

# POLICY ON DEVELOPMENT CONTRIBUTIONS AND FINANCIAL CONTRIBUTIONS

## OVERVIEW

The Queenstown Lakes District is experiencing significant growth in its population, visitors, development and the local economy. This growth generates high levels of subdivision and development activity which places increasing pressure on the assets and services provided by the Council. Significant investment in additional assets and services is accordingly required to meet the demands of growth.

Historically, Council has sought a contribution towards the expansion of the District's reserves, community facilities and infrastructure from those developments which place additional demands on these services. In order to levy these contributions Council may employ:

Financial Contributions imposed as a condition of a resource consent pursuant to Section 108, 220, 407 or 409 of the Resource Management Act (RMA) 1991. Council has withdrawn most of the provision relating to Financial Contributions from Section 15 of the District Plan.

Development Contributions as defined by the provisions of Part 8 Subpart 5 and Schedule 13 of the Local Government Act 2002 (LGA 2002). To make use of these provisions Council must adopt a Policy on Development Contributions as part of the Council's 10-Year Plan. Note that this can be amended at any time. Development Contributions are based on the fiscal implications of growth.

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

- i. Resource Consent
- ii. Building Consent
- iii. Authorisation for a Service Connection

When a development has both a resource consent and building consent, QLDC intend to assess DC's on the consent that contains all the required information to make the correct assessment, for example subdivisions creating newly serviced lots will be assessed at the subdivision resource consent stage and land use consents that require a building consent to give effect to the development will be assessed under the relevant building consent once the final plans and gross floor areas of the development are confirmed. For land use consents with no related building consents (i.e. registration of a building platform and some change in use consents) will be assessed at the land use resource consent stage.

This policy has been prepared to meet the requirements of Section 106(2) of the LGA 2002. The full methodology that demonstrates how the calculations for development contributions were made is contained in a separate document which is available to the public as per section 106 (3) of the Act.

## **REASONS FOR USING DEVELOPMENT AND FINANCIAL CONTRIBUTIONS**

Council intends to entirely fund the portion of capital expenditure (CAPEX) that is attributable to growth by either Financial or Development Contributions wherever it is legally, fairly, reasonably and practically possible to do so.

Council considers that Development and Financial Contributions are the best mechanism available to ensure the cost of growth sits with those who have created the need for that cost. Council considers it inappropriate to burden the community as a whole, by way of rating or other payment means, to meet the cost of existing growth.

Section 101(3) of the LGA 2002 requires that the following be considered:

The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of:

**A** in relation to each activity to be funded -

- the community outcomes to which the activity primarily contributes; and
- the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- the period in or over which those benefits are expected to occur; and
- the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

**B** the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community

Council's Revenue & Financing Policy considers each of these factors in relation to each activity to be funded. In addition, Council has specifically considered these factors in relation to the Development Contributions and Financial Contributions Policy:

### **(I) COMMUNITY OUTCOMES**

This policy contributes to:

- Managing growth in a sustainable way
- Quality landscapes, natural environment and enhanced public access
- Effective and efficient infrastructure that meets the needs of growth
- High quality urban environments respectful of the character of the individual communities.

### **(II) DISTRIBUTION OF BENEFITS**

Council apportions all capital expenditure into the classifications of growth, renewal, level of service and statutory obligations, by the geographic areas of benefit. This apportionment represents the distribution of benefit to the community as a whole, to identifiable parts of the community and to individuals.

### **(III) PERIOD OVER WHICH THE BENEFITS ARE EXPECTED TO OCCUR**

Once a Development or Financial contribution has been paid in relation to a subdivision or development, the benefits of the asset, service, or environmental enhancement shall occur indefinitely (at a set level of service for that asset, service, or environmental enhancement as defined at any one time).

### **(IV) ACTION OR INACTION THAT CONTRIBUTES TO THE NEED FOR THIS ACTIVITY**

The provision of assets, services, or environmental standards that promote the community outcomes may not be willingly provided by the development community. In addition Council is often the only viable supplier (often legally required to provide services) of these services and therefore Council has a moral and legal obligation to provide additional assets, services to meet the new community needs.

### **(V) COSTS AND BENEFITS OF FUNDING THIS ACTIVITY (DEVELOPMENT AND FINANCIAL CONTRIBUTIONS)**

The benefits to the existing community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development and financial contributions.

### **(VI) ALLOCATION OF LIABILITY FOR REVENUE NEEDS**

The liability for revenue falls directly with the development community. At the effective date of this Policy, Council does not perceive any impact on the social, economic, environmental and cultural well-being of this particular sector of the community. At any stage in the future where there maybe impacts of this nature, Council may revisit this Policy.

## **ASSETS INCLUDED IN THE DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY**

Assets included in this policy are:

- Network infrastructure for water supplies, wastewater, stormwater and transportation.
- Reserve land.
- Community infrastructure including the development and acquisition of reserve land to use as reserve and facilities needed on that reserve and other public amenities such as halls, libraries, public toilets, parking facilities and the like.

- Other Assets. Financial Contributions can be required to avoid remedy or mitigate adverse effects of development that are of a non-fiscal nature. These may include contributions that avoid, remedy or mitigate the effects of development on biodiversity, landscape, amenity values or the provision of specific assets by the developer/subdivider (i.e. access easements in gross). As the Development Contributions provisions of the LGA 2002 specifically relate to fiscal impacts or effects of growth, Financial Contributions for non-fiscal impacts of effects of development will need to be assessed through the RMA and District Plan processes. Chapter 15 of the District Plan (not operative) and any subsequent variations shall be considered in this policy.

## **WHICH CONTRIBUTIONS WILL APPLY**

Council has completed the process of removing parts of the Financial Contributions rules, policies and objectives under the provisions of Part 15 of the Queenstown Lakes District Plan. This has made Section 15 operative and Council can no longer impose Financial Contributions pursuant to Section 489 of the RMA.

Until the 2007 version of the Policy, Council has assessed Development Contributions on any application for resource consent, building consent or service connection lodged after 8 May 2004 and granted on or after 1 July 2004. It is now deemed appropriate to amend the application date of the Policy so that Development Contributions may also be assessed on any application for resource consent, building consent or service connection lodged before 8 May 2004 and granted on or after 1 July 2007. This amendment will affect very few applications as most applications received prior to 8 May 2004 have either been granted previously or withdrawn.

The Council cannot require a Development Contribution for a reserve; network infrastructure or community infrastructure if and to the extent that it has under Section 108, 407 or 409 of the RMA imposed a condition on a resource consent in relation to the same development for the same purpose. Council shall in requiring contributions, clearly identify under what circumstances and upon which legislation (RMA 1991, LGA 2002) a contribution is required.

The following tables indicate:

- Where Financial and Development Contributions are to be sought such that no duplication of levy for the same effect/benefit will occur.
- How much is to be charged per dwelling equivalent for each asset type within each area

**TYPES OF CONTRIBUTIONS REQUIRED BY GEOGRAPHIC AREA - WITHIN URBAN AREAS AND TOWNSHIPS (INCLUDES ALL LAND USES WITHIN AN URBAN AREA)**

<b>WATER SUPPLY</b>	<b>WASTEWATER</b>	<b>STORMWATER</b>	<b>TRANSPORTATION</b>	<b>TRANSPORTATION EASTERN ACCESS ROAD</b>	<b>RESERVE LAND</b>	<b>RESERVE IMPROVEMENTS</b>	<b>COMMUNITY FACILITIES</b>	<b>OTHER/ MISCELLANEOUS</b>
Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Wanaka Albert Town Hawea Luggate	Queenstown Arrowtown Lake Hayes Arthurs Point Wanaka Albert Town Hawea	Queenstown Frankton Flats Arrowtown Glenorchy Wanaka Albert Town Hawea Luggate Arthur's Point Lake Hayes Kingston	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Eastern Access Road Contributing Area	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthur's Point Kingston Wanaka Albert Town Hawea Luggate Cardrona	Queenstown Arrowtown Glenorchy Lake Hayes Arthurs Point Kingston Wanaka Albert Town Hawea Luggate Cardrona
Development Contributions	Development Contributions	Development Contributions	Development Contributions	Development Contributions	Development Contributions	Development Contributions	Development Contributions	Financial Contributions
Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2006.	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 10 October 2016.	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.  Land, Money or Combination of Both	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Environmental Effects – Chapter 15 District Plan and variations i.e. Environmental Considerations.
Kingston   No Scheme Available  To be assessed at the time a scheme is required and charged to all connections.	Glenorchy Kingston Luggate  No Scheme Available  To be assessed at the time a scheme is required and charged to all connections.	No Scheme assets of significance.  No Contributions to be sought.						

