

Financial Contributions Report

1.0 Introduction

The following analysis is undertaken as part of the review of District Wide Provisions included within the Wanganui District Plan. The purpose of this analysis is to provide recommendations for the appropriate activities, calculation and use of financial contributions across the Wanganui District.

1.1 Background

Financial contributions are a mechanism provided for within the RMA 1991 (the Act). Essentially, paid by developers, financial contributions provide a mechanism for managing the effects of development on the wider community by requiring money or land to be provided for the purpose of avoiding, mitigating, or compensating for adverse effects as a result of land use. Part 2 of the Act outlines the purpose for which financial contributions can be enacted through the District Plan process stating financial contributions must be for the purpose of the: i. Enabling people and communities to provide for their health, safety and economic, social and cultural well-being. ii. Sustaining the potential of resources to meet the reasonably foreseeable needs of future generations. iii. Maintaining the life-supporting capacity of air, water, soil and ecosystems. iv. Avoiding, remedying and mitigating adverse effects of activities on the natural and physical environment.

In the local context, the impacts of development have the potential to impose a cost on the community in the form of adverse environmental and amenity effects, in addition to the need to provide network infrastructure to service development. Financial contributions provide a mechanism for internalising the costs of development to those who benefit, removing both monetary and non-monetary adverse effects on the wider community.

The consideration of the use of financial contributions as a method of achieving the purpose of Part 2 of the Act however is not limited to mitigating adverse effects on the existing community. Providing for the use of financial contributions within the Wanganui District Plan also benefits the development community by providing certainty and enabling a partnership between Council and developers in providing for the mitigation of adverse effects; maintaining and enhancing the attributes of our town that support livelihoods.

The proposed recommendations are specific to Wanganui. They have taken into account potential environmental effects of development on our cultural heritage and areas of significance, issues which currently exist in terms of providing for development and the impact of providing for growth and development on the social, cultural and economic wellbeing of the wider community.

1.2 Recommendations

The following recommendations define the activities and methods of calculation proposed.

Activity	formula/calculation	Assessment
<i>Roading</i>	$\$F * [G/[G+H]]$ Where F = the assessed total cost of constructing/upgrading/improving traffic or pedestrian routes including land purchases; G = the average annual assessed volume of vehicular traffic measured in vehicles per day directly attributable to the development, and; H = average annual assessed volume of vehicular traffic measured in vehicles per day currently using routes that will require constructing/upgrading/improving as a consequence of development.	<i>This method of calculation is appropriate as it encompasses mitigation of effects outside of the immediate area. In addition the calculation includes only the capital costs involved with mitigation of effects therefore removing potential liability of charging for operational costs generally funded by rates.</i>
<i>Carparking</i>	Where the DP requires an applicant to provide on-site carparking and there is a shortfall provided, the Council may charge a financial contribution for the shortfall based on the formula: Contribution = value of land required + cost of construction.	<i>Appropriate due to alignment of contributions with real economic costs that prevail at the time of development</i>
<i>Heavy Vehicle Impact fees</i>	$\$[(g)/[(f+(g))]]*(h)$ Where f = the volume of vehicular traffic (measured in equivalent standard axles for a 40 year design period) currently using routes that will require construction, upgrading or earlier renewal as a consequence of development; g = volume of heavy vehicular traffic (measured in equivalent standard axles for a 40 year design period) directly attributable to the development; h = the cost of construction, upgrading or renewal of traffic and pedestrian routes as a consequence of development.	<i>This method of calculation is appropriate due to economic factors and timing of the development being considered within the calculation of costs.</i>

