

Development Contributions Policy

Policy status:	Draft
Review due:	30 June 2024
Legal reference:	Local Government Act 2002 Sections 102(2)(d) and 106, and 201 to 211

1. Background

1.1. Introduction

Growth in the district because of subdivision and new construction puts pressure on Council services, and requires the Council to upgrade its assets, or add new assets, to meet those demands. Development contributions are a charge provided for in the Local Government Act 2002, (the LGA), which allows the Council to recover a portion of the cost to upgrade/add new assets from the developer. Without development contributions, existing ratepayers would have to fund these costs. The challenge is to put in place a transparent, consistent and equitable basis for requiring contributions in order that those undertaking developments pay a fair share of the capital expenditure for infrastructure.

The Council has had a development contributions policy in place since 1 July 2004. At the time the policy was first drafted, the district (and New Zealand as a whole) was entering a property boom with subdivision activity and new construction reaching a peak in 2006. Since then the Kaikōura District has experienced the global financial crisis, the November 2016 earthquake and rebuild, and is now in the midst of the COVID-19 pandemic with international border restrictions and alert level lockdowns.

Notwithstanding these negative factors, the rebuild projects following the 2016 earthquake have resulted in almost all of our aging infrastructure having been replaced or renewed, so our water supplies and wastewater systems have capacity to serve a community much larger than currently required. Therefore, there are no planned capital projects in the life of the Long-Term Plan 2021-2031 that can be fully attributed to the demands of growth. The only remaining

projects that are to be partially funded from development contributions are past projects still funded by loan, plus a very small portion of future footpath and active travel projects.

This revised policy for the years commencing 1 July 2021 therefore has a very conservative and realistic outlook in terms of how much upgrading of existing, or constructing new, assets is actually required to meet the demands of growth, in the ten years to 2031.

1.2. Enabling legislation and supporting policy framework

This policy on development contributions is provided in accordance with s102 and s106 of the LGA and follows the provisions as to the policy content prescribed by Subpart 5 of Part 8 of that Act including its amendments.

This policy contributes to community outcomes in the Long-Term Plan (the LTP) by ensuring the provision of appropriate infrastructure to meet the needs of growth.

1.3. Purpose

The key purpose of the development contributions policy is to ensure that growth, and the cost of infrastructure to meet that growth, is funded by those who genuinely cause the need for and benefit from that infrastructure. Development contributions should not be a barrier to investment in our community and should reflect – as closely as possible – the impact on Council services by increased commercial development, visitor accommodation, additional housing, and subdivisions.

A development contribution is required in relation to a development when:

- The effect of that development is to require new or additional assets or assets of increased capacity in terms of network infrastructure, reserves, and community infrastructure; and

- The Council incurs capital expenditure to provide appropriately for those assets.

The effect of a development in terms of impact on these assets includes the cumulative effect that a development may have in combination with another development.

2. Policy section

2.1. Adoption, implementation and review

This development contributions policy has been reviewed in conjunction with the drafting of the Long-Term Plan 2021-2031. This policy will continue to be updated on a three-yearly basis, in alignment with LTP reviews, or at shorter intervals if the Council deems necessary, to take account of:

- any changes to the significant assumptions to the development contributions policy
- any changes in policy as the Council develops structure plans for the district
- any changes to the District Plan
- any changes in the capital works programme for growth
- any changes in the pattern and distribution of development in the district
- any significant changes in cost indices
- any other matters the Council considers relevant

2.2. Developer agreements

Large scale subdivisions, visitor accommodation (e.g. hotels/motels) and substantial retail or industrial developments are more likely to genuinely require that our asset capacity be increased to cope with each development and, for particularly large developments, the impact on our assets capacity is more likely to be specific, such as increasing the capacity of a wastewater pump station near the development, or providing a new walkway to link a hotel to other public areas (for example). It is the intention, through the provisions of this policy, that every opportunity be taken for individual developer agreements to be reached

with large developments so as to provide the greatest benefit to both the developer, and the communities most impacted by the development.

2.3. Credits

Where development contributions or financial contributions for a particular property have previously been assessed and paid, credit to that amount will be given for the particular activity. For the calculation of these credits there is no historical time limit and all previous payments will be taken into account.

2.4. Provision of services as a condition of consent

Within the boundaries of the development site, the developer shall provide the following as part of the cost of development as a condition of the consent under the Kaikōura District Plan:

- Rooding, footpaths, streetlights and car parking infrastructure
- Water supply network
- Wastewater (wastewater) network
- Stormwater collection and disposal infrastructure

Provision of these services as a condition of consent does not limit the developer's liability for development contributions under this policy, subject to the limitations in 2.4.1.

2.4.1. Limitations to the application of development contributions

The Council will not require a development contribution in the following cases:

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

For the avoidance of doubt, this does not in any way limit the Council's ability to require that parks and reserves contributions may be paid in the form of a cash contribution.

2.5. Development contributions

2.5.1. Requirement for and use of development contributions

The Council may require a development contribution for capital expenditure to be incurred as a result of growth, or for capital expenditure incurred in anticipation of development, for the following activities:

Network infrastructure

- Roads (including footpaths, streetlights and bridges) and other transport systems
- water supply, storage, reticulation and treatment
- wastewater (wastewater) collection, treatment and disposal
- stormwater network

Community Infrastructure

- land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities
- includes land that the Council will acquire for that purpose

Parks & Reserves

Purchase or development of parks and reserves, including (by way of example):

- Land purchases
- New walkways and cycleways
- Beautification, planting and landscaping
- Safety improvements (e.g. handrails, steps, vehicle barriers, lighting)
- Grants paid out for biodiversity projects (the "Biodiversity Fund")
- Projects identified in the Council's Coastal Management Strategy
- Costs include demolition and site preparation if applicable

2.5.2. Future policy developments

Future versions of this policy may capture development contributions for additional capital expenditure on facilities and infrastructure not identified in this document.