## TYPES OF CONTRIBUTIONS REQUIRED BY GEOGRAPHIC AREA - WITHIN RURAL AREAS

WATER SUPPLY	WASTEWATER	STORMWATER	TRANSPORTATION	RESERVE LAND	RESERVE IMPROVEMENTS	COMMUNITY FACILITIES	OTHER/ MISCELLANEOUS
Rural General and other rural zonings.	Rural General and other rural zonings.	Rural General and other rural zonings.	Rural General and other rural zonings.	Rural General and other rural zonings.	Rural General and other rural zonings.	Rural General and other rural zonings.	Rural General and other rural zonings.
Nil - Unless supplied by a scheme.	Nil - Unless supplied by a scheme.	Nil - Unless supplied by a scheme.	Development Contributions	Development Contributions	Development Contributions	Development Contributions	Financial Contributions
Scheme charge to apply and any network extension costs.	Scheme charge to apply and any network extension costs.	Scheme charge to apply and any network extension costs.	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2006.	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.  Land, Money or Combination of Both	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Assess and Collect development contributions as provided by Part 8, Subpart 5 and Schedule 13 of LGA 2002 from 1 July 2004.	Environmental Effects - Chapter 15 District Plan and variations i.e. Environmental Considerations.
Hawea Rural Residential	Hawea Rural Residential	Hawea Rural Residential					
Development Contributions	Development Contributions	Development Contributions					
Hawea development contributions payable	Hawea development contributions payable.	Hawea development contributions payable.					
Aubrey Road Rural Residential	Aubrey Road Rural Residential	Aubrey Road Rural Residential					
Development Contributions	Development Contributions	Development Contributions					
Wanaka development contributions payable.	Wanaka development contributions payable.	Wanaka development contributions payable.					

# **SCHEDULE OF DEVELOPMENT CONTRIBUTIONS PER DWELLING EQUIVALENT REQUIRED BY CONTRIBUTING AREA 2017/18 (EXCLUDING GST)**

Contributing Area	Water Supply (\$)	Wastewater (\$)	Stormwater (\$)	Transportation (\$)	Transportation Eastern Access Road (\$) <sup>1</sup>	Reserve Improvements* (\$)	Community Facilities (\$)	Total Cash Contribution (\$)	Reserve Land Contribution (\$ or Land)
<b>Urban Areas - Including All Land Uses</b>									
Queenstown	3,843	6,428	1,409	2,362		1,167	2,250	17,459	27.5m <sup>2</sup>
Frankton Flats <sup>1</sup>	3,843	6,428	4,726	2,362	720	1,167	2,250	21,496	27.5m <sup>2</sup>
Arrowtown	4,342	5,664	958	2,362		1,167	2,250	16,743	27.5m <sup>2</sup>
Glenorchy	6,658		674	2,362		1,167	2,250	13,111	27.5m <sup>2</sup>
Lake Hayes	2,652	7,245		2,362		1,167	2,250	15,676	27.5m <sup>2</sup>
Shotover Country	2,652	2,394		2,362		1,167	2,250	10,825	27.5m <sup>2</sup>
Arthur's Point	3,549	4,550		2,362		1,167	2,250	13,878	27.5m <sup>2</sup>
Wanaka	3,016	6,813	1,863	2,071		1,220	993	15,976	27.5m <sup>2</sup>
Hawea	5,632	7,428	476	2,071		1,220	993	17,820	27.5m <sup>2</sup>
Albert Town	3,016	6,813	922	2,071		1,220	993	15,035	27.5m <sup>2</sup>
Luggate	2,211	5,604		2,071		1,220	993	12,099	27.5m <sup>2</sup>
Other Wakatipu Townships				2,362		1,167	2,250	5,779	27.5m <sup>2</sup>
Other Wanaka Townships				2,071		1,220	993	4,284	27.5m <sup>2</sup>
<b>Rural Areas - Including all Rural Residential/Rural Life Style</b>									
Wakatipu Rural				2,362		1,167	2,250	5,779	27.5m <sup>2</sup>
Wanaka Rural				2,071		1,220	993	4,284	27.5m <sup>2</sup>
Hawea Rural Res.	5,632	7,245	476	2,071		1,220	993	17,820	27.5m <sup>2</sup>
Aubrey Road Rural Res.	3,016	6,813	1,863	2,071		1,220	993	15,976	27.5m <sup>2</sup>

\* Reserve Improvements contribution excludes requirement for 27.5m<sup>2</sup> reserve land contribution.

<sup>1</sup> The contributing area for the Eastern Access Road is not the same as the contributing area for Frankton Flats Stormwater. Refer to the map of the Eastern Access Road contributing area at Appendix A to see where this development contribution applies

## **Notes:**

- Development Contributions for water supply, wastewater, stormwater, reserves and community facilities have been assessed and will be collected using the LGA 2002 from 1 July 2004.
- Transportation development contributions have been assessed and will be collected using the LGA 2002 from 1 July 2006.
- Development contributions are triggered and may become payable on the granting of:
  - A Resource Consent.
  - A Building Consent.
  - An authorisation for a service connection.

Those Sites that apply for consents that result in additional demand beyond what has been assessed will be reviewed and further contributions required if the units of demand exceed those previously paid for.

## OVERVIEW OF CALCULATION METHODOLOGY

A brief introduction to the development contributions calculation method is presented herein. A full disclosure of the methodology and calculations is available from QLDC for public inspection at:

- Wanaka Service Centre, Ardmore Street, Wanaka.
- Civic Centre, 10 Gorge Road, Queenstown.

The current Development Contributions model applies to Water Supply, Wastewater, Stormwater, Reserves, Community Facilities and Transportation.

The key concept of the approach is to define the total capital expenditure (CAPEX) for growth consumed by the growth population over a period of time. This consumption of CAPEX for growth is then apportioned among the increased number of units of demand (dwelling equivalents) over the same time period. This defines the long run average cost of growth per unit of demand, defined as the dwelling equivalent contribution. This can be represented by the following formula.

Dwelling Equivalent Contribution	=	$\frac{\text{Sum of capex for growth consumed in analysis period}}{\text{Sum of new dwelling equivalents in analysis period}}$
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The calculation method can be simplified according to the following steps:

- STEP 1:** Assess capital expenditure for growth on an asset by asset basis using financial reports (past expenditure) and projected expenditure.
- STEP 2:** Apportion capital expenditure for growth by the growth population (dwelling equivalents) over the design life of the asset, to assess the \$/unit of demand.
- STEP 3:** For each year in the analysis period determine the total consumption of asset capacity for each asset identified, namely – \$/unit of demand x the number units of demand.
- STEP 4:** Sum for all assets in each year in the analysis period, namely total capacity consumed in that year, measured in \$.
- STEP 5:** Sum each year in the ten year analysis period and divide by the growth population (new dwelling equivalents) projected over the analysis period to determine the dwelling equivalent contribution.

## CAPITAL EXPENDITURE

Only capital expenditure (CAPEX) is considered in the model. All Operational Expenditure is excluded, including internal overheads.

Capital expenditure is identified from two sources, namely:

- a)** Activity Management Plans (formally Asset Management plans) and
- b)** Financial Reports.

The Activity Management Plans are used for assessing projected CAPEX. The AMPs are formal planning documents that include long term expenditure forecasts.

## CAPEX FOR GROWTH APPORTIONMENTS

The CAPEX identified above has been apportioned into five cost drivers. These being Growth, Renewal, Level of Service, Statutory and Deferred Works/Other. The growth apportionment is the significant driver for assessing development contributions. The cost drivers have been assessed using several methods.

These are:

- Asset Capacity.
- Using Design Life of New Assets to Approximate Growth Percentage.
- Assessed using professional judgement.

Following the completion of the growth study, Council updated its infrastructure models for water supply (WaterGEMS - Bentley Systems), wastewater (SewerGEMS - Bentley Systems) and developed a Transportation and Parking model (Tracks - Gabites Porter). These models provide a detailed insight into the effects of growth and consequently accurate growth apportionments can be made.

## LAND USE DIFFERENTIALS

Land use differentials are an important part of the calculations. They enable all development and subdivision types (residential and non-residential) to be considered. Non-residential activities can be described using a common unit of demand, which in this case is the dwelling equivalent.

The following table summarises how to calculate the number of dwelling equivalents (DE's) for a non-residential subdivision or development based on the Gross Floor Area (GFA).