<i>Water Supply, Wastewater and Stormwater</i>	<i>(E+D)-C/(B-A) Where E = actual or estimated cost of upgrading services to serve the potential total number of allotments; D = value of estimated surplus capacity in existing services over that which is required to serve total number of properties currently in the area; C = estimated cost of upgrading required to existing services to serve total number of properties currently in area; B = potential total number of lots likely to be in the area to be served by the upgraded service, when the area is fully developed; A = total number of lots in area which are served by the service. Alternatively, the developer may directly install the mains, laterals and pump stations required to do this.</i>	<i>Formula is robust, encompasses variables and factors that contribute to capacity, and in addition provides certainty. Does not include any operational costs within the calculation.</i>
<i>Offset effects</i>	<i>The amount of money and/or land needed to offset any adverse environmental effects including river and gully restoration that cannot be otherwise be avoided, remedied or mitigated.</i>	<i>Determined independently - potential to formulate mechanism for collecting for development within Significant Landscapes Areas with the purpose of mitigating adverse effects or providing for benefits to compensate for the impacts of development.</i>
<i>Heritage Conservation Contributions</i>	<i>Heritage Conservation Contributions from any land use activity on a site where consent has been granted for the demolition or alteration of a protected heritage item, involving the erection of a new building; and/or additional floorspace being added to an existing building(s). This cash contribution is to be used for purchasing, compensating owners, or restoring heritage items, recognising the importance of these features to the heritage, cultural wellbeing and amenity values of the City.</i>	<i>Determined independently - potential to formulate mechanism for collecting for development within culturally significant areas with the purpose of mitigating adverse effects or providing for benefits to compensate for the impacts of development in these areas.</i>

2.0 Analysis

The requirement for financial contributions is based on the economic principle that costs should be borne by those who cause the need for additional capital and expenditure and who ultimately benefit from the development. Therefore the implementation of financial contributions for all activities is justified in this sense. However, there are particular matters of significance to the Wanganui District at this time. With this in mind Section 2.1 of this report provides additional analysis and justification for the activities recommended for financial contributions identified within Section 1.2 of this report.

2.1 Activity Analysis

2.1.1 Roading, Carparking & Heavy Vehicle Impact Fees

As stated above, the requirement to upgrade or extend our roading network to cater for development should be borne by those who benefit from the expenditure rather than the ratepayer community as a whole. While it is essential that benefits to the existing community are recognised and provided for within the allocation of costs, amending the District Plan to allow for the collection of financial contributions to allow for the mitigation, remedy or compensation of adverse effects as a direct result of development supports the equitable distribution of costs associated with capital expenditure and is consistent with the Section 101(3) considerations as outlined within the Local Government Act 2002.

Amending the District Plan to allow for the collection of financial contributions for the specific activities is further supported by both the Wanganui District Council Urban Transportation Strategy and Wanganui District Council Parking Management Plan.

Specifically, the Wanganui Urban Transportation Strategy (WUTS) identifies key transportation objectives over a 30 year lifetime. It seeks to improve management of the road infrastructure by planning ahead to:

- *Support environmental sustainability*
- *Assist economic development*
- *Provide transport infrastructure to meet the city's long term needs*
- *Enhance and promote public health and personal safety*
- *Facilitate real transport choices including improved access and mobility*
- *Integrate transport systems and land use planning*

The Wanganui City Centre Parking Plan was created to better manage parking within the city centre. The timeframe for this Plan is 20 years. Actions under this document relating to the District Plan include:

District Plan Provisions - Shared Parking

- a. Amend District Plan to ensure any new onsite parking provision has excellent links to Victoria Avenue.
- b. Review District Plan parking in the city centre to consider ways to encourage use of shared vehicle access and parking rather than independent access and parking for each site e.g. financial contributions of cash in lieu of parking.

Shared parking (particularly around Victoria Avenue) such as Council car parks are a permitted activity and can be encouraged further by providing for Financial Contributions as an alternative to individual car parks for each activity. This is considered further under Plan Change 41 – District Wide Rules.

The above strategies set out objectives and key actions relating to infrastructure and transport. Through the proposed District Plan Changes these objectives and key actions have been incorporated by providing for cycle and disability parks, the addition of Mosston Road as a Limited Access Road and the requirement for Financial Contributions for Carparking, alongside Roading and Heavy Vehicle Impact fees.