2.5.3. Capital expenditure incurred in previous years

This policy was first drafted in 2004, and many capital projects have been completed since that time, with much of that work attributable to meeting the demands of growth. In some instances, the total cost of the capital work is still yet to be fully recovered. Development contributions will be required from development to meet the cost of capital expenditure already incurred in anticipation of development since this policy was initiated in 2004, but not to the extent that total quantum of contributions received exceed the amount that was intended to have been taken at the time the capital expenditure was incurred.

Where the Council anticipated funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by development contributions.

Similarly, since the November 2016 earthquake, substantial rebuild projects have been completed, many of which were funded by government grants and subsidies and insurance settlements. Some of those projects crossed over into the programme of capital projects that had been partially funded by development contributions in the past. Those projects have been eliminated from the schedule of capital work to be funded from development contributions.

2.5.4. Council use of development contributions

The Council will use development contributions only on the activity for which they are collected. This will be undertaken on an aggregated project basis for each of the activities. Development contributions collected after a project has been completed may also be used to repay loan servicing costs including principal and interest associated with the project, until the loan is repaid.

2.5.5. Schools and hospitals exempt from development contributions

Preschools, primary schools and secondary schools are viewed as community education facilities and are therefore exempt from development contributions. Similarly, hospitals and emergency treatment facilities (other than veterinary facilities) are community health facilities and thus are not subject to development contributions.

3. Assessment of development charges

The following services have been defined for which development contributions have been calculated. The activities are:

3.1. Geographical contribution areas

Contributions are to be levied only in those locations that generate demand on Council services, per the following table.

Activities	Area for development contributions to be levied
Roads	Whole of district
Footpaths	The Kaikōura township including Ocean Ridge
Kaikōura Urban water	Kaikōura township (connected to, or able to connect to, the Kaikōura urban water supply)
Kaikōura Suburban water	Kaikōura suburban area (connected to, or able to connect to, the Kaikōura urban water supply)
Kincaid water	Kincaid area (connected to, or able to connect to, the Kincaid rural water supply)
Fernleigh water	Fernleigh area (connected to, or able to connect to, the Fernleigh rural water supply)
East Coast water	East Coast area (connected to, or able to connect to, the East Coast rural water supply)
Peketa water	Peketa village (connected to, or able to connect to, the Peketa rural water supply)

Wastewater	Kaikōura township including Ocean Ridge
Stormwater	Kaikōura township including Ocean Ridge
Community Infrastructure	Whole of district
Parks & Reserves	Whole of district

3.2. Household equivalent units (HEU)

This policy has been developed using 'household equivalent units' (HEU) as the basis upon which to assess the impact of growth on Council services.

An HEU is defined as being equivalent to one “average” household unit of 4.5 people per household. It is recognised that household units vary and that the demands they generate also cover a broad range.

Every residential unit, whether a separate dwelling or part of an apartment complex equals one household unit which equals one unit of demand, and every additional lot is taken as being intended for one household unit. Note, each dwelling (irrespective of size) is deemed to be one household equivalent unit, therefore additions to existing residential dwellings (for residential purposes) will attract no DC charge.

The following activities will be assessed using HEUs as the basis for calculation;

- Rooding
- footpaths
- water – Kaikōura Urban, Ocean Ridge, Peketa and Oaro
- wastewater
- stormwater
- community infrastructure

There is no need to calculate HEUs for parks and reserves as this is assessed as a percentage of land value (see section 6.6).

3.3. Residential applications

The subdivision of land or land use consent to change the predominant land use of an existing site to create additional residential lots obviously results in the potential for additional household units and therefore additional HEUs, which are the basis for the calculation and charging of development contributions.

In order to calculate the number of HEUs, and hence the development contribution chargeable, it is necessary to determine;

- the additional number of residential allotments created by the proposed subdivision, or
- the additional number of dwellings where there is no subdivision, or
- the additional number of visitors being accommodated, or
- the additional number of connections to a service (e.g. water or wastewater)

3.3.1. Rural areas

Residential applications include subdivisions for additional allotments, or additional dwellings, outside of the urban area. Each allotment will be assessed as having one HEU per residential dwelling on the property, and each additional residential dwelling on a rural allotment (where more than one) will be assessed as an additional HEU.

Farm sheds and farm buildings will be assessed for development contributions on the basis that some farming activities, such as intensive dairying, place enormous pressure on roads and water supplies, and should contribute to those costs. Those activities plus industrial or commercial developments located in the rural area will be assessed for contributions in accordance with section 3.4.

3.3.2. Visitor accommodation conversion to housing equivalent units

Visitor accommodation is usually made up of a number of beds catering for a maximum number of people rather than household units. The number of HEUs is calculated by using a household conversion factor. Given that an average household unit is assumed to be 4.5 people, then each person is equivalent to 22% of a household unit, and so the conversion factor for visitor accommodation

would be 0.22. For example, the HEU arising from visitor accommodation catering for a maximum of 200 people would be 44 HEUs.

