{AV} + \text{PV}}$$

IC = cost of improving the affected portion of the street to the level that the street should be, as determined by the volume of traffic and the street hierarchy

AV = additional volume of traffic

PV = existing volume of traffic

**(c) Activities Involving Heavy Vehicles in All zones**

Heavy vehicles may cause substantial damage to the roads on which they travel. However, the extent of such damage will be dependent on many factors including type of vehicle, traffic volumes, road geometry and the standard of the road construction. Accordingly, no standard financial contribution is required where any

activity will generate increased volumes of heavy traffic. Rather, each proposal will be assessed in relation to the circumstances specific to it, which include the following matters:

- § the frequency and type of vehicle movements
- § the roads and streets to be used
- § the length of time the traffic will be using the route (eg is it only during the construction phase)
- § the amount of additional traffic that is likely to be generated by other activities in the area.

The financial contribution shall be included as a condition on any resource consent required to be obtained.

**10.2.8 SEWERAGE**

**10.2.8.1 Background**

The District has installed and maintains public sewerage schemes at:

- Ø Kerepehi
- Ø Ngatea
- Ø Paeroa
- Ø Turua
- Ø Waihi
- Ø Waitakaruru
- Ø Whiritoa

These have been established over a number of years through using a range of funding mechanisms, including loans, general rating, special rating areas and capital contributions. Ongoing maintenance is funded from general rates.

As a result of residential infilling, commercial and industrial developments, changes in technology and the need to meet higher environmental standards, upgrading of the sewerage system (including sewer pipes, treatment plant) may be required. The programme of upgrading proposed by Council is contained in the Services Development Plan, which is presently being prepared.

Council accepts that as upgrading of the sewerage system is required due to factors other than a specific development or subdivision, then the "general" costs of upgrading the system should be borne by the community as a whole (usually on a user for service basis).

However, developments or subdivisions which require an extension or upgrading of the sewerage system outside the responsibility of the community, will be entirely funded by the developer. These would be extensions or upgrading not programmed on the SDP.

The amount of upgrading required will be determined by the degree to which the existing service meets the standard for sewage disposal under Performance Standard 9.3.7.

**10.2.8.2 Objectives and Policies**

**Objective 1**

*To ensure that the sewerage systems in the towns and townships are provided, upgraded and sustained in a manner that protects the natural environment and the health of the community.*

**Objective 2**

*To ensure that the burden of new and upgraded sewerage systems does not fall entirely on the community, but is shared equitably with the developer.*

## Policies

Objectives 1 and 2 will be achieved by implementation of the following policies:

1. Ensuring that the level of sewerage installation provided, is appropriate for it to fulfil the function demanded of it.
2. Accepting financial contributions from developers in the form of works, services, money or combination of these.

### 10.2.8.3 Rules

(Refer to Rule 10.2.6 for General Rules).

#### A. *New Sewerage Works*

The total cost of developing new sewerage reticulation, treatment and/or disposal works required to serve any development or subdivision, shall be met entirely as a cost to the developer.

#### B. *Upgrading and Extensions of Existing Sewerage Works*

Where any development or subdivision (either within or outside the boundary of any sewerage scheme) will cause the need to upgrade and/or extend an existing sewerage scheme (or part thereof), the financial contribution shall be calculated as the cost of upgrading and/or extending the service to the level set out under Performance Standard 9.3.7, that is directly attributable to the development or subdivision.

## 10.2.9 WATER SUPPLY

### 10.2.9.1 Background

Potable water supply is required for public health, commercial and industrial developments, and for the safety of the community.

The District has installed and maintains a number of water supply schemes throughout the District. These have been developed using funding from a number of sources including rates, loans, special rates and Government grants.

Large parts of the rural area are served by rural water supply schemes. There is no requirement to connect into the rural water supply. However, Council wishes to encourage such connections. The rural water supply systems that serve Kerepehi and Waitakaruru are provided to a fully treated standard. The other supply systems are not providing water to that standard.

The urban areas of Waihi and Paeroa are the only towns or townships that have a fully treated water supply system.

Council has a programme of upgrading and extending the water supply systems to serve new areas, increase the quality, quantity, reliability and pressure, and to reduce detriment to the environment from the abstraction of water from the ground, streams and other sources. These extensions and upgradings that are required due to "general" development within the community, are to be funded by the community. The SDP includes a programme of extending and upgrading these supplies. No new supply systems are proposed.

Proposed developments or subdivisions that require an extension or an upgrading of a water supply system will be the entire responsibility of the developer. The amount of extension and upgrading (and hence the financial contribution due) will be determined by the amount of work required to meet the standard in Performance Standard 9.3.9.