2.1.2 Water Supply, Wastewater and Stormwater

The Water Supply Asset Management Plan states: *“The goal of asset management is to ensure that the desired levels of service are managed effectively in a way which balances economic, social, cultural and environmental benefits and other operational objectives, for customers and the community.”*

Currently network infrastructure across the Wanganui urban area is under pressure. Recent network infrastructure modelling confirms the concerns of Council officers, indicating that considerable capital work needs to be undertaken to address current capacity issues. As the Wanganui community has seen, additional load on the already over capacity wastewater network has the potential to impose considerable adverse effects. While it is not appropriate to charge the full cost of fixing network infrastructure issues to new developers, it is appropriate to require a financial contribution from the development community where the requirement for network infrastructure to service a development creates the need for additional capital expenditure by Council.

Hence, the implementation of financial contributions is consistent with achieving the goal of asset management as outlined above. In addition, financial contributions provide a mechanism for ensuring not only that security of supply and/or sufficient disposal and reticulation is maintained for the growth community but in addition, that the costs of providing network infrastructure are allocated in a way which balances the economic, social, cultural and environmental benefits across the community. This requires developers to pay their fair share of the capital cost, minimizing the impact on ratepayers while recognising that the growth community also contributes toward the operational costs of provision through rates. It is for this reason that the recommendation in Section 1.2 has taken into account ‘developer as a ratepayer’ and excluded the operational costs from the calculation of financial contributions.

2.1.3 Offset effects

‘The Perceptions Survey’ is an annual survey undertaken by Wanganui District Council that provides vital information of how people view Wanganui over a range of quality of life indicators. The

information provided from the survey is used to inform decision making in Council such as the draft Visitor Strategy. Consistently, the Whanganui River and our National Parks are cited as two of the most commonly identified features.

For residents of Wanganui, the protection of our natural landscapes is central to the economic, social, cultural and environmental well-being of our entire community. The significance of our natural landscapes is further supported by our local Iwi, where the strength of the relationship between Iwi, the river and the surrounding environment is well documented and acknowledged through the legal status of the Whanganui River as an entity in its own right.

Recognising the value of our natural environment, it is also inevitable that the desire to develop close to natural landscapes of significance will be forthcoming. The implementation of financial contributions to manage the offset effects of development in these areas, where the purpose of the contribution is to avoid, remedy or compensate fully for adverse effects as a result of development will provide further protection for our most significant natural features; thereby protecting and enhancing these areas and enabling the considerable benefits our natural landscapes provide to be protected into the future.

2.1.8 Heritage Conservation Contributions

As one of New Zealand's oldest cities, Wanganui has within its boundaries an abundance of cultural heritage. In testament, a 2013 report 'The value of built heritage assets in Wanganui' prepared by the Brett Wheeler Group, cites our heritage buildings as adding \$40m to the local economy every year. Hence, our rich cultural heritage provides many benefits to the community that are worth protecting. The ability to require a contribution to maintain and enhance our heritage areas where application is made to demolish or alter heritage buildings will enable these significant areas to be maintained and enhanced, protecting the benefits of our cultural heritage in perpetuity.

3.0 Supporting Legislation, Policy and Plans

This section of the report provides detail of supporting legislation and the appropriateness of enabling financial contributions as a means of supporting strategic Council documents, policies and plans.

3.1 Supporting Legislation

Section 108 of the Act sets out the conditions that may be imposed on resource consents. Section 108(2)(a) provides that financial contributions may be required in relation to subdivision and development. Section 108(9), as amended by the Resource Management Amendment Act 1997, defines that a "financial contribution" means a contribution of money, land, or a combination of both. Clause 3, Part II of the Second Schedule to the Act (also as amended by the Resource Management Amendment Act 1997) allows District Plans to state:

- a. the circumstances when a financial contribution of money or land may be imposed;
- b. the manner in which the level of the contribution that may be imposed will be determined;
- and

- c. the general purposes for which the contribution may be used.

Although the Second Schedule states that District Plans may state the above matters, Section 108(10) of the Act states that no financial contributions can be imposed as a condition of any resource consent unless the above matters are specified in the Plan.