This is based on 100% occupancy which is generally never achieved. This policy recognises that 100% occupancy is not appropriate and has assumed a 75% occupancy rate instead. This means the HEU conversion factor is 0.165 for visitor accommodation (75% of 0.22).

3.4. Non-residential applications

For non-residential consent applications HEUs are to be calculated using gross floor area per the Gross Floor Area conversion table (3.4.1) to estimate the HEU.

3.4.1. Gross Floor Area (GFA) conversion to housing equivalent units

The table below summarises the conversion factors to convert the GFA of a non-residential building to an average household unit, or HEU.

Land use	Retail	Industrial	Commercial	Rural
Roading HEUs / 100m2 GFA	2.4	1.36	1.36	5.0
Footpaths HEUs / 100m2 GFA	3.0	1.2	2.0	-
Water HEUs / 100m2 GFA	0.13	0.1	0.1	1.0
Wastewater HEUs / 100m2 GFA	0.26	0.2	0.2	1.0
Stormwater HEUs / 100m2 Impervious Surface	1.0	1.0	1.0	1.0
Community Infrastructure GFA	2.4	1.36	1.36	1.0

See Appendix D for a breakdown of the calculations of these figures.

3.4.2. Estimate of Gross Floor Area (GFA)

If the GFA of a non-residential building is unknown the Council will make an estimate of the likely GFA for calculation purposes, based on the average building coverage rates for that area.

Developments in the Kaikōura urban area will also be assessed for a stormwater contribution, based on the area of impervious surfaces to be drained to the reticulated stormwater network. Where no information is provided with an application on the area of impervious surfaces proposed to be drained to the network, it is difficult and impractical to calculate the demand created by the development in terms of HEUs. In this circumstance the Council will make an estimate of the likely area of impervious surfaces, based on the average building coverage rates for the industry.

3.4.3. Summary

	Subdivision	Development
Residential	One HEU per activity per additional title - except Parks & Reserves to be assessed as a percentage of land value	As for subdivision including units in strata title type developments. Parks & Reserves to be assessed as a percentage of land value.
Non-residential	Standard table of HEUs per activity in units of 100m ²	
Visitor accommodation	As for residential subdivision including units in strata title type developments. Parks & Reserves to be assessed as a percentage of land value.	Calculated based on the number of visitors (beds) being accommodated, plus the Parks & Reserves contribution assessed on a portion of land value.
Mixed uses	To be assessed as above for each component of the particular land use applied for.	

See Appendix D for a breakdown of the calculations of these figures.

3.5. Calculation of development contributions

For each development, the development contribution payable by the developer will be calculated by multiplying the development contributions per household equivalent unit by the number of household equivalent units.

Terms used in the following flow charts are defined and explained on diagrams 1 to 4 in section 3.5.3. Appendix B provides worked examples of calculations.

3.5.1. Residential development

<p>STEP 1: AREA OF DEVELOPMENT Go to section 3.1 to determine what geographical area the development lies within.</p>
<p>STEP 2: PRICING SCHEDULE Go to the Development Contributions Schedule (Appendix A) and identify the fees payable per Household Equivalent Unit for the development contribution area.</p>
<p>STEP 3: EXISTING ENTITLEMENT Recognising existing demand on services and therefore any existing entitlement, it is necessary to determine any credits/debits applicable to the residual title.</p> <p>For subdivisions (where the residual lot remains residential – see diagram 1 section 3.5.3) the existing title will have a full historic credit meaning no development contribution is payable on the residual title.</p> <p>Where a second (residential) dwelling is created on an existing title (see diagram 2 section 3.5.3) the existing dwelling will have a full historic credit meaning no development contribution is payable on the existing dwelling.</p> <p>There will be a development contribution payable on any additional titles created by subdivision or any additional dwelling(s) created in the absence of subdivision.</p>
<p>STEP 4: NUMBER OF HEUs Using the HEU conversion information in section 3.3, establish how many HEUs the proposed development will create for each asset category.</p>
<p>STEP 5: APPLICATION OF HEUs Apply the HEUs to the proposed development (i.e. multiply charges identified in Step 2 by the HEUs identified at Step 4).</p>
<p>STEP 6: TOTAL (EXCLUDING RESERVES) Calculate the total development contribution by summing the individual charges established in Step 5 and add GST of 15%.</p>

<p>STEP 7: RESERVES</p> <p>In addition, the development contribution for Parks and Reserves will be calculated as a percentage of land value after development in accordance with the formula in Section 6.6.</p>
<p>STEP 8: TOTAL DC PAYABLE</p> <p>Add together the results from Steps 5 and 6 to get the total development contributions for the proposed development.</p>