### 10.2.9.2 Objectives and Policies

#### *Objective 1*

*To protect the health of the residents of the District, and the natural environment, by supplying, extending and upgrading water supply systems in a sustainable manner.*

#### *Objective 2*

*To ensure the burden of supplying water to a development or subdivision does not fall entirely on the community, but is shared equitably with the developer.*

#### **Policies for Objectives 1 and 2**

Objectives 1 and 2 will be achieved through the implementation of the following policies:

1. Ensuring the appropriate standard of supply is in place for the water supply to meet the demand.
2. Accepting financial contributions in the form of works, services, money or combination of these.

### 10.2.9.3 Rules

(Refer to Rule 10.2.6 for General Rules).

#### A. *New Water Supply Works*

The total cost of developing new water supply reticulation, treatment and/or works required to serve any development or subdivision, shall be met entirely as a cost to the developer.

#### B. *Upgrading and Extensions to Existing Water Supply Systems*

Where any development or subdivision (whether inside or outside the boundaries of the water supply scheme) will cause the need to upgrade and/or extend an existing public water supply scheme (or part thereof), the financial contribution required to be provided shall be assessed as the cost of upgrading and/or extending the service to the level set out under Performance Standard 9.3.9, that is directly attributable to the development or subdivision.

## 10.2.10 Stormwater and Land Drainage

### 10.2.10.1 Background

Council installs, extends and maintains a number of stormwater systems in the urban areas, and major land drainage works in the western portion of the District.

These are required to protect land use activities from the effects of flooding, ensure the productivity of the land is not lost, and ensure the disposal of the surface water will not be detrimental to the environment, through either the quality or quantity of the water. These facilities have been developed using funding from a number of sources including rates, loans, special rating and Government loans.

Council has a programme of upgrading and extending stormwater and land drainage systems to serve new areas, increase the efficiency and to reduce detriment to the environment through contamination of water and erosion due to "uncontrolled" stormwater. These extensions and upgradings are required due to general development within the community, and as such are to be funded by the community. The SDP includes a programme of extending and upgrading these services.

Proposed developments or subdivisions that require an extension or an upgrading of a stormwater or drainage system will be the entire responsibility of the developer. The amount of extension and

upgrading (and hence the financial contribution due) will be determined by the amount of work required to meet the standards in Performance Standards 9.3.10 and 9.3.20.

#### 10.2.10.2 Policies and Objectives

##### Objective 1

*To protect the health and safety of the people and communities, and the natural environment, by supplying, extending and upgrading stormwater and land drainage systems in a sustainable manner.*

##### Objective 2

*To ensure the burden of supplying stormwater and land drainage systems to a development or subdivision does not fall entirely on the community, but is shared equitably with the developer.*

#### Policies for Objectives 1 and 2

Objectives 1 and 2 will be achieved by implementation of the following policies:

1. Ensuring the appropriate standard of supply is provided to meet the demand for stormwater and land drainage.
2. Accepting financial contributions in the form of works, services, money or combination of these.

#### 10.2.10.3 Rules

(Refer to Rule 10.2.6 for General Rules).

##### A. *New Stormwater and Land Drainage Works*

The total cost of developing new stormwater and land drainage reticulation and/or works required to serve any development or subdivision, shall be met entirely as a cost to the developer.

##### B. *Upgrading and Extensions to Existing Stormwater and Land Drainage Systems*

Where any development or subdivision (whether inside or outside the boundaries of the stormwater or land drainage scheme) will cause the need to upgrade and/or extend an existing public stormwater or land drainage scheme (or part thereof), the financial contribution required to be provided shall be assessed as the cost of upgrading and/or extending the service to the level set out in Performance Standards 9.3.10 and 9.3.20, that is directly attributable to the development or subdivision.

#### 10.2.11 COMMUNITY RECREATION FACILITIES

##### 10.2.11.1 Background

##### A. *Introduction*

The subdivision of land and buildings, regardless of tenure, is fundamentally linked with the development and use of community resources. Opportunities for people and developers to avoid, remedy or mitigate the adverse environmental effects of developments can be achieved by the provision of appropriate public facilities. These facilities include the provision of active and passive reserves, libraries and opportunities for cultural pursuits.

The Hauraki community has in existence a range of facilities which can be used as a measure of the community's desire (and thus an indication of the level of facility required) to avoid, remedy or mitigate the adverse environmental effects which arise from subdivision and subsequent development.

There is within the Hauraki District a high level of "reserve" land held by various means of tenure. The area of "reserve" land held equates to approximately 12.5 hectares per 1,000 population. The Council considers that except in the case of the Eastern Coastline and some identified waterways there will be little need or demand for land acquisition. The demand arising from future growth will be for development of Community Recreation Facilities on the existing reserve land.

The legislation which preceded the Resource Management Act 1991 effectively removed rural properties from the contribution net. The Hauraki District is principally a rural district. The demand on the recreational facilities arising from development comes equally from both the rural and urban sectors of the District. The application of Community Recreational Facilities Contribution rules will apply to Rural and Urban subdivision alike. ("Urban", includes Residential, Town Centre, Township and Industrial zones).