Current provisions within the Wanganui District Plan do not satisfy the requirements of Section 108 of the Act, therefore financial contributions as a condition of consent are not currently able to be imposed. In order to enable the collection of financial contributions, a plan change is required to satisfy the requirements as set out within Section 108 of the Act.

Further to the ability to impose a financial contribution as a condition of consent, plans may also specify that financial contributions are payable in respect of permitted activities (refer to definition of “permitted activity” in Section 2 of the Act). Specific to the recommendation put forth in Section 1.3 of this report, the legislation supports the conclusion that financial contributions may be imposed for the protection, preservation or restoration of any significant natural, cultural and/or heritage resource.

3.2 *Aligning the District Plan*

The Wanganui District Council District Plan Review is required to have particular regard to other management plans and strategies. The analysis in Section 2.1 of this report outlines the justification and strategic significance of aligning the District Plan to support the objectives and key actions outlined in Council strategic documents. The inclusion of objectives, policies and methods for financial contributions within the Wanganui District Plan that satisfy the requirements of Section 108 of the Act, will support the function of the District Plan in achieving the principles and purposes of the Act while also, helping to achieve the objectives and key actions as outlined within parallel strategic documents, policies and plans across Council.

4.0 *Conclusions*

Financial contributions are a key method for managing the adverse effects on the environment alongside the social and cultural well-being of our community, that arise from subdivision, use and development of land. As stated, the current financial contributions provisions included within the Wanganui District Plan do not satisfy the requirements for imposing a financial contribution as set out within Section 108 of the Act. The absence of provisions that satisfy the requirements of the Act means Council does not have an effective mechanism for managing the adverse effects of development on the community. The analysis and recommendations included within this report provide the basis for a financial contributions plan change as part of the review of District Wide Provisions as set out within Chapter 10 of the Wanganui District Plan, and is recommended for notification.

Appendix 1 – Option Analysis

The following table indicates the calculation methods that were considered within the analysis.

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Roading					
<i>Whakatane District Council</i>	<i>Based on traffic generation: Contributions = cost of upgrading road to the nearest boundary of the site times the total traffic to be generated by the proposal + cost of upgrading road along the frontage of the site.</i>	<i>Does not provide for mitigation of effects outside of the immediate area</i>	<i>May be appropriate for new roads where there is no further requirement to upgrade adjoining road corridors.</i>	<i>Can be used as a mechanism for collecting funds for external authorities i.e. NZTA</i>	<i>Not appropriate due to the inability of the formula provided to mitigate effects outside the immediate environment</i>
<i>Hauraki District Council</i>	<i>Total cost of developing new roads and upgrades and extensions to existing roads. Estimated cost of roading upgrades * Additional annual average daily traffic for the section of road (AADT)/Existing AADT + Additional AADT (each additional lot is deemed to generate 10 VMs/day</i>			<i>Any application for a waiver or a reduction to the level of an FC is considered a discretionary activity</i>	<i>Formula reflects variables that contribute to the cost of provision. It does not include upgrades to pedestrian routes etc required as a result of development. Any waiver of fees will not require resource consent but will be the result of a negotiation between Council and developer.</i>

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Roading					
South Waikato District Council	\$7,650.00	Provides certainty but how are the charges formulated?	Provides certainty but requires the same level of analysis as DCS	While there are effectively several separate networks in the district, Council has chosen not to develop differing contributions given the existing District-wide funding source and the potential to create unintended cost barriers to development in parts of the District based on differentials in contributions. Council has therefore chosen to balance these varying costs by developing a district-wide contribution for each of the services for which a financial contribution is required. The levels of the contributions are based on the financial value of the existing networks divided by the number of existing users. In this manner new subdivision or developments effectively 'buy in' to the existing networks.	Requires the same level of analysis as development contributions. Not possible. While providing certainty, do obvious basis for the calculations.