## DWELLING EQUIVALENT CALCULATION TABLE

	WATER SUPPLY		WASTEWATER	STORMWATER	RESERVE IMPROVEMENTS AND COMMUNITY FACILITIES		RESERVE LAND		TRANSPORTATION		TRANSPORTATION – EASTERN ACCESS ROAD
Category	Dwelling Equivalents per 100m² GFA	Plus Network Factor Dwelling Equivalents	Dwelling Equivalents per 100m² GFA	Dwelling Equivalents per 100m² Impervious Surface Area	Dwelling Equivalents per 100m² GFA for Wakatipu	Dwelling Equivalents per 100m² GFA for Wanaka	Dwelling Equivalents per 100m² GFA for Wakatipu	Dwelling Equivalents per 100m² GFA for Wanaka	Dwelling Equivalents per 100m² GFA for Wakatipu	Dwelling Equivalents per 100m² GFA for Wanaka	Dwelling Equivalents per 100m² GFA
Residential	1 Dwelling Equivalent (DE) per Dwelling Unit										
Residential Flat	0.37	0.40	0.62	0.38	0.62	0.62	0.62	0.62	0.62	0.62	0.62
Multi Unit Residential	0.37	0.40	0.62	0.38	0.62	0.62	0.62	0.62	0.62	0.62	0.62
Accommodation	0.25	1.30	0.50	0.38	0.90	1.71	0.90	1.71	1.72	2.17	1.36
Commercial	0.16	1.17	0.20	0.38	0.04	0.06	0.00	0.00	2.15	2.56	2.99
Industrial	0.16	1.17	0.20	0.38	0.04	0.06	0.00	0.00	1.04	1.19	0.88
Country Dwelling	n/a		n/a	n/a	1 DE per Dwelling		0.66 DE's per Dwelling		1.34 DE's per Dwelling	3.01 DE's per Dwelling	-
Other	To be individually assessed at the time of application										
CBD Accommodation	0.25	1.30	0.50	0.38	0.90	1.71	0.90	1.71	1.72	2.17	-
CBD Commercial	0.16	1.17	0.20	0.38	0.04	0.06	0.00	0.00	2.15	2.56	-
Mixed Use Accommodation	1 DE per Dwelling		1 DE per Dwelling	0.38	0.78	0.95	0.78	0.95	1.30	1.38	0.81
Mixed Use Commercial	1 DE per Dwelling		1 DE per Dwelling	0.38	0.78	0.95	0.59	0.71	0.97	0.99	1.21
Primary Industry	1 DE per Dwelling		1 DE per Dwelling	1 DE per Dwelling	1 DE per Dwelling		0.66 DE's per Dwelling		1.69 DE's per 27Ha	1.83 DE's per 41Ha	-
Restaurant/Bar	0.83	1.17	0.46	0.38	0.04	0.06	0.00	0.00	2.15	2.56	2.99
Unusual Developments	To be individually assessed at the time of application - refer to page 160 for definition										

Note: **1.** A residential property is always 1 Dwelling Equivalent (DE) or has 160m² GFA. **2.** A residential property is always assumed to have 260m² Impermeable Surface Area (ISA). **3.** Non-residential developments (Commercial, Industrial, CBD Commercial, Mixed Use Commercial and Restaurant/Bar) will not be assessed for a Reserve Improvements Contribution.



The detailed methodology and formulas used to develop the above table are explained in the Detailed Supporting Document dated 1 July 2015 which is available on the QLDC website.

If the Gross Floor Area (GFA) is unknown, which may be the case at the subdivision consent stage, then the following table will be used to estimate the GFA.

LAND USE	ESTIMATED GFA (OR EQUIVALENT)	IMPERVIOUS SURFACE AREA (ISA) - USED FOR STORMWATER CALCULATION
Residential	One dwelling equivalent per lot	One dwelling equivalent per lot
Rural Lifestyle and Rural Residential	One dwelling equivalent per lot	One dwelling equivalent per lot
Rural General	One Country dwelling equivalent per lot - (refer to the Dwelling Equivalent Calculation Table on page 155)	One Country dwelling equivalent per lot - (refer to the Dwelling Equivalent Calculation Table on page 155)
Non-residential: Commercial / Industrial/ Restaurant/Bar/Visitor Accommodation	50m <sup>2</sup> gross floor area for lots <= 500m <sup>2</sup>  100m <sup>2</sup> gross floor area for lots > 500m <sup>2</sup> <= 2,000m <sup>2</sup>  400m <sup>2</sup> gross floor area for lots >2,000m	62.5m <sup>2</sup> ISA for lots <= 500m <sup>2</sup> .  125m <sup>2</sup> ISA for lots > 500m <sup>2</sup> <= 2,000m <sup>2</sup>  500m <sup>2</sup> ISA for lots >2,000m

## MULTI UNIT RESIDENTIAL DEVELOPMENTS

This relates to any development that involves the development of three or more residential units/apartments within a single site, it does not include additions, alterations or accessory buildings.

When assessing the number of dwelling equivalents for multi-unit developments, instead of allowing one dwelling equivalent per unit, the assessment will be done using the GFA of the development and the multi-unit residential differentials shown in the above table. This method more clearly defines the impact of multi-unit residential developments when compared to visitor accommodation and will make most developments of this type more affordable.

## RESIDENTIAL FLATS

Council requires development contributions to be assessed for all residential flats.

A residential flat for the purposes of this policy is a residential building or part of a residential building that is used, or can be used as independent residence containing its own kitchen, living and toilet bathroom facilities that is secondary to the main residence. Note: the definition of a kitchen comes from the District Plan.

Dwelling equivalents for residential flats will be calculated using the GFA of the residential flat and the differentials shown in the above table.

## RESERVE LAND CONTRIBUTION

A portion of development contributions paid to Council is utilised for the provision and improvement of reserve land within the Queenstown Lakes District. It is Council's aim to have adequate provision of accessible reserve land of high quality to serve its growing population. However, the reserve land development contribution level is significant relative to the cost of an overall development and can have an adverse effect of deterring investment in development within the Queenstown Lakes District.

This can be one of the barriers towards the provision of affordable housing. Through this policy, Council will ensure reserve land contributions are only applicable where there is currently limited provision. The following Reserve Land Contribution Policy has been established based on how the District is currently served by accessible reserve land, and how Council aims to meet demand for future provision of reserves.

The Queenstown Lakes District currently has a publicly accessible park provision of approximately 1,813 hectares. Based on a usual resident population of 29,500 this equates to 61.45 hectares of park per 1000 residents. This level of service is significantly higher than the national average of approximately 21 hectares per 1000 residents and while it is desirable to maintain the current ratio of recreational land to population, it is not considered necessary to increase the level of recreational land provision per capita unless to enable a specific recreation asset (e.g. sports fields) that cannot be accommodated within existing reserve land or is to service new developments in Greenfield sites.

Existing residential areas enjoy a good provision of local parks, sports fields, esplanade strips adjoining lake and river margins, lakeside beaches, significant walking and biking trails, and track network and surrounding Department of Conservation reserves. Queenstown Lakes District residents and visitors use a mix of different types of these reserve areas for a variety of active and passive recreation purposes.

Although provision of land used for recreation purposes is high, much of the land is underdeveloped and continual improvement is required to ensure reserve land is functional and of high quality. This generates the ongoing need for development contributions for reserve improvements as new developments continue to increase the usage of reserves across the District.

Whilst development contributions for reserve improvements remain applicable, in respect to the future requirement for obtaining reserve land, there is scope to reduce development contributions for reserve land acquisition in residential areas that currently have adequate reserve provision. This revised policy looks to ensuring that land acquisition only occurs when real demand exists and also ensures that maintenance costs for reserve land are sustainable.

For new developments within areas that do not have adequate reserve provision there will be a need for additional reserves to meet the recreational demand of the new residents in those areas. Accordingly, development contributions for reserve land will continue to be required in these areas.

The land contribution has been assessed at 27.5m<sup>2</sup> for each residential property that requires a reserve land contribution component. In this policy the term 'residential' includes visitor accommodation.

The below helps identify those areas which are deemed to have reserve land take requirements.

### Greenfield in Urban Areas

Where residential development is proposed in **urban areas**<sup>1</sup> and does not have resource consent for future development by 1 July 2017, consideration for reserve land contributions will be on a case by case basis.

Consideration will be given to whether there is existing **accessible**<sup>2</sup> reserve land within 800m of the site, and whether the reserve is of an appropriate size and **purpose**<sup>3</sup> relative to the proposed development and existing surrounding developments.

### Greenfield in Rural Areas

Where residential development is proposed in **rural areas**<sup>4</sup> and does not have resource consent for future development by 1 July 2017, consideration for reserve land contributions will be on a case by case basis.

Consideration will be given to whether there is existing **accessible** reserve land within 800m of the site, and whether the reserve is of an appropriate size and purpose relative to the size of the proposed development and surrounding development.

Should these lots be required to pay a Reserve Land contribution, and not connected to Councils water or wastewater reticulation and are larger than 4000m<sup>2</sup> they will be assessed under the Country Dwelling category and subject to a reduced level of reserve land development contributions as the demand for reserve land tends to be less than the demand generated by new land parcels that are smaller and within more highly developed areas.

As the establishment of piecemeal reserves through rural areas is undesirable, land contributions in lieu of cash contributions will not be accepted for this type of development/subdivision.

### Brownfield Sites

Brownfield sites are developed land parcels in urban areas that contain existing development or have been subdivided previously for residential purposes.

The Queenstown Lakes District has good provision of accessible reserve land in developed urban areas. As such there is an opportunity to reduce development contributions for reserve land in these areas. Reserve land contributions will therefore not be applicable to the development of Brownfield sites.

In addition, there is a desire to encourage infill development in respect of residential flats, so neither urban nor rural sites will be required to pay reserve land contributions for a residential flat that accompanies a primary dwelling.