Traditionally contributions have been obtained on the basis of a percentage of land value. This basis has an inherent fault in that it assumes that the issue is land based only. In Hauraki District the Council considers that the demand is principally for development. This demand can be considered on a Ward and District basis as follows:

1. Ward
  - Ø Active Reserves
  - Ø Community Swimming Pools
  - Ø Halls
2. District
  - Ø Passive Reserves
  - Ø Toilets etc on Passive Reserves
  - Ø Libraries

##### B. *Calculation of Contribution*

The community's demand for recreation facilities is related to population. Therefore, projected demand for recreation facilities is directly related to the expected population impact from a subdivision. The existing occupancy rates in the Wards and District can be used as a guide to obtain a level of contribution relevant to the potential impact from a subdivision.

The Community Recreation Facility Contribution applicable to a subdivision or development (eg an additional dwelling) is calculated using the following formula:

$$CRFC = (WPF \times WUOR) \times Z + (DPF \times WUOR) \times Z$$

where

$$CRFC = \text{Community Recreation Facility Contribution}$$

$$WPF = \text{Ward Population Factor} = \frac{\text{Ward Factor}}{\text{Ward Population}}$$

$$DPF = \text{District Population Factor} = \frac{\text{District Factor}}{\text{District Population}}$$

$$WUOR = \text{Ward Urban Occupancy Rate}$$

$$Z = \text{Number of additional lots that can be used for residential purposes}$$

At the time of the 1996 Census, the components of the contribution formula have the values as set out below. These values will be updated immediately after the Census for each five year period.

For the 1996-2001 Census Period, the following figures will apply in calculating a CRFC:

Ward Urban Occupancy Rate	
Plains Ward	= 2.84
Paeroa Ward	= 2.71
Waihi Ward	= 2.61

District Population	= 17,320
---------------------	----------

Ward Populations	
Plains Ward	= 4,871
Paeroa Ward	= 5,858
Waihi Ward	= 6,591

Ward Factor	
=	Value of existing Ward recreation facilities (ie structures, buildings, artificial surfaces etc, but excluding land)

Plains Ward	\$2,800,000.00
Paeroa Ward	\$2,680,000.00
Waihi Ward	\$3,950,000.00

District Factor	
=	Value of existing District recreation facilities (ie structures, buildings, artificial surfaces etc, but excluding land)
=	\$1,850,000.00

- (Notes: (1) See attached map showing the Ward boundaries.  
 (2) See attached Appendix which shows, as an example, the calculation of a contribution required for the creation of an additional residential lot in the Plains Ward).

**C. Use of Contributions**

Funds obtained from Community Recreation Facilities Contributions may only be expended on projects that are provided for within the Community Recreation Facilities Development Plan (CRFDP).

The CRFDP sets out the recreation facilities (halls, pools, libraries, etc) required by the community on a Ward and District basis for the next ten years. The CRFDP will be monitored on an annual basis, with an updating and review every five years.

As the District is well supplied with recreation land for both active and passive activities, Council will be requiring the financial contribution to be in the form of money. The money collected will accumulate, then be spent on projects that are programmed in the CRFDP. Funds from general rates and other sources will also be allocated through the Annual Plan process, to supplement the contributions obtained.

**D. Form of Contribution**

20 May 1999 incorporating Change No 2

All contributions shall be in the form of money, as Council wishes to retain control over the rate and location of spending on recreation facilities.

The only exception to this, is where Council has identified on the Planning Maps, that reserves along the Eastern Coast and some rivers and streams are required to be provided. (Note: Some reserves are presently provided, but additional reserves may be added). Some of these reserves will vest as Esplanade, as part of a subdivision in accordance with Section 230 of the Act. Where the required reserves are in excess of the 20 metre wide Esplanade Reserve, then the CRFC that would be payable in money, shall be taken as the equivalent in

land. Any additional land in excess of the Esplanade and CRFC would need to be purchased by Council from the landowner.

Vesting of a 20 metre wide Esplanade Reserve is not considered to be a contribution towards the CRFC, as generally the Esplanade Reserve is taken for "conservation" purposes not recreation.

In the event that Council was unable to afford to pay for the land, then an esplanade strip would be arranged and purchase undertaken at a later date when funds were available.

**E. Form of Subdivision or Development Requiring a Contribution**

A CRFC will be payable in respect of a subdivision where an additional lot is created that can be used in part or whole for residential purposes (ie where the erection of a dwelling is permitted), and for development in excess of one dwelling unit per allotment.

This applies to all zones. Council considers that for Hauraki District it is the creation of a residential lot that produces the demand for recreation facilities. Most people who work in the District, also live in the District. Therefore, there is no need to provide additional recreation facilities as a result of a commercial or industrial development. However, residential development "out of zone" (as a dwelling as an ancillary activity to a commercial or industrial activity), is required to pay a CRFC.