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Roading					
<i>Marlborough District Council</i>	<i>For roads, kerbs and channels, footpaths, grass berms and vehicle crossings - full development or payment of costs/+ pay 50% of costs involved with sealing a road where this is required as a result of the development. A contribution of \$1000 in Rural and Rural residential subdivisions. \$500 in Urban residential, Township residential, Deferred township residential, Central and neighbourhood business, Rural Township, Port and Industrial zones.</i>	<i>Not based on 'real' costs.</i>	<i>Cost sharing with Council.</i>	<i>Third party funding is considered as is required under the legislation. Notes, because of the unpredictable and diverse nature of developments these financial contributions will be calculated based upon the specific adverse effects that may be generated by each unique development, using the principles applied to the financial contributions for subdivision.</i>	<i>Not appropriate as this method of calculation does not take into account the timing of development and changing economic conditions.</i>
<i>Waipa District Council</i>	<i>$\\$F * [G/[G+H]]$ Where F = the assessed total cost of constructing/upgrading/improving traffic or pedestrian routes including land purchases; G = the average annual assessed volume of vehicular traffic measured in vehicles per day directly attributable to the development, and; H = average annual assessed volume of vehicular traffic measured in vehicles per day currently using routes that will require constructing/upgrading/improving as a consequence of development.</i>		<i>Can be used as a means of collecting for Government agencies i.e. NZTA where additional works are required. Can be broadened to encompass the requirement for bicycle accessways.</i>		<i>This method of calculation is appropriate as it encompasses mitigation of effects outside of the immediate area. In addition the calculation includes only the capital costs involved with mitigation of effects therefore removing potential liability of charging for operational costs generally funded by rates.</i>
<i>Hamilton City Council</i>	<i>The costs of specific works needed to service the use, subdivision or development, and/or mitigate their effects</i>				<i>No certainty is provided</i>

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Carparking					
Whakatane District Council	Where the DP requires an applicant to provide on-site carparking, and there is a shortfall provided, then the Council may charge a financial contribution for the shortfall based on the formula: Contribution = value of land required + cost of construction.	Requires independent valuation to assess land value – adding additional cost. Does this formula adequately provide certainty in terms of costs to developers? Who is responsible for paying the costs involved? Does Council have an appetite for imposing costs on developers?	Will require infrastructure knowledge and analysis of costs involved with provision be available? Potential for cost sharing between developments and Council.		Appropriate due to alignment of contributions with real economic costs that prevail at the time of development

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Carparking					
South Waikato District Council	The shortfall in on-site parking spaces is identified based on Rule 11.3.1 a), and is then multiplied by \$4000 per space (GST inclusive) to calculate the amount of contribution to be paid.	Robustness of charges - do they align to the real cost of providing carparks?	Potential for use as long as quantum represents the true cost of provision	While there are effectively several separate networks in the district, Council has chosen not to develop differing contributions given the existing District-wide funding source and the potential to create unintended cost barriers to development in parts of the District based on differentials in contributions. Council has therefore chosen to balance these varying costs by developing a district-wide contribution for each of the services for which a financial contribution is required. The levels of the contributions are based on the financial value of the existing networks divided by the number of existing users. In this manner new subdivision or developments effectively 'buy in' to the existing networks.	Fixed charge does not take into account the changing cost of materials/labour etc. Requires formula that allows for changes in the economic environment to be factored into the cost.

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Heavy Vehicle Impact Fees					
Waipa District Council	$\$[(g)/[(f+(g))]]*(h)$ Advice note states - The fee will be charged as a lump sum where the activity is expected to continue for less than three years. Where the development activity is expected to continue for longer than three years, the fee may by agreement be allocated on the basis of a unit rate related to the materials transported.		So can this be placed on temporary activities i.e. major construction works that once constructed, do not generate additional demand?	F = the volume of vehicular traffic (measured in equivalent standard axles for a 40 year design period) currently using routes that will require construction, upgrading or earlier renewal as a consequence of development; G = volume of heavy vehicular traffic (measured in equivalent standard axles for a 40 year design period) directly attributable to the development; H = the cost of construction, upgrading or renewal of traffic and pedestrian routes as a consequence of development.	This method of calculation is appropriate due to economic factors and timing of the development being considered within the calculation of costs. In addition if adopted in the form stated, it provides a mechanism for providing for both temporary and long term development that creates a requirement for capacity upgrades.