<sup>1</sup> 2015 Estimate based on medium growth from 2013 census - Queenstown Lakes District Projections for Resident Population, Dwellings and Rating Units to 2065 April 2014

<sup>2</sup> Parks Strategy 2002

<sup>3</sup> As per the Local Government Act amendments 2014

## Note

- <sup>1</sup> Urban areas in this policy are all zones that are not zoned Rural General, Rural Residential or Rural Lifestyle)
- <sup>2</sup> For a reserve to be 'accessible' it is considered it should easily accessed by pedestrians. Council retains discretion on the consideration of what is appropriately accessible in any given case.
- <sup>3</sup> For reserve land to meet its purpose for recreation, it includes reserve areas that can be used for active and passive recreation including flat, open park spaces usable for play activities e.g. kicking a ball. To avoid doubt, reserves do not include Department of Conservation land, Ministry of Education land, road reserves, esplanade reserves, drainage reserves or public walkways with ROW easements in favour of Council.
- <sup>4</sup> Rural areas in this policy are Rural General, Rural Residential or Rural Lifestyle zones.

## When a Reserve Land Contribution is Required

At Council's discretion the reserves contribution can be either land or cash or a combination of both. Consultation with Council is required prior to an application for an outline development plan, a plan change, a resource or building consent being lodged. In some instances, Council may accept or require a contribution to the equivalent value in the form of land or infrastructure.

An outcome of the consultation will be to form a developer's agreement as to whether cash or land or both are appropriate in any given case. For example, to allow reserve assets to vest in Council through the subdivision consent process, where they are considered of a suitable standard in terms of Council's reserve requirements, and credit them against the contributions required.

Land offered to Council in lieu of cash development contributions for Reserve Land acquisition must be of a suitable standard, size and purpose to be accepted by Council. This shall be at the discretion of Council and the following guidelines will assist developers to provide proposals for suitable land:

CHARACTERISTIC	STANDARD
Gradient	Land offered shall be generally easily maintainable flat land. This will ensure costly maintenance of unsuitable high gradient land is not borne by ratepayers in the future and land provided is suitable for recreational purposes. In some cases, where Council deems it appropriate, land not meeting this gradient standard may be acceptable to allow land not suitable for active use to be accepted to protect amenity or landscape features, to protect scenic backdrops and heritage landscapes or to create walking or cycling connections that cannot otherwise be made on gentler gradients.
Size	27.5m <sup>2</sup> per potential residential unit. Reserves shall be of a usable size. Pocket parks are generally not to be accepted unless they protect amenity or landscape features, or protect scenic backdrops and heritage landscapes or create walking or cycling connections that cannot otherwise be made through the provision of existing reserves or new larger reserves.
Unrestricted	No legal covenants that will restrict Council from meeting its Reserves Act Obligations
Accessible	Within 800m of housing or accommodation it serves

If a cash contribution is required, the value of the land shall fall into the category of either urban or township. The land values for the two wards have been calculated as averages as follows:

CATEGORY OF LAND	LAND VALUE*
<b>Wakatipu Ward</b>	
Urban	\$335/m <sup>2</sup>
Township	\$150/m <sup>2</sup>
<b>Wanaka Ward</b>	
Urban	\$235/m <sup>2</sup>
Township	\$150/m <sup>2</sup>

\*Land values are GST exclusive

These values will be reviewed yearly; see Maximum Contributions below.

If the applicant considers these values to be incorrect, then the applicant may request Council to obtain a valuation of the land which is at the applicant's expense. Where this process is applied, payment shall be calculated as follows:

- A** The market value of the new sites is the sale value of the sites at the date on which the valuation is requested.
- B** The market value of the new sites shall be capped at \$1500 per m<sup>2</sup> and this maximum value will be reviewed by Council annually.
- C** Lots for roads, utilities, reserves, access or similar purposes shall be excluded from the calculation.
- D** Market value of a new site in the case of a stratum title under the Unit Titles Act, where the site is not situated on the ground, shall be calculated as if the site were on the ground.
- E** In Rural Zones (except for Rural Visitor Zones), where the lots created are greater than 4000m<sup>2</sup>, the market value of each lot shall be the market value of the rural residential site of 4000m<sup>2</sup> within that lot, being the most likely site for a building platform.
- F** The value of the land contribution per m<sup>2</sup>, in Rural Zones (except for Rural Visitor Zones) shall be the market value as defined in (e) above divided by 1000m<sup>2</sup>.

Most of the existing reserve land in the District is under developed and funding is needed to enhance reserves, particularly to provide for future population growth projections. Generally land should not be taken for reserves unless it is required for Greenfield development or in some rare cases to protect scenic backdrops and heritage landscapes, or to create new walking or cycling connections that cannot otherwise be made.

An analysis of projected demand for reserve land has been completed using two contributing areas for the district. It is expected that the total value of reserve land that will be needed over the next 10 years is estimated to be \$19.1m. This is based on the 27.5m<sup>2</sup> desired level of service for each new dwelling equivalent. 100% of this demand can be attributed to growth and will be provided through development contributions either through the provision of land or as cash contribution. Forecasts show that 70% of this total demand is likely to be provided through the provision of vested land from developers.

## MAXIMUM CONTRIBUTIONS

Section 203 of the Local Government Act 2002 allows the following maximum contributions.

“Development contributions for reserves must not exceed the greater of -

- A** 7.5% of the value of the additional allotments created by a subdivision; and
- B** the value equivalent of 20 square metres of land for each additional household unit created by the development.”

*Note:* Council will ensure that the statutory maximum is not exceeded in the application of the policy and calculation methods.

## SIGNIFICANT ASSUMPTIONS USED IN THE CALCULATION OF DEVELOPMENT CONTRIBUTIONS

As both the TYP and this Policy rely on the same base data, the significant forecasting assumptions disclosed in Volume 2 of the TYP pp 4-8 also apply to this Policy. All information used in the calculations of either development or financial contributions is the best available at the time. Council is proceeding with numerous strategic studies which will aid in delivering improved information. Council is committed to updating its contribution calculations as the results of these studies become available.

## FINANCIAL CONSIDERATIONS

The following are key financial considerations applied in the model:

- All figures are in current New Zealand dollars - effective 1 July 2015.
- Inflation is applied to past capital projects only.
- Interest costs have been assessed based on the weighted average cost of capital (WACC) over the first 10 year period from 1 July 2015. The cumulative net deficit between the contributions anticipated to be collected and the growth costs over the 10 year period are used to determine the proportion of the growth cost that will be funded by debt. A 6.0% interest rate has been applied.
- Capital expenditure projections are those that have been applied in the TYP effective at 1 July 2015 and subsequent Annual Plans. The public nature and auditability of these capital projections provides additional confidence to the process. Schedule 10 of the LGA 2002 prescribes a number of disclosures including growth, renewal and level of service apportionments.

## GROWTH PROJECTIONS

These have been estimated using the best information available.

- Growth Projections 2014 – Council engaged services from the market place to complete its own growth study. These projections detailed residential, visitor and commercial/ industrial growth. The results of this study have been applied to all infrastructure studies completed since including water, wastewater and transportation.

Council produces a six monthly dwelling capacity study. This study identifies the ultimate number of dwellings in specific areas given the existing district plan zonings. This is used as a guide to define where growth in specific contributing areas will cease. Growth projections are converted into units of demand or dwelling equivalents which are used to apportion the growth cost to define a dwelling equivalent contribution. Assessing total dwelling equivalents involves converting non-residential land uses into dwelling equivalents and adding this to the number of dwellings. This is completed using land use conversion factors.

## MONITORING AND REVIEW OF DEVELOPMENT CONTRIBUTIONS POLICY

Council will monitor and review the following:

- **Annual Calculation Updates:**
  - > Identify capital expenditure actually undertaken and whether the projections remain reasonable. This may include adding or deleting capital projects.
  - > Update capital costs to reflect a year of inflation. This will be based on SNZ Labour cost index and Producer Price Index.
  - > Review population projections.
  - > Any asset planning initiatives including changing levels of service, updated capital projections.
  - > Update any new information that has become available. This may include updated population projections, additional zoning and scheme boundary changes.
  - > Correction of any errors or omissions.

- **Annual Policy Reviews:**

- > Any changes to the policy direction of Council that affects this policy. This may include changes to the TYP, Revenue and Financing Policy and strategic studies.
- > New information affecting the land use differential analysis.
- > Inclusion of any Financial Contributions as derived from a variation to the District Plan and in particular Chapter 15.

## POSTPONEMENT OR REMISSION

Council may allow for postponement or remission of contributions in the following circumstances:

- A** Council may accept or require a contribution to the equivalent value in the form of land or infrastructure. It may be appropriate, for example, to allow reserve assets to vest in Council through the subdivision consent process, where they meet Council's reserve requirements, and credit them against the contributions required. Any such proposals will need to be the subject of an agreement with Council before the consent is issued, and will be dealt with on a case by case basis.
- B** Where an applicant can demonstrate that a development creates a significantly different demand on infrastructure than could usually be expected under the relevant land use category, Council will individually assess any such development taking into account the unusual demand characteristics.