**10.2.11.2 Objectives and Policies**

**Objective 1**

*To secure the equitable and adequate provision for the capital funding of Community Recreational Facilities required to avoid, remedy or mitigate the effects as a consequence of subdivision and development of land.*

**Policies**

Objective 1 will be achieved by implementation of the following policies:

1. Relating the effect of subdivisions where the construction of residential accommodation is permitted, to the level of recreation facilities identified on a Ward demand.
2. Relating the effect of subdivision where the construction of residential accommodation is permitted, to the level of recreation facilities identified on a District demand.
3. Allowing the offset of land or services provided in accordance with the Community Recreation Facilities Development Plan or land set aside on the East Coast or alongside identified streams and rivers against monetary contributions.
4. Reviewing the basis of the CRFC at not more than five yearly intervals.
5. Ensuring the CRFC is only spent on projects provided for in the Community Recreation Facilities Development Plan.

## Objective 2

To provide for the protection and enhancement of public access to and along the coastal marine area and the margins of rivers and streams through requiring the provision of esplanade and other reserves at the time of subdivision.

### Policies

Objective 2 will be achieved by implementation of the following policies:

1. Requiring the setting aside of coastal esplanade reserves and strips where appropriate.

## Objective 3

To ensure that Community Recreation Facilities Contributions are obtained in an equitable way reflecting the likely demand for facilities arising from the subdivision.

### Policies

Objective 4 will be achieved by implementation of the following policies:

1. Charging CRFC at time of subdivision on the basis of one residential unit per additional allotment.
2. Charging a CRFC at the time of building consent, on all residential dwelling units in excess of one per allotment.
3. Charging a CRFC on all developments for other residential purposes as a condition of a resource consent.

### Reasons for all Objectives and Policies

1. Pressure on recreation facilities is one effect on the environment that needs to be avoided, remedied or mitigated.
2. The taking of a CRFC on residential subdivision and development is a fair and equitable way in which to share the costs of providing recreation facilities between the developer and the community.
3. The protection of the coast and water margins are Matters of National Importance. The vesting of land is an appropriate way in which to meet the demands of this Matter.

### 10.2.11.3 Rules

(Refer to Rule 10.2.6 for General Rules).

1. In all zones, where an additional allotment is created, by subdivision and the construction and occupation of a residential dwelling is a permitted activity, a CRFC shall be paid by the developer in accordance with the formula in Rule 5. below.
2. In all zones, where any development is in excess of one dwelling unit per allotment, a CRFC shall be paid by the developer in accordance with the formula in Rule 5. below.
3. In all zones, where a resource consent is granted for a subdivision and/or development for residential purposes, a CRFC is payable for each allotment and/or dwelling unit, in accordance with the formula in Rule 5. below.
4. In all zones where a dwelling is a permitted or a 20 May 1999 incorporating Change No 2 another activity a CRFC is payable for each dwelling unit in accordance with the formula in Rule 5. below.

5. The CRFC payable for each allotment or dwelling unit shall be as follows:

#### Plains Ward

CRFC = \$1,935.86 x Z (plus GST)  
= Ward Contribution of \$1,632.52 and a District Contribution of \$303.34.

#### Paeroa Ward

CRFC = \$1,529.26 x Z (plus GST)  
= Ward Contribution of \$1,239.80 and a District Contribution of \$289.46.

#### Waihi Ward

CRFC = \$1,842.94 x Z (plus GST)  
= Ward Contribution of \$1,564.17 and a District Contribution of \$278.77.

(Notes: (1) Refer to the attached plan for the Ward boundaries

(2) Z = either:

- a) the additional number of lots that can be used for residential purposes as a result of subdivision; or
- b) the number of dwellings in a development).

(3) Refer to Section 10.2.11.1 B and the Appendix, which show how the CRFC is calculated for each Ward).

## APPENDIX

Example of calculation of a CRFC for one additional residential allotment in the Plains Ward.

$$\begin{aligned}
 \text{CRFC} &= (\text{WPF} \times \text{WUOR}) + (\text{DPF} \times \text{WUOR}) \times 1 \\
 &= \frac{\text{Ward Factor}}{\text{Ward Population}} \times \text{WUOR} + \frac{\text{District Factor}}{\text{District Population}} \times \text{WUOR} \times 1 \\
 &= \frac{2,800,000}{4,871} \times 2.84 + \frac{1,850,000}{17,320} \times 2.84 \times 1 \\
 &= (574.83 \times 2.84) + (106.81 \times 2.84) \times 1 \\
 &= 1,632.52 + 303.34 \\
 &= \$1,935.86 \text{ (plus GST)}
 \end{aligned}$$