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Water Supply					
<i>Whakatane District Council</i>	<i>Full cost of provision or upgrades/extensions to be paid for by the developer.</i>	<i>Only where works are not already included within the 10YP... or the upgrade is required earlier than planned as a result of the development</i>	<i>Does not provide any additional information</i>		<i>This involves charging for operational costs also collected through rates. Concern around legal liability regarding s101(3) LGA2002</i>
<i>Waipa District Council</i>	$\$A * [B/B+C]$ Where A = the replacement value of the specific water reticulation system after adjustment for capital expenditure; B = the number of residential equivalent connections to be added to that reticulation system (technical detail provided), and; C = to the total number of existing connections to that water reticulation system	<i>Where connection to water supply is required and approved outside Council's water supply area.</i>	<i>Charging for the cost of abstraction, treatment, storage and reticulation could be considered as double dipping as once lots are established owners will pay for the operational cost associated with their development through their rates.</i>	<i>Or the total assessed cost of providing additional water supply capacity (includes cost of abstraction, treatment, storage and reticulation) in the water reticulation system needed to service the development..... Wastewater - the total assessed cost of providing additional wastewater system capacity (including the additional cost of storage, pumping, transportation, processing and disposal) to the wastewater system needed to service the development or subdivision.</i>	<i>This involves charging for operational costs also collected through rates. Concern around legal liability. Formula could be used as a means of assessing capital cost with care taken to remove any operational factor from the calculation.</i>

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Water Supply					
<i>Hamilton City Council</i>	<i>Where reticulation exists, the full cost of connection; where capacity is not adequate to meet the additional demand, the cost of connection and capacity upgrading of the system; where an existing supply/network infrastructure is not available, the cost of providing for the development.</i>			<i>Financial contributions can include reimbursement of legal costs incurred by Council in providing easements, encumbrances, covenants; Reimbursements of fees charge to Council by Government departments, local authorities and the suppliers of public utilities and infrastructure; survey work; fees accrued by an adjoining authority or network operator in processing the application; GST</i>	<i>Does not provide certainty</i>
<i>South Waikato District Council</i>	<i>\$2,687.00</i>	<i>Provides certainty but how are the charges formulated?</i>	<i>Provides certainty but requires the same level of analysis as DCS</i>	<i>While there are effectively several separate networks in the district, Council has chosen not to develop differing contributions given the existing District-wide funding source and the potential to create unintended cost barriers to development in parts of the District based on differentials in contributions. Council has therefore chosen to balance these varying costs by developing a district-wide contribution for each of the services for which a financial contribution is required. The levels of the contributions are based on the financial value of the existing networks divided by the number of existing users. In this manner new subdivision or developments effectively 'buy in' to the existing networks.</i>	<i>Requires the same level of analysis as development contributions. Not possible.</i>

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Water Supply					
<i>Marlborough District Council</i>	<i>(E+D)-C/(B-A) Where E = actual or estimated cost of upgrading services to serve the potential total number of allotments; D = value of estimated surplus capacity in existing services over that which is required to serve total number of properties currently in the area; C = estimated cost of upgrading required to existing services to serve total number of properties currently in area; B = potential total number of lots likely to be in the area to be served by the upgraded service, when the area is fully developed; A = total number of lots in area which are served by the service. Alternatively, the developer may directly install the mains, laterals and pump stations required to do this.</i>		<i>Provides for cost sharing between Council and developers</i>	<i>Or the full cost of mains and lateral connections to connect the subdivision/development to existing reticulation system</i>	<i>Formula is robust, encompasses variables and factors that contribute to capacity, and in addition provides certainty. Does not include any operational costs within the calculation.</i>
<i>Hamilton City Council</i>	<i>Where reticulation exists, the full cost of connection; where capacity is not adequate to meet the additional demand, the cost of connection and capacity upgrading of the system; where an existing supply/network infrastructure is not available, the cost of providing for the development.</i>			<i>Financial contributions can include reimbursement of legal costs incurred by Council in providing easements, encumbrances, covenants; Reimbursements of fees charge to Council by Government departments, local authorities and the suppliers of public utilities and infrastructure; survey work; fees accrued by an adjoining authority or network operator in processing the application; GST</i>	<i>Does not provide certainty</i>