3.5.2. Non-Residential development

<p>STEP 1: AREA OF DEVELOPMENT</p> <p>Go to section 3.1 and check what (geographical) Development Contribution area the development lies within.</p>
<p>STEP 2: PRICING SCHEDULE</p> <p>Go to the Development Contributions Schedule (Appendix A) and identify the fees payable per Household Equivalent Unit for the Development Contribution area.</p>
<p>EXISTING ENTITLEMENT</p> <p>Recognising existing demand on services and therefore any existing entitlement, it is necessary to determine any credits/debits applicable to the residual title. (See diagrams 1 and 3, section 3.5.3)</p> <p>Historic credit will be given for the pre-existing status of the property. This credit will only apply to the residual title (see diagram 1 section 3.5.3) and cannot be transferred to other titles created as a part of the development.</p>
<p>STEP 3: NUMBER OF HEUs: EXISTING ENTITLEMENT</p> <p>Using the HEU conversion information in section 3.4, establish how many HEUs the existing site has for each asset category as a result of historic credits.</p>
<p>STEP 4: APPLICATION OF HEUs: EXISTING ENTITLEMENT</p> <p>Apply the HEUs to the existing site (i.e. multiply charges identified in Step 2 by the HEUs identified at Step 3).</p>
<p>STEP 5: TOTAL HISTORIC CREDIT</p> <p>Calculate the total historic credit by summing the individual charges established in Step 4 and add GST of 15%.</p>

<p>RESERVES (HISTORIC CREDIT)</p> <p>There will be no historic credit for Reserves, as the Council has only historically imposed Reserves Contributions on Residential development.</p>
<p>STEP 6: PROPOSED DEVELOPMENT – RESIDUAL TITLE</p> <p>The residual title will be subject to a development contribution that is calculated in Steps 7-10.</p>
<p>STEP 7: NUMBER OF HEUs PROPOSED DEVELOPMENT – RESIDUAL TITLE</p> <p>Using the HEU conversion information in Section 3.4 establish how many HEUs the proposed development will create for each asset category.</p>
<p>STEP 8: APPLICATION OF HEUs PROPOSED DEVELOPMENT – RESIDUAL TITLE</p> <p>Apply the HEUs to the proposed development (i.e. multiply charges identified in Step 2 by the HEUs identified at Step 7).</p>
<p>STEP 9: TOTAL PROPOSED DEVELOPMENT – RESIDUAL TITLE</p> <p>Calculate the total development contribution by summing the individual charges established in Step 8 and add GST of 15%.</p>
<p>STEP 10: DEVELOPMENT CONTRIBUTIONS PAYABLE ON RESIDUAL TITLE</p> <p>Subtract the total in Step 5 from that in Step 9 to get the total development contribution payable on the existing title taking into account the credit for any existing entitlement. Note that there will be no refund associated with any excess historic credit.</p>
<p>STEP 11: DEVELOPMENT CONTRIBUTIONS PAYABLE FOR ADDITIONAL NEW TITLE(S)</p> <p>Repeat Step 6 to 9 for the new titles to obtain the development contribution payable for these titles in relation to network infrastructure and community infrastructure.</p>
<p>STEP 12: RESERVES</p> <p>In addition, the development contribution for Reserves will be calculated as a percentage of land value after development in accordance with the formula in Section 6.6.</p>
<p>STEP 13: TOTAL DC PAYABLE</p> <p>Add together the results from Steps 12 and 13 to get the total development contributions for the proposed development.</p>

3.5.3. Definition and Explanation of Terms

Diagram 1: Subdivision to create additional titles (residential or non-residential)

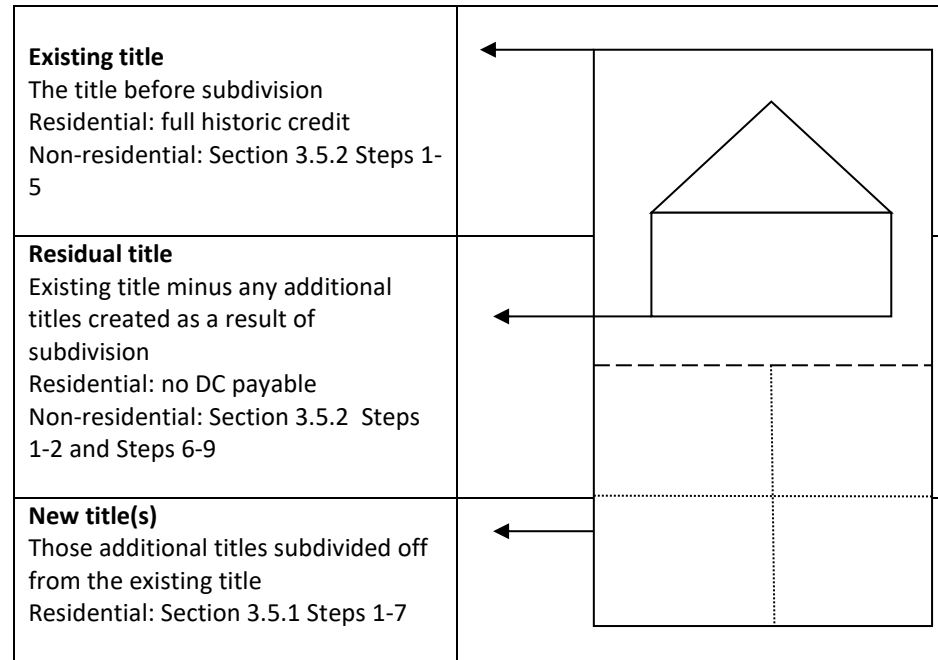


Diagram 2: Construction of a new dwelling on an existing residential title (no subdivision)

Existing Title

Residential Dwelling

DC: No DC payable

New Dwelling(s)