All applications for Postponement or Remission must be made in writing to the Chief Executive Officer of the Council.

## UNUSUAL DEVELOPMENTS

Council reserves the right to individually assess contributions on any development that it deems to create a significantly different demand on infrastructure than could usually be expected under their relevant land use category. This may include a development that Council deems does not fit into the land use categories.



## RECONSIDERATIONS & OBJECTIONS

An applicant may request Council to reconsider the requirement to pay a development contribution if the applicant has grounds to believe that:

- A** the development contribution was incorrectly calculated or assessed under the Council's development contributions policy; or
- B** Council incorrectly applied its development contributions policy; or
- C** the information used to assess the person's development against the development contributions policy, or the way Council has recorded or used it when requiring a development contribution, was incomplete or contained errors.

A request for reconsideration must be made in writing stating clearly on which grounds the applicant believes the Council has erred. The request for reconsideration must be made within 10 working days after the date on which the person lodging the request receives notice from Council of the level of development contribution that Council requires. This request should be addressed to:

- Development Contribution Officer (QLDC), Private Bag 50072, Queenstown 9348
- Email: [developmentcontributions@qldc.govt.nz](mailto:developmentcontributions@qldc.govt.nz)

The steps that Council will apply when reconsidering the requirement to make a development contribution are:

- i)** The appropriate Council officer shall review the reconsideration request,
- ii)** The Council officer may request further relevant information from the applicant,
- iii)** The Council officer will make a recommendation to the delegated authority,
- iv)** Council will, within 15 working days after the date on which it receives all required relevant information relating to a request, give written notice of the outcome of its reconsideration to the person who made the request.

A reconsideration cannot be requested if the applicant has already lodged an objection. If the applicant is not satisfied with the outcome of the reconsideration, they may lodge an objection as specified in the Local Government Act 2002 Amendment Act (No 3) 2014, s199C to s199N.

## REFUNDS AND REIMBURSEMENT

Where Council required a development/financial contribution as part of subdivision or development activities and where the documentation (resource consent, building consent or connection authorisation) permitting that subdivision or development has lapsed, Council will refund the contribution. This does not prevent Council from requiring development/financial contributions in the future. Council may retain a portion of the contribution of a value equivalent to the costs incurred by the Council in processing/assessing the contribution required by the subdivision or development.

### WHEN WILL PAYMENT BE REQUIRED

Development contributions may be sought in respect of any development that generates a demand for reserves, network or community infrastructure. Council will assess whether development contributions are payable in relation to the development when an application for one of the following is made:

- i)** Resource Consent
- ii)** Building Consent
- iii)** Authorisation for a Service Connection

Any Development contributions assessed will be payable on granting of consent with a due date for payment as follows:

- Resource consent (subdivision) – prior to the issue of S224c certificate;
- Resource consent (other) – prior to commencement of the consent except where a building consent is required then payment shall be prior to the issue of the code of compliance certificate, certificate of acceptance or prior to the connection to Council services, whichever comes first.
- Building consent – prior to the issue of the code of compliance certificate, certificate of acceptance or prior to the connection to Council services, whichever comes first.
- Service connection – prior to connection.

If payment is not received the Council may (under section 208 of the LGA):

- Withhold S224c Certificate on a subdivision;
- Prevent the commencement of a resource consent for a development
- Withhold a code of compliance certificate under the Building Act
- Withhold a certificate of acceptance under the Building Act
- Withhold a service connection to a development.

In each case the Council may register the Development Contribution under the Statutory Land Charges Registration Act 1928 as a charge on the title of the land for which the contribution was required.

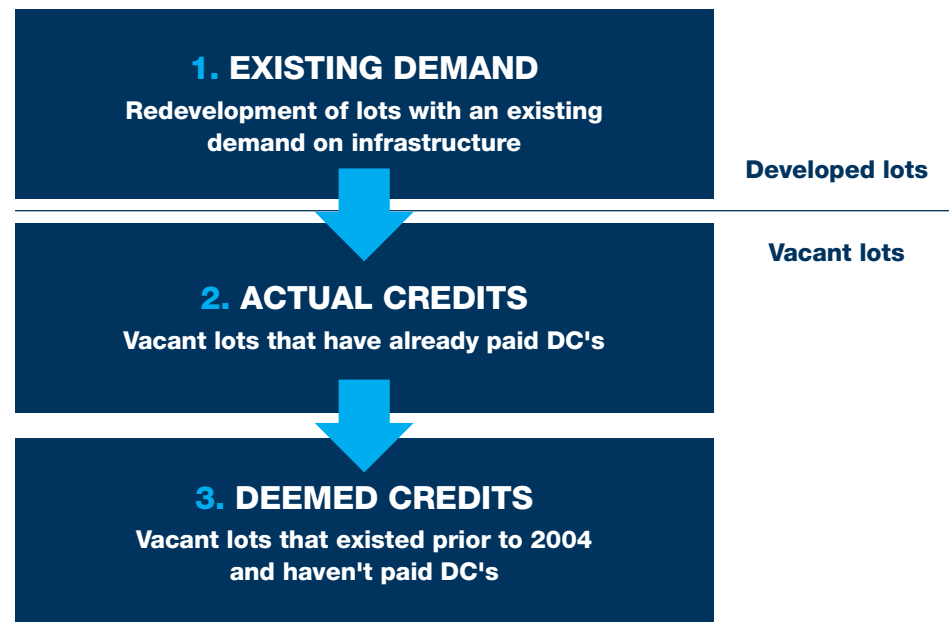
## CREDITS

### Assessing Additional Demand - Existing Demand and Credits

The following existing demand and credit considerations apply to all development contribution assessments:

- The existing demand of any lot that is to be developed will be converted to a dwelling equivalent credit when assessing development contributions. Thus, development contributions are solely for additional demand created by the new development.
- Credits will be specific to the activity for which they were paid (i.e. a water supply credit will not be able to offset a wastewater contribution).
- Credits are to be site specific (not transferable) and non-refundable unless the refund provisions of the Act apply.

There are three types of development contribution credits that may be applied:





The applications of existing demand and credits are described in the table below:

**TABLE OF CREDIT TYPES**

When do they apply?	Information to be provided by the developer	The following situations are anticipated		Exceptions	Comments
		Type of Development	Details		
Existing Demand					
Redevelopment of lots with an existing demand on infrastructure where a development contribution has never been paid.	The existing use of the site prior to redevelopment expressed in the appropriate unit of demand (e.g. Gross Floor Area (GFA), Impermeable Surface Area (ISA), number of residential units etc.)  Should the developer be unable to provide confirmation of credits, no credits will be allocated.	Redevelopment	The existing demand will be quantified in dwelling equivalents using the current development contributions policy.	Lots that have a consent notice registered on the certificate of title stating that the lot has not been serviced by Councils water, wastewater or stormwater. In these instances no credits will be given unless the developer is able to provide otherwise.	Only the current (existing) demand will be assessed and not any historic use of the site.
Actual Credit					
Development of lots when development contributions have already been paid. This will apply to all lots created after 1 July 2004.	Records of development contributions paid.  Should the developer be unable to provide confirmation of credits, no credits will be allocated.	All lots.	The actual credit will be quantified in dwelling equivalents for each activity based on the policy under which the payment was made.	Lots that have a consent notice registered on the certificate of title stating that the lot has not been serviced by Councils water, wastewater or stormwater. In these instances no credits will be given unless the developer is able to provide otherwise.	Any surplus credits will remain on the land for future development.

**TABLE OF CREDIT TYPES CONTINUED**

When do they apply?	Information to be provided by the developer	The following situations are anticipated		Exceptions	Comments
		Type of Development	Details		
Deemed Credit					
Deemed credit to apply to vacant lots that existed prior to the requirement for development contributions (2004) and has not paid development contributions.	Developer to provide the certificate of title for the lot(s) to prove that the lot has existed prior to 2004.	Residential	One dwelling equivalent per lot.	<ul style="list-style-type: none"><li>Lots that have a consent notice registered on the certificate of title stating that the lot has not been serviced by Councils water, wastewater or stormwater. In these instances no credits will be given unless the developer is able to provide otherwise.</li><li>Any excess historical credits that are identified as a result of an amalgamation of individual titles will accrue on the new amalgamated title but will lapse if not utilised within a period of three years</li><li>Some areas may not be due a full dwelling equivalent credit as pre 2004 Council owned water and wastewater infrastructure was not available to all sites.</li></ul> <p>The general exceptions are:</p> <ul style="list-style-type: none"><li>Vacant lots in Lake Hayes (water supply &amp; wastewater) were not required to pay a capital contribution when the schemes were introduced. As such full DC's are payable at the time of development.</li><li>Glenorchy: A small number of property owners paid a lump sum contribution towards the Glenorchy water scheme. All other property owners are required to pay for new water connections. Please contact the DCN officer at QLDC to determine whether your property paid.</li><li>Luggate:<ul style="list-style-type: none"><li>Luggate Lots created pre July 2004: no credits for water or wastewater as vacant sites were not required to pay a capital contribution when the schemes were introduced</li><li>Luggate Lots created between July 2004 and July 2014: no credits for wastewater (credit for water however)</li><li>Luggate Lots created post July 2014: all credits should apply</li></ul></li><li>Aubrey Road, Studholme Road, and Tucker Beach Road: Council owned water reticulation has been progressively extended. These sites may not have a credit for water or wastewater. Applicant to provide evidence of connection and payment</li></ul>	A deemed credit will only apply when an actual credit does not exist.
		Rural sites	For Rural general sites, one dwelling equivalent per registered building platform.  For all other rural sites one dwelling equivalent will apply for reserves and roading.  Owner to provide evidence that water and wastewater should also receive a credit.		
		Commercial / Industrial	50m <sup>2</sup> gross floor area and impervious site area for lots <= 500m <sup>2</sup> .  100m <sup>2</sup> gross floor area and impervious site area for lots > 500m <sup>2</sup> <= 2,000m <sup>2</sup> .  400m <sup>2</sup> gross floor area and impervious site area for lots >2,000m <sup>2</sup> .		