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Wastewater					
<i>Whakatane District Council</i>	<i>Full cost of provision or upgrades/extensions to be paid for by the developer.</i>	<i>Only where works are not already included within the 10YP... or the upgrade is required earlier than planned as a result of the development</i>	<i>Does not provide any additional information</i>		<i>This involves charging for operational costs also collected through rates. Concern around legal liability regarding s101(3) LGA2002</i>
<i>Waipa District Council</i>	<i>\$A * [B/B+C]] Where A = the replacement value of the specific wastewater reticulation system after adjustment for capital expenditure; B = the number of residential equivalent connections to be added to that reticulation system (technical detail provided), and; C = to the total number of existing connections to that water reticulation system</i>	<i>Where connection to wastewater reticulation is required and approved outside Council's water supply area.</i>	<i>Charging for the cost of abstraction, treatment, storage and reticulation could be considered as double dipping as once lots are established owners will pay for the operational cost associated with their development through their rates.</i>	<i>or...The total assessed cost of providing additional water supply capacity (includes cost of abstraction, treatment, storage and reticulation) in the water reticulation system needed to service the development..... Wastewater - the total assessed cost of providing additional wastewater system capacity (including the additional cost of storage, pumping, transportation, processing and disposal) to the wastewater system needed to service the development or subdivision.</i>	<i>This involves charging for operational costs also collected through rates. Concern around legal liability. Formula could be used as a means of assessing capital cost with care taken to remove any operational factor from the calculation.</i>

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Wastewater					
<i>Hauraki District Council</i>	<i>The total cost of developing and installing new sewerage reticulation, sewage treatment and/or disposal works required to serve any development/subdivision, shall be met entirely as a cost to the developer./the cost of upgrading and extending existing sewerage works.</i>				<i>Does not provide certainty</i>
<i>Marlborough District Council</i>	<i>(E+D)-C/(B-A) Where E = actual or estimated cost of upgrading services to serve the potential total number of allotments; D = value of estimated surplus capacity in existing services over that which is required to serve total number of properties currently in the area; C = estimated cost of upgrading required to existing services to serve total number of properties currently in area; B = potential total number of lots likely to be in the area to be served by the upgraded service, when the area is fully developed; A = total number of lots in area which are served by the service. Alternatively, the developer may directly install the mains, laterals and pump stations required to do this.</i>		<i>Provides for cost sharing between Council and developers</i>	<i>Or the full cost of trunk sewer</i>	<i>Formula is robust, encompasses variables and factors that contribute to capacity, and in addition provides certainty. Does not include any operational costs within the calculation.</i>

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Wastewater					
<i>Hamilton City Council</i>	<i>Where reticulation exists, the full cost of connection; where capacity is not adequate to meet the additional demand, the cost of connection and capacity upgrading of the system; where an existing supply/network infrastructure is not available, the cost of providing for the development.</i>			<i>Financial contributions can include reimbursement of legal costs incurred by Council in providing easements, encumbrances, covenants; Remimbursements of fees charge to Council by Government deoartments, local authorities and the suppliers of public utilities and infrastructure; survey work; fees increed by an adjoining authority or network operator in processing the application; GST</i>	<i>Does not provide certainty</i>
Stormwater					
<i>Waipa District Council</i>	<i>\$A * [B/B+C]] Where A = the replacement value of the specific stormwater reticulation system after adjustment for capital expenditure; B = the number of residential equivalent connections to be added to that reticulation system (technical detail provided), and; C = to the total number of existing connections to that stormwater reticulation system</i>	<i>Where connection to stormwater reticulation is required and approved outside Council's stormwater reticulation area</i>	<i>Charging for operational costs as part of a financial contribution could be considered double dipping.</i>		<i>This involves charging for operational costs also collected through rates. Concern around legal liability</i>