DC: Section 3.5.1 Steps 1-7

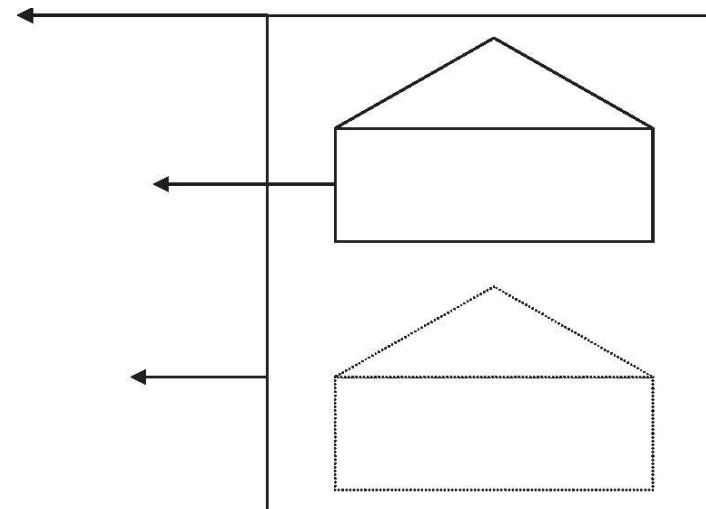


Diagram 3: Development of a non-residential site - no subdivision

Existing Title

The title before development

DC: Section 3.5.2 Steps 1-5

Residual Development

Existing development on site

DC: Section 3.5.2 Steps 1-2 and steps 6-10

New Development

Proposed new development on site

DC: Section 3.5.2 steps 11-13

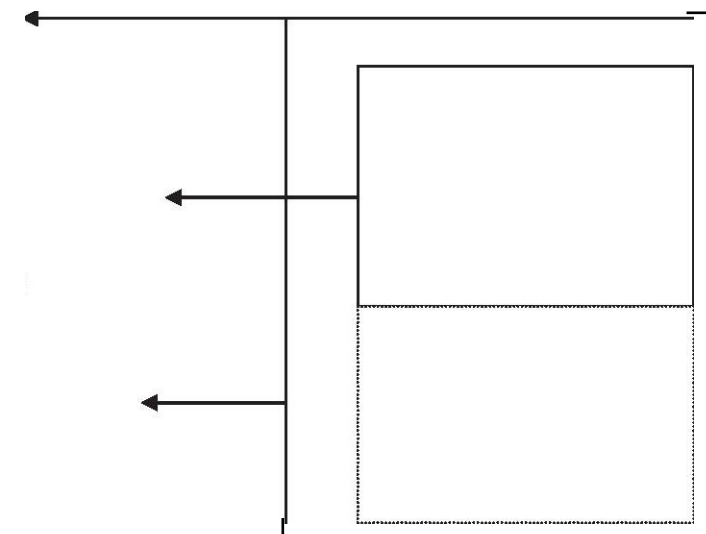


Diagram 4: Residential subdivision of land where there is more than one existing dwelling on the residual title.

Where there are more than one house (or dwelling) already on a title, and that title is subject to a subdivision to provide for each dwelling to occupy an individual title, it is deemed that the subdivision is not creating growth, and therefore no development contributions are payable.

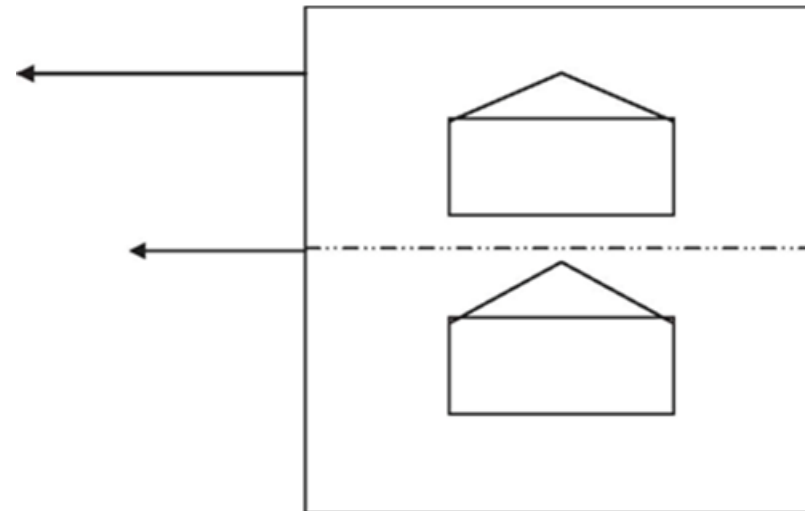
By example:

The existing title

Following subdivision

This is due to interpretation of 3.5.1, Residential Development, where, in the section dealing with calculating the existing entitlement, each dwelling is deemed to be one household equivalent unit. Therefore, in the above example, there are two HEUs for the existing credit, and upon completion of the subdivision there are still only two HEUs.

However, should the subdivision also become subject to a land use consent or building consent to provide for some purpose other than its original use, development contributions may be triggered at that point.



3.6. *Trigger for taking a development contribution*

3.6.1. **Initial calculation and interim assessment**

The initial calculation of the development contribution will occur in conjunction with an application for:

- (a) Subdivision consent; or
- (b) In the absence of subdivision consent, on land use consent; or
- (c) In the absence of subdivision consent and land use consent, on project information memorandum
- (d) In the absence of the above three, on building consent.

The interim assessment serves the purpose of informing the applicant of the likely development contributions liability. This interim assessment will contain details of the number of HEU, the amount to be levied for each activity, and the total payable including GST.

The interim assessment will also contain an estimated parks and reserves contribution based on an estimated value of the land which considers the value of land in similar developments in the same, or a reasonably comparable, location within the Kaikōura district.