## DELEGATIONS

The Chief Executive is delegated the power to determine in accordance with this policy whether a development or financial contribution will be sought. This includes the power to:

- increase the quantum of those contributions under the authority of section 106(2B) of the Local Government Act 2002;
- the power to enter into a development agreement;

The Chief Executive has delegated authority to approve a reduction or a postponement in a development contribution levied on a developer in accordance with the terms of this Policy. No delegation is provided to the Chief Executive for hardship related remissions or remissions not otherwise provided for in this policy.

The Chief Executive may sub-delegate any of these powers. For the avoidance of doubt, the exercise of these powers is not a transaction as defined within the financial delegations register. Therefore specified transaction limits in the financial delegations do not apply to the exercise of these powers.

The Chief Executive will ensure the Policy is implemented.

## CAPITAL EXPENDITURE ATTRIBUTED TO GROWTH

The following tables demonstrate the nature and level of expected capital expenditure required by Council and the portion that is attributable to growth. A table is produced for each activity (asset type) which shows the CAPEX for each geographic area where a contribution has been assessed. The CAPEX attributable to growth is apportioned equitably among the growth population to define a set charge for each unit of demand. The unit of demand is expressed in terms of a dwelling equivalent.

Additional tables are provided which detail the debt funding ratio which will apply to each area.

# WATER SUPPLY CAPITAL EXPENDITURE FOR DEVELOPMENT CONTRIBUTIONS (EXCLUDING GST)

Project Summaries	10 Year Study Period Total Capital Cost (2017/18 \$)	Capital Cost Funded by Growth (2017/18 \$)	Capital Cost Funded by Other Sources (2017/18 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2017/18 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2017/18 \$)
<b>QUEENSTOWN</b>							
Reticulation	12,450,409	6,564,579	5,885,831	53%	5,617,600	2,412	2,329
Pump Station	22,234	11,562	10,672	52%	1,107,349	2,412	459
Decomissioning Works	-	-	-	0%	-	2,412	-
Unspecified Expenditure	-	-	-	0%	44,495	2,412	18
Storage	2,485,538	819,196	1,666,342	33%	1,056,529	2,412	438
New Scheme	-	-	-	0%	-	2,412	-
Intake	803,556	190,576	612,980	24%	576,632	2,412	239
Renewals	9,539,035	-	9,539,035	0%	-	2,412	-
Investigations	-	-	-	0%	-	2,412	-
Management	832,042	187,152	644,890	22%	138,784	2,412	58
Conveyance	-	-	-	0%	-	2,412	-
Emergency Conveyance	-	-	-	0%	-	2,412	-
Flow Metering	100,000	-	100,000	0%	63,973	2,412	27
Treatment Facility	2,265,557	305,901	1,959,656	14%	464,262	2,412	192
Forward Design	250,000	227,500	22,500	91%	130,799	2,412	54
Minor Works	146,011	39,758	106,252	27%	17,655	2,412	7
Asset Management System	32,600	-	32,600	0%	52,137	2,412	22
<b>Total Water Supply - Queenstown</b>	<b>28,926,983</b>	<b>8,346,225</b>	<b>20,580,758</b>	<b>29%</b>	<b>9,270,215</b>	<b>2,412</b>	<b>3,843</b>

**WATER SUPPLY CAPITAL EXPENDITURE FOR DEVELOPMENT CONTRIBUTIONS (EXCLUDING GST) CONTINUED**

Project Summaries	10 Year Study Period Total Capital Cost (2017/18 \$)	Capital Cost Funded by Growth (2017/18 \$)	Capital Cost Funded by Other Sources (2017/18 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2017/18 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2017/18 \$)
<b>ARROWTOWN</b>							
Reticulation	-	-	-	0%	275,513	114	2,414
Pump Station	-	-	-	0%	7,432	114	65
Decommissioning Works	-	-	-	0%	-	114	-
Unspecified Expenditure	-	-	-	0%	16,826	114	147
Storage	24,900	-	24,900	0%	123,818	114	1,085
New Scheme	-	-	-	0%	-	114	-
Intake	-	-	-	0%	45,986	114	403
Renewals	1,465,607	-	1,465,607	0%	-	114	-
Investigations	-	-	-	0%	-	114	-
Management	55,787	15,925	39,862	29%	3,806	114	33
Conveyance	-	-	-	0%	-	114	-
Emergency Conveyance	-	-	-	0%	-	114	-
Flow Metering	-	-	-	0%	1,525	114	13
Treatment Facility	-	-	-	0%	16,653	114	146
Forward Design	-	-	-	0%	-	114	-
Minor Works	-	-	-	0%	171	114	2
Asset Management System	-	-	-	0%	3,848	114	34
<b>Total Water Supply - Arrows town</b>	<b>1,546,294</b>	<b>15,925</b>	<b>1,530,369</b>	<b>1%</b>	<b>495,578</b>	<b>114</b>	<b>4,342</b>

**WATER SUPPLY CAPITAL EXPENDITURE FOR DEVELOPMENT CONTRIBUTIONS (EXCLUDING GST) CONTINUED**

Project Summaries	10 Year Study Period Total Capital Cost (2017/18 \$)	Capital Cost Funded by Growth (2017/18 \$)	Capital Cost Funded by Other Sources (2017/18 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2017/18 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2017/18 \$)
<b>GLENORCHY</b>							
Reticulation	-	-	-	0%	76,176	33	2,313
Pump Station	-	-	-	0%	8,964	33	272
Decommissioning Works	-	-	-	0%	-	33	-
Unspecified Expenditure	-	-	-	0%	10,907	33	331
Storage	450,507	183,599	266,908	41%	50,709	33	1,540
New Scheme	-	-	-	0%	48,774	33	1,481
Intake	-	-	-	0%	3,155	33	96
Renewals	289,911	-	289,911	0%	-	33	-
Investigations	-	-	-	0%	-	33	-
Management	7,449	1,373	6,076	18%	671	33	20
Conveyance	-	-	-	0%	-	33	-
Emergency Conveyance	-	-	-	0%	-	33	-
Flow Metering	-	-	-	0%	1,799	33	55
Treatment Facility	-	-	-	0%	248	33	8
Forward Design	-	-	-	0%	5,566	33	169
Minor Works	129,273	25,126	104,148	19%	11,478	33	348
Asset Management System	-	-	-	0%	837	33	25
<b>Total Water Supply - Glenorchy</b>	<b>877,140</b>	<b>210,097</b>	<b>667,043</b>	<b>24%</b>	<b>219,282</b>	<b>33</b>	<b>6,658</b>

**WATER SUPPLY CAPITAL EXPENDITURE FOR DEVELOPMENT CONTRIBUTIONS (EXCLUDING GST) CONTINUED**

Project Summaries	10 Year Study Period Total Capital Cost (2017/18 \$)	Capital Cost Funded by Growth (2017/18 \$)	Capital Cost Funded by Other Sources (2017/18 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2017/18 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2017/18 \$)
<b>LAKE HAYES/SHOTOVER COUNTRY</b>							
Reticulation	-	-	-	0%	120,067	79	1,526
Pump Station	-	-	-	0%	-	79	-
Decommissioning Works	-	-	-	0%	-	79	-
Unspecified Expenditure	-	-	-	0%	127	79	2
Storage	-	-	-	0%	20,854	79	265
New Scheme	-	-	-	0%	38,085	79	484
Intake	-	-	-	0%	-	79	-
Renewals	1,065,132	-	1,065,132	0%	-	79	-
Investigations	-	-	-	0%	-	79	-
Management	26,943	4,661	22,282	17%	1,393	79	18
Conveyance	-	-	-	0%	-	79	-
Emergency Conveyance	-	-	-	0%	-	79	-
Flow Metering	595,021	34,128	560,892	6%	14,406	79	183
Treatment Facility	-	-	-	0%	10,851	79	138
Forward Design	-	-	-	0%	-	79	-
Minor Works	-	-	-	0%	-	79	-
Asset Management System	-	-	-	0%	2,840	79	36
<b>Total Water Supply - Lake Hayes</b>	<b>1,687,095</b>	<b>38,789</b>	<b>1,648,306</b>	<b>2%</b>	<b>208,622</b>	<b>79</b>	<b>2,652</b>