Council	formula/calculation	Issues	Potential	Additional information	Assessment
Stormwater					
<i>South Waikato District Council</i>	<i>\$2,178.00</i>	<i>Provides certainty but how are the charges formulated?</i>	<i>Provides certainty but requires the same level of analysis as DCS</i>	<i>While there are effectively several separate networks in the district, Council has chosen not to develop differing contributions given the existing District-wide funding source and the potential to create unintended cost barriers to development in parts of the District based on differentials in contributions. Council has therefore chosen to balance these varying costs by developing a district-wide contribution for each of the services for which a financial contribution is required. The levels of the contributions are based on the financial value of the existing networks divided by the number of existing users. In this manner new subdivision or developments effectively 'buy in' to the existing networks.</i>	<i>Requires the same level of analysis as development contributions</i>
<i>Hauraki District Council</i>	<i>The total cost of developing or extending existing stormwater and drainage systems will be met by the developer.</i>				<i>Does not provide certainty</i>

Council	Formula/calculation	Issues	Potential	Additional information	Assessment
Stormwater					
<i>Marlborough District Council</i>	<i>(E+D)-C/(B-A) Where E = actual or estimated cost of upgrading services to serve the potential total number of allotments; D = value of estimated surplus capacity in existing services over that which is required to serve total number of properties currently in the area; C = estimated cost of upgrading required to existing services to serve total number of properties currently in area; B = potential total number of lots likely to be in the area to be served by the upgraded service, when the area is fully developed; A = total number of lots in area which are served by the service. Alternatively, the developer may directly install the mains, laterals and pump stations required to do this.</i>			<i>Or the full cost of stormwater mains or lateral connections to connect the subdivision/development to existing reticulation system</i>	<i>Formula is robust, encompasses variables and factors that contribute to capacity, and in addition provides certainty. Does not include any operational costs within the calculation.</i>
Offset Effects					
<i>Hamilton City Council</i>	<i>The amount of money and/or land needed to offset any adverse environmental effects including river and gully restoration that cannot be otherwise be avoided, remedied or mitigated.</i>		<i>Potential for use to enable development in outstanding landscape areas etc. where the money collected can be used to provide a benefit elsewhere to offset any adverse effects from development.</i>		<i>Determined independently' - potential to formalize mechanism for collecting for development within Significant Landscapes area with the purpose of mitigating adverse effects or providing for benefits to compensate for the effects of development.</i>

<i>formula/calculation</i>	<i>Council</i>	<i>Issues</i>	<i>Potential</i>	<i>Additional information</i>	<i>Assessment</i>
Cultural Heritage					
<i>Christchurch City Council</i>	<ul style="list-style-type: none"> <i>Heritage Conservation Contributions from any land use activity on a site where consent has been granted for the demolition or alteration of a protected heritage item under Part 10, Appendix 11, involving the erection of a new building; and/or additional floorspace being added to an existing building(s); and the building consent value exceeds \$200,000.00. This cash contribution is to be used for purchasing, compensating owners, or restoring heritage items, recognising the importance of these features to the heritage , cultural wellbeing and amenity values of the City.</i> 		<p><i>Potential for use as a means of enhancing the heritage precinct. Including the ability to collect in the case of proposed demolition of heritage buildings will enable the explicit requirement for a contribution or works with the purpose of enhancing the heritage precinct</i></p>	<p><i>In considering any application relating to heritage conservation contributions towards purchasing, compensating owners or restoring listed heritage items , the Council shall in considering whether or not to grant consent or impose conditions, have regard to the following assessment matters.</i></p> <p><i>(i) The extent to which cash contributions towards the purchase, compensating owners or restoration of listed heritage items is consistent with the objectives and policies of the Plan in relation to the protection of such items.</i></p> <p><i>(ii) Whether the proposed development involves, or will achieve, the protection or restoration of a listed item.</i></p>	<p><i>Determined independently - potential to formulate mechanism for collecting for development within culturally significant areas with the purpose of mitigating adverse effects or providing for benefits to compensate for the impacts of development in these areas.</i></p>