3.6.2. **Request for individual developer agreement**

The interim assessment may also contain a request in writing that the applicant enter into an individual developer agreement in lieu of the development contributions as assessed. See Section 5 for information on developer agreements.

3.6.3. **Final calculation, invoicing and payment of development contributions**

Final calculation, invoicing, and payment of a development contribution shall occur prior to the earlier of:

- (a) The issue of the section 224 completion certificate per the Resource Management Act; or
- (b) The issue of code compliance certificate per the Building Act; or
- (c) An authorisation for a service connection.

Note it will be essential at this point to have either obtained an independent valuation for the parks and reserves development contributions to be assessed, or for the estimated value provided as part of the interim assessment to be agreed to by the applicant, with affirmation of agreement in writing.

Note: Further recalculation of the development contribution payable will occur if payment is not received within twelve months of the issuing of invoice.

3.6.4. **Enforcement powers**

If payment of development contribution is not received as per 3.6.3, the Council will enforce powers outlined in Section 208 of the Local Government Act (2002).

Until a development contribution has been paid or made, the Council may:

- 1) In the case of a subdivision or land use consent:
 - a) withhold a certificate under section 224(c) of the Resource Management Act (1991)
 - b) prevent the commencement of a resource consent
- 2) in the case of a building or other construction:
 - a) withhold a code compliance certificate under section 95 of the Building Act (2004)
 - b) withhold a certificate of acceptance under section 99 of the Building Act (2004)
- 3) in the case of a service connection, withhold a service connection to the development

In each case, register the development contribution under the Statutory Land Charges Registration Act (1928) as a charge on the title of the land in respect of which the development contribution was required.

3.6.5. **Service connection and approval fees unaffected**

The Council will continue to collect service connection and/or approval fees in accordance with current practice, current Council bylaws, and the LGA for the following assets:

- a) water supply

- b) wastewater
- c) stormwater
- d) vehicle crossings

4. Requests for reconsideration or objection

There are key differences in the terminology under the Local Government Act (2002) as to what constitutes reconsideration vs. an objection. Reconsideration responds to claims of errors in calculation, and can be considered by the Council or its officers. An objection is a claim that the Council failed to take into account features of a specific development, or required contributions for facilities that are not related to the specific development, and calls into question the equity or fairness of the development contributions as assessed. Under changes to the LGA in 2014, objections can only be considered by an approved independent development contributions Commissioner selected by the Council. All reasonable costs of the Commissioners would be at the cost of the objector.

Given the emphasis within this policy on obtaining individual developer agreements with developers, it is hoped that the expensive process of objecting to development contributions can be avoided wherever possible. It is the intention of this policy that objections be the last option and only used where developer agreements cannot be reached.

4.1. Request for reconsideration

Applicants may apply to the Council to reconsider their development contributions assessment where they have grounds to believe that;

- a) The development contribution was incorrectly calculated or assessed; or
- b) The policy has been incorrectly applied; or
- c) The information used to assess the development was incomplete or contained errors.

A person may not apply for a reconsideration of their assessment if they have already lodged an objection to their assessment under section 199C and Schedule 13A of the LGA. A request for reconsideration must be made within 10 working days after the date on which the person lodging the request received the

development contribution assessment notice, as required by section 199A(3) of the LGA.

Requests for reconsideration of contributions should also be made prior to those development contributions being paid, unless there is urgent and pressing need to proceed with issuance of s224 certificate, code compliance certificate, or service connection.

4.1.1. Procedure for reconsideration of contributions

The officer responsible for calculating development contributions will, within three working days of receipt of a request for reconsideration of an assessment, acknowledge receipt of the request to the person lodging the request.

The procedure to reconsider contributions is as follows:

1. Determine whether there has been an error in calculation, an error in application of the policy, or the assessment was made based on incorrect information, per s199A of the Local Government Act (2002);
 - a. If yes, proceed to 2.
 - b. If no, advise the applicant that there has not been an error and provide details on how to make an objection under section 199C of the LGA.
2. Where there has been an administrative error in the calculation, the officer may recalculate the development contributions payable as corrected and issue a replacement development contributions assessment to the applicant. The recalculation is to be reviewed by the Chief Executive Officer.
3. Where there has been an error in assessment or application of the policy, or the assessment was based on incorrect or incomplete information, the request for reconsideration will be considered by the Development Contributions Review Committee.
4. That committee may, at its discretion, uphold, reduce, postpone or cancel the original amount of development contributions required on the development and shall communicate its decision in writing to the applicant within 15 working days of any determination or hearing.

5. Where that committee considers a request for reconsideration the following matters will be taken into account:

- The development contributions policy including the intent of the policy
- The provisions relating to development contributions in the LGA
- The relevance of the information used to assess the applicant's development
- The way in which the information has been applied in making the assessment
- The extent to which the information was incomplete or contained errors
- The potential for an individual developer agreement to be entered into, in lieu of upholding the contributions assessment.

In any case, the Council retains the right to uphold the original amount of development contributions levied on any particular development.

Note that until contributions are paid, whether or not the application for remissions was successful, the Council will use its enforcement powers per 3.6.4.

4.2. *Objections to assessed amount of development contributions*

A person may object to the amount of the development contributions that have been assessed, and this objection may be made regardless of whether or not a request for reconsideration has also been made.

An objection under section 199C of the LGA must be received by the Council within 15 working days after the after the date on which the person received notice from the Council of the level of development contribution that the Council requires.