**WATER SUPPLY CAPITAL EXPENDITURE FOR DEVELOPMENT CONTRIBUTIONS (EXCLUDING GST) CONTINUED**

Project Summaries	10 Year Study Period Total Capital Cost (2017/18 \$)	Capital Cost Funded by Growth (2017/18 \$)	Capital Cost Funded by Other Sources (2017/18 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2017/18 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2017/18 \$)
<b>ARTHURS POINT</b>							
Reticulation	-	-	-	0%	246,641	169	1,462
Pump Station	-	-	-	0%	-	169	-
Decomissioning Works	-	-	-	0%	-	169	-
Unspecified Expenditure	-	-	-	0%	5,271	169	31
Storage	-	-	-	0%	276	169	2
New Scheme	-	-	-	0%	159,220	169	944
Intake	1,247,263	533,829	713,434	43%	130,864	169	776
Renewals	473,180	-	473,180	0%	7,049	169	42
Investigations	-	-	-	0%	-	169	-
Management	26,943	5,215	21,728	19%	1,999	169	12
Conveyance	-	-	-	0%	-	169	-
Emergency Conveyance	-	-	-	0%	-	169	-
Flow Metering	-	-	-	0%	-	169	-
Treatment Facility	-	-	-	0%	35,814	169	212
Forward Design	-	-	-	0%	-	169	-
Minor Works	-	-	-	0%	5,564	169	33
Asset Management System	-	-	-	0%	6,006	169	36
<b>Total Water Supply - Arthurs Point</b>	<b>1,747,386</b>	<b>539,043</b>	<b>1,208,342</b>	<b>31%</b>	<b>598,703</b>	<b>169</b>	<b>3,549</b>

**WATER SUPPLY CAPITAL EXPENDITURE FOR DEVELOPMENT CONTRIBUTIONS (EXCLUDING GST) CONTINUED**

Project Summaries	10 Year Study Period Total Capital Cost (2017/18 \$)	Capital Cost Funded by Growth (2017/18 \$)	Capital Cost Funded by Other Sources (2017/18 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2017/18 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2017/18 \$)
<b>WANAKA</b>							
Reticulation	5,722,528	3,822,005	1,900,523	67%	2,183,498	1,580	1,382
Pump Station	-	-	-	0%	151,496	1,580	96
Decommissioning Works	-	-	-	0%	-	1,580	-
Unspecified Expenditure	-	-	-	0%	86,636	1,580	55
Storage	2,943,465	2,352,157	591,308	80%	1,934,888	1,580	1,225
New Scheme	-	-	-	0%	-	1,580	-
Intake	1,624,158	1,201,808	422,351	74%	288,067	1,580	182
Renewals	6,181,002	-	6,181,002	0%	-	1,580	-
Investigations	-	-	-	0%	8	1,580	0
Management	222,990	50,029	172,961	22%	17,159	1,580	11
Conveyance	-	-	-	0%	-	1,580	-
Emergency Conveyance	-	-	-	0%	-	1,580	-
Flow Metering	-	-	-	0%	18,527	1,580	12
Treatment Facility	-	-	-	0%	37,883	1,580	24
Forward Design	-	-	-	0%	31,841	1,580	20
Minor Works	-	-	-	0%	741	1,580	0
Asset Management System	-	-	-	0%	13,895	1,580	9
<b>Total Water Supply - Wanaka</b>	<b>16,694,143</b>	<b>7,425,999</b>	<b>9,268,144</b>	<b>44%</b>	<b>4,764,638</b>	<b>1,580</b>	<b>3,016</b>

**WATER SUPPLY CAPITAL EXPENDITURE FOR DEVELOPMENT CONTRIBUTIONS (EXCLUDING GST) CONTINUED**

Project Summaries	10 Year Study Period Total Capital Cost (2017/18 \$)	Capital Cost Funded by Growth (2017/18 \$)	Capital Cost Funded by Other Sources (2017/18 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2017/18 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2017/18 \$)
<b>HAWEA</b>							
Reticulation	-	-	-	0%	332,712	115	2,897
Pump Station	-	-	-	0%	79	115	1
Decommissioning Works	-	-	-	0%	-	115	-
Unspecified Expenditure	-	-	-	0%	1,980	115	17
Storage	-	-	-	0%	1,622	115	14
New Scheme	-	-	-	0%	-	115	-
Intake	724,526	231,782	492,744	32%	270,880	115	2,359
Renewals	422,297	-	422,297	0%	-	115	-
Investigations	-	-	-	0%	-	115	-
Management	21,079	4,383	16,695	21%	1,593	115	14
Conveyance	-	-	-	0%	-	115	-
Emergency Conveyance	-	-	-	0%	-	115	-
Flow Metering	125,539	29,238	96,301	23%	24,348	115	212
Treatment Facility	-	-	-	0%	8,281	115	72
Forward Design	-	-	-	0%	-	115	-
Minor Works	-	-	-	0%	5,116	115	45
Asset Management System	-	-	-	0%	188	115	2
<b>Total Water Supply - Hawea</b>	<b>1,293,440</b>	<b>265,404</b>	<b>1,028,037</b>	<b>21%</b>	<b>646,801</b>	<b>115</b>	<b>5,632</b>

**WATER SUPPLY CAPITAL EXPENDITURE FOR DEVELOPMENT CONTRIBUTIONS (EXCLUDING GST) CONTINUED**

Project Summaries	10 Year Study Period Total Capital Cost (2017/18 \$)	Capital Cost Funded by Growth (2017/18 \$)	Capital Cost Funded by Other Sources (2017/18 \$)	Percentage Attributable to Growth	Growth Cost (Capacity) Consumed in 10 Year Period - Inc Interest All Expenditure (2017/18 \$)	Weighted Average No of Dwelling Equivalents Apportioning Growth Cost Over 10 Year Period	Contribution Per Lot (2017/18 \$)
<b>LUGGATE</b>							
Reticulation	-	-	-	0%	3,359	40	85
Pump Station	-	-	-	0%	7,431	40	188
Decommissioning Works	-	-	-	0%	-	40	-
Unspecified Expenditure	-	-	-	0%	669	40	17
Storage	-	-	-	0%	19,270	40	486
New Scheme	-	-	-	0%	-	40	-
Intake	-	-	-	0%	-	40	-
Renewals	252,682	-	252,682	0%	-	40	-
Investigations	-	-	-	0%	1,814	40	46
Management	10,536	2,643	7,893	25%	2,338	40	59
Conveyance	-	-	-	0%	-	40	-
Emergency Conveyance	-	-	-	0%	-	40	-
Flow Metering	-	-	-	0%	4,163	40	105
Treatment Facility	328,473	150,348	178,125	46%	46,476	40	1,173
Forward Design	-	-	-	0%	-	40	-
Minor Works	-	-	-	0%	10	40	0
Asset Management System	-	-	-	0%	2,063	40	52
<b>Total Water Supply - Luggate</b>	<b>591,691</b>	<b>152,991</b>	<b>438,699</b>	<b>26%</b>	<b>87,591</b>	<b>40</b>	<b>2,211</b>

# WATER SUPPLY - DEBT FUNDING RATIO - 10 YEAR NET GROWTH VS REVENUE ASSESSMENT

Contributing Area	Financial Year	CAPEX (2017/18 \$)	CAPEX for Growth (2017/18 \$)	Cumulative Growth Cost (2017/18 \$)	New Dwelling Equivalents	Contributions Received (2017/18 \$)	Cumulative Contributions Received (2017/18 \$)	Debt Balance (2017/18 \$)	Annual Debt %
QUEENSTOWN									
							Existing Debt	5,191,007	
	2015/16	1,455,777	579,692	579,692	160	616,758	616,758	5,153,941	89%
	2016/17	5,819,869	2,303,272	2,882,963	263	1,012,006	1,628,763	6,445,207	80%
	2017/18	9,249,033	3,968,868	6,851,831	271	1,041,724	2,670,488	9,372,351	78%
	2018/19	2,551,440	184,490	7,036,322	271	1,041,724	3,712,212	8,515,116	70%
	2019/20	1,208,865	7,590	7,043,912	271	1,041,724	4,753,936	7,480,982	61%
	2020/21	3,339,821	872,350	7,916,262	271	1,041,724	5,795,661	7,311,608	56%
	2021/22	1,236,951	13,255	7,929,517	240	923,407	6,719,068	6,401,457	49%
	2022/23	1,227,773	11,404	7,940,921	221	850,382	7,569,450	5,562,478	42%
	2023/24	1,612,068	394,381	8,335,302	221	850,382	8,419,833	5,106,477	38%
	2024/25	1,225,386	10,923	8,346,225	221	850,382	9,270,215	4,267,017	32%
			8,346,225		2,412	Queenstown Weighted Debt Funding Ratio			62%
ARROWTOWN									
							Existing Debt	1,965,520	
	2015/16	105,786	-	-	20	88,898	88,898	1,876,623	95%
	2016/17	164,980	1,967	1,967	11	46,755	135,653	1,831,834	93%
	2017/18	120,000	-	1,967	11	46,755	182,409	1,785,079	91%
	2018/19	162,918	1,378	3,345	11	46,755	229,164	1,739,701	88%
	2019/20	163,589	1,570	4,915	11	46,755	275,920	1,694,516	86%
	2020/21	162,382	1,225	6,140	11	46,755	322,675	1,648,985	84%
	2021/22	167,692	2,741	8,881	10	43,226	365,901	1,608,500	81%
	2022/23	166,351	2,358	11,239	10	43,226	409,127	1,567,633	79%
	2023/24	166,593	2,427	13,666	10	43,226	452,352	1,526,834	77%
	2024/25	166,003	2,259	15,925	10	43,226	495,578	1,485,867	75%
			15,925		114	Arrowtown Weighted Debt Funding Ratio			86%