An objection under section 199C of the LGA may be made only on the ground that the Council has:

- Failed to properly take into account features of the objectors development that, on their own or accumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the district or parts of that district; or

- Required a development contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments, or
- Required a development contribution in breach of section 200 of the LGA, or
- Incorrectly applied its development contributions policy to the objectors development.

The procedure and legislative requirements surrounding development contribution objections are extensive and are contained within the Local Government Act (2002), sections 199C through to 199P and Schedule 13A. The Council will provide developers with this information when the potential for an objection is made known.

5. Developer agreements

It is the intention of this policy that larger developments – creating 10 or more HEU – are substantial enough that new assets or increased capacity of existing assets, whether whole or in part, may be required to service that development. In those circumstances, it is the intent of this policy that the developer meets the cost, or an appropriate portion of that cost, of the capital expenditure involved.

Nothing in this policy prevents a development contribution or a developer agreement requiring a developer to contribute to past costs already incurred by the Council to increase the capacity of its assets, as provided in 2.5.3. This recognises that past expenditure, such as to increase the capacity of water reservoirs (for example), was spent in anticipation of further development, and that those costs should still be funded by development contributions up until the portion of costs attributable to growth for each of those projects have been recovered.

5.1. *Legislative provisions*

Sections 207A through to 207F of the LGA provide the legislative framework for developer agreements. In summary the framework provides that;

- The request to enter an agreement may be made by either the Council or the developer,

- Either party may accept the request to enter an agreement, in whole or in part, or decline the request,
- The agreement contains specific details, such as legal name of the parties, description of the land to which the agreement relates, and details of the infrastructure that each party will pay for,
- The agreement is a legally enforceable contract,
- There are restrictions on use of the agreement, and
- There are conditions surrounding the amendment or termination of the agreement.

5.2. *Developer agreements preferred*

The advantage of a developer agreement is that it enables the Council to identify those assets, in whole or in part, that may need to be created and/or upgraded to cope with specific developments, and to request that agreement be reached with the developer to fund, in whole or in part, that capital expenditure. In other words, developers will be expected to pay for capital work that is related to the impact of their development on Council services. As an example, a wastewater pump station may need to be upgraded so as to have increased capacity to cope with a new hotel. The developer will be expected to fund the cost of increasing the capacity of the pump station, to the extent that the capacity is required to be increased in relation to that hotel.

It also enables a developer to request that the Council provide some specific assets outside of the development boundary that the developer deems beneficial, at the developer's expense (in whole or in part). As an example, the hotel developer in the above scenario may request that a walkway be developed between their hotel and the beach or some other public area. The Council would be expected to agree to develop the walkway, at the developer's expense.

In all cases, mutual agreement is fundamental to the success of the developer agreement.

6. Development contribution calculations

6.1. *Introduction*

The application of the funding model to the total growth cost and predicted growth in the HEUs for all the combinations of activity and catchment results in the schedule of development contribution charges in \$/HEU for each activity (see Appendix A).

6.1.1. **GST exclusive**

Development contributions specified in tables 1 to 7 of schedule are exclusive of goods and services tax (GST). The parks: reserves contribution is assessed as a percentage of land value which is assumed to include GST.

6.1.2. **Construction cost index**

Note that all figures are expressed in 2021 dollars, and future projects may be updated annually as appropriate in accordance with the Local Government Cost Index (LGCI) or some other cost indices (such as BERL cost indices specific to roading and water for example).

6.2. *Roads, footpaths, streetlights, access and parking*

Developers are required to provide all roading assets within the boundary of their development, per the conditions of their consent under the Kaikōura District Plan. In addition, all new developments will be subject to a development contribution for the broader roading network to cover the value of identified capital development works.

In its review of this Policy for the period 2021 to 2031, the Council does not consider there to be any future growth capital development works for roads, and only a very small component of growth-related works for footpaths. Unless there is a developer agreement reached with an individual development (where increased road capacity is agreed upon), there is no roading development contribution.

The development contributions for footpaths are based on the proportion of these works that have been assessed as the result of increased demand generated by new residential, rural and non-residential development.

The Council will require a contribution toward a share of the cost of new or upgraded footpaths or access where additional capacity is necessary to accommodate the cumulative effects of the development. The share will be calculated on the proportion of the additional capacity necessary to serve the activity or development. See development contributions schedule of fees and charges in Appendix A of this policy.

6.3. *Water and wastewater*

Developers will meet the full actual cost of the water supply or wastewater disposal system to the development. The developer will be responsible for the full actual costs of all necessary water supply or wastewater disposal reticulation within the development for each allotment or building.

A contribution will also be imposed for each new service connection to cover:

- The full actual cost of connections between the water supply or wastewater disposal system reticulation in the development and the water supply and wastewater disposal system, and
- The full actual costs of upgrading of any existing water supply or wastewater disposal system to the extent that it is necessary to service the development, and
- A share of the costs of the existing water supply and wastewater disposal system where additional capacity has been created in anticipation of future development.
- A share of the cost of new water supply or wastewater disposal system or upgraded water supply or wastewater disposal system where additional capacity is required by the cumulative effects of the development of an area.

See development contributions schedule of fees and charges in Appendix A of this policy.

The contribution may, at the Council's discretion, be required in the form of cash, land, works, services or any combination of these. In assessing the level of contribution, regard shall be had to the level of works and services to be provided by the applicant to address any increase in demand on infrastructure.