**WATER SUPPLY - DEBT FUNDING RATIO - 10 YEAR NET GROWTH VS REVENUE ASSESSMENT CONTINUED**

Contributing Area	Financial Year	CAPEX (2017/18 \$)	CAPEX for Growth (2017/18 \$)	Cumulative Growth Cost (2017/18 \$)	New Dwelling Equivalents	Contributions Received (2017/18 \$)	Cumulative Contributions Received (2017/18 \$)	Debt Balance (2017/18 \$)	Annual Debt %
GLENORCHY									
							Existing Debt	469,855	
	2015/16	17,984	-	-	3	18,530	18,530	451,325	96%
	2016/17	31,134	170	170	3	22,065	40,595	429,429	91%
	2017/18	480,721	183,599	183,769	3	22,065	62,660	590,963	90%
	2018/19	30,859	119	183,887	3	22,065	84,725	569,017	87%
	2019/20	160,222	25,261	209,148	3	22,065	106,790	572,213	84%
	2020/21	30,787	106	209,254	3	22,065	128,855	550,253	81%
	2021/22	31,496	236	209,490	3	22,607	151,462	527,883	78%
	2022/23	31,317	203	209,693	3	22,607	174,069	505,479	74%
	2023/24	31,349	209	209,903	3	22,607	196,676	483,082	71%
	2024/25	31,271	195	210,097	3	22,607	219,282	460,670	68%
			210,097		33	Glenorchy Weighted Debt Funding Ratio			82%
LAKE HAYES									
							Existing Debt	-	
	2015/16	116,663	-	-	5	11,997	11,997	(11,997)	0%
	2016/17	152,507	576	576	8	20,217	32,213	(31,638)	-5496%
	2017/18	164,911	-	576	8	20,217	52,430	(51,854)	-9008%
	2018/19	632,263	34,532	35,107	8	20,217	72,647	(37,540)	-107%
	2019/20	102,567	459	35,567	8	20,217	92,864	(57,297)	-161%
	2020/21	101,984	359	35,925	8	20,217	113,081	(77,155)	-215%
	2021/22	104,549	802	36,727	9	23,885	136,966	(100,239)	-273%
	2022/23	103,901	690	37,418	9	23,885	160,851	(123,434)	-330%
	2023/24	104,018	710	38,128	9	23,885	184,737	(146,609)	-385%
	2024/25	103,733	661	38,789	9	23,885	208,622	(169,833)	-438%
			38,789		79	Lake Hayes Weighted Debt Funding Ratio			0%

**WATER SUPPLY - DEBT FUNDING RATIO - 10 YEAR NET GROWTH VS REVENUE ASSESSMENT CONTINUED**

Contributing Area	Financial Year	CAPEX (2017/18 \$)	CAPEX for Growth (2017/18 \$)	Cumulative Growth Cost (2017/18 \$)	New Dwelling Equivalents	Contributions Received (2017/18 \$)	Cumulative Contributions Received (2017/18 \$)	Debt Balance (2017/18 \$)	Annual Debt %
ARTHURS POINT									
							Existing Debt	-	
	2015/16	41,081	-	-	20	69,511	69,511	(69,511)	0%
	2016/17	51,339	644	644	20	69,450	138,961	(138,317)	-21476%
	2017/18	48,011	-	644	20	69,450	208,411	(207,767)	-32259%
	2018/19	1,297,606	534,280	534,924	20	69,450	277,862	257,062	48%
	2019/20	50,667	514	535,438	20	69,450	347,312	188,126	35%
	2020/21	50,084	401	535,839	20	69,450	416,762	119,077	22%
	2021/22	52,648	898	536,737	13	45,485	462,248	74,489	14%
	2022/23	52,001	772	537,509	13	45,485	507,733	29,776	6%
	2023/24	52,117	795	538,304	13	45,485	553,218	(14,914)	-3%
	2024/25	51,832	740	539,043	13	45,485	598,703	(59,660)	-11%
			539,043		169	Arthurs Point Weighted Debt Funding Ratio			0%
WANAKA & ALBERT TOWN									
							Existing Debt	-	
	2015/16	1,246,156	689,546	689,546	161	486,513	486,513	203,033	29%
	2016/17	1,177,410	408,669	1,098,215	164	496,070	982,582	115,633	11%
	2017/18	490,763	67,937	1,166,152	164	496,070	1,478,652	(312,500)	-27%
	2018/19	1,565,979	608,566	1,774,717	164	496,070	1,974,722	(200,005)	-11%
	2019/20	2,890,901	825,670	2,600,387	164	496,070	2,470,792	129,595	5%
	2020/21	745,719	3,849	2,604,236	164	496,070	2,966,862	(362,626)	-14%
	2021/22	987,201	221,532	2,825,768	149	449,427	3,416,288	(590,520)	-21%
	2022/23	4,771,727	3,597,923	6,423,691	149	449,427	3,865,715	2,557,976	40%
	2023/24	2,058,095	995,212	7,418,903	149	449,427	4,315,141	3,103,762	42%
	2024/25	760,193	7,096	7,425,999	149	449,427	4,764,568	2,661,431	36%
			7,425,999		1,580	Wanaka Weighted Debt Funding Ratio			30%



**WATER SUPPLY - DEBT FUNDING RATIO - 10 YEAR NET GROWTH VS REVENUE ASSESSMENT CONTINUED**

Contributing Area	Financial Year	CAPEX (2017/18 \$)	CAPEX for Growth (2017/18 \$)	Cumulative Growth Cost (2017/18 \$)	New Dwelling Equivalents	Contributions Received (2017/18 \$)	Cumulative Contributions Received (2017/18 \$)	Debt Balance (2017/18 \$)	Annual Debt %
HAWEA									
							Existing Debt	1,558,751	
	2015/16	407,904	95,188	95,188	12	67,565	67,565	1,586,374	96%
	2016/17	69,987	7,150	102,338	12	66,545	134,109	1,526,980	92%
	2017/18	296,172	106,420	208,758	12	66,545	200,654	1,566,855	89%
	2018/19	172,822	29,617	238,375	12	66,545	267,199	1,529,927	85%
	2019/20	47,537	432	238,807	12	66,545	333,743	1,463,815	81%
	2020/21	47,081	337	239,144	12	66,545	400,288	1,397,607	78%
	2021/22	49,087	754	239,899	11	61,628	461,916	1,336,734	74%
	2022/23	48,581	649	240,548	11	61,628	523,544	1,275,754	71%
	2023/24	48,672	668	241,216	11	61,628	585,172	1,214,794	67%
	2024/25	105,599	24,188	265,404	11	61,628	646,801	1,177,354	65%
			265,404		115	Hawea Weighted Debt Funding Ratio			81%
LUGGATE									
							Existing Debt	-	
	2015/16	6,918	1,234	1,234	4	9,268	9,268	(8,033)	-651%
	2016/17	28,555	174	1,408	4	8,711	17,979	(16,571)	-1177%
	2017/18	27,782	-	1,408	4	8,711	26,691	(25,282)	-1795%
	2018/19	28,324	122	1,530	4	8,711	35,402	(33,872)	-2213%
	2019/20	28,399	139	1,669	4	8,711	44,113	(42,444)	-2543%
	2020/21	28,264	108	1,778	4	8,711	52,825	(51,047)	-2872%
	2021/22	357,333	150,591	152,368	4	8,692	61,516	90,852	60%
	2022/23	28,709	209	152,577	4	8,692	70,208	82,369	54%
	2023/24	28,736	215	152,791	4	8,692	78,900	73,892	48%
	2024/25	28,670	200	152,991	4	8,692	87,591	65,400	43%
			152,991		40	Luggate Weighted Debt Funding Ratio			0%