The payment is subject to whether the new activity or development is able to connect to the service system.

Any development outside a constituted water supply or wastewater drainage area has not been anticipated as part of the existing reticulation network. Any request to extend a constituted water supply or wastewater drainage area to incorporate a development, or any request to create a new development contribution area will need to be specifically assessed through a separate developer agreement.

The requirement to purchase water units in the rural water supplies is unaffected by this policy.

6.4. *Stormwater*

There is only one distinct stormwater development contribution area in Kaikōura district, being the Kaikōura urban area (which includes South Bay and Ocean Ridge). For all developments within this area, a contribution will be imposed upon the area of the land, to cover:

- the full actual cost of connection to the stormwater network, and/or
- the full actual costs of upgrading of the existing stormwater disposal system to the extent that it is necessary to service the development, and/or urban area,
- a share of the cost of new stormwater infrastructure where additional capacity is required by the cumulative effects of the development of an area.

See development contributions schedule of fees and charges in Appendix A of this policy.

6.4.1. **Other areas**

In areas outside that described above, developers are responsible for disposing of stormwater onsite. The developer will be responsible for the full actual costs of detaining and disposing of all stormwater within the development area. Subsequent owners will be responsible for the full actual costs of disposing of all stormwater for each allotment or building.

6.5. Community infrastructure

The LGA restricts the taking of development contributions for community infrastructure to;

- community centres or halls for the use of a local community or neighbourhood, and the land on which they are or will be situated
- play equipment that is located on a neighbourhood reserve
- public toilets

The contribution levied will be based on a per household equivalent unit (HEU) with the fees set out in appendix A of this policy. With the review of this development contributions policy for the period 2022-2031, no growth-related projects have been identified for the listed community infrastructure types. Unless there is a developer agreement reached with an individual developer (e.g. where additional playgrounds, public toilets or community centre upgrades are agreed upon), there is no community infrastructure development contribution.

6.6. Parks & reserves (reserves contribution)

A reserves contribution refers to the cost of providing additional improvements necessary to turn basic parks and reserve land into a particular form or standard of reserve. Possible improvements include park furniture, sports ground development, walkways, off-road cycleways, landscaping and beautification, and car parking. Improvements may also include seal extensions where road access needs to extend to a specific recreational development (such as the new swimming pool).

See development contributions schedule of fees and charges in Appendix A and D of this policy.

Contributions may be taken in the form of a cash contribution and will be used to purchase land and /or to undertake improvements and enhancements. Within the development, the Council may allow the developer to provide land to meet recreation and conservation needs which will be credited against the required cash contribution.

For reserves, the LGA section 203(1) states that development contributions shall not exceed the greater of:

- a. 7.5 percent of the value of the additional allotments created by the subdivision; and
- b. the value equivalent of 20m² of land for each additional household unit created by the development.

There are two methodologies for determining the reserves contribution for developments as recognised in the LGA. One methodology deals with development where there is subdivision [S203(1)(a)] and the other where there is no subdivision [S203(1)(b)].

When determining the value of land for the purpose of calculating the parks & reserves contribution, the value of land is assumed to include GST.

6.6.1. Subdivision

Three contribution categories have been identified:

- Residential
- Rural residential
- Rural

These categories recognise the different demand for recreation and amenity reserves.

Recognising the difference in demand for these areas the Council has adopted different contribution rates for each of the categories:

Contribution Category	Description	Development Contribution Rate
1	Residential	2.5% of the value of each additional lot of subdivision.
2	Rural Residential	1% of the value of each additional lot of subdivision.
3	Rural	0.5% of the value of each additional lot of subdivision.

The value of each allotment will be assessed up to the following maximum site areas:

- Rural: 40,000m²
- Rural residential: 6,000m²

Applications that change rural areas into urban developments with reticulated services will end up as future service catchments, and consequently will be considered under the provisions of contribution category 1.

6.6.2. Residential non-subdivision

The development contribution for parks where there is no subdivision will be assessed as the value equivalent of 20m² of land for each additional HEU created. This will be applied up to a maximum contribution, equivalent to 2.5% of the value of the allotment.

As explained in section 3.3.2, for visitor accommodation the number of HEUs is calculated by using a household conversion factor of 0.165.

6.6.3. Valuing of land

Development contributions will be payable in cash. All land requirements for reserves purposes will be obtained through sale and purchase agreements outside of this development contributions policy. The Council may use structure plans and where appropriate, designation processes under the RMA to identify future reserve requirements.

The Council may accept or require a contribution to the equivalent value in the form of land or infrastructure. In some cases, for example, it may be appropriate to allow reserve assets to vest in the Council through the subdivision consent process, where they meet the Council's reserve network requirements, and to credit them against the development contribution required.

Where the development contribution is to be in cash, the development contributions notice will include an estimate on the anticipated value of the additional lots created by a subdivision, or on the basis of 20 square metres of land (within the development) for each additional household units created (with final calculation of the contribution to occur at the time the consent is issued – see section 3.6.3).

That estimate will take into account the current value of similarly sized and serviced lots in the same area, or similarly sized and serviced lots in a comparable area within the district, using information from the Council's rating information database and any information from property sales within the district that it considers relevant. The developer may accept the estimate provided for the purposes of calculating the development contribution payable, but is under no obligation to accept the estimate provided.

Where the developer does not accept the estimate provided, the amount will be established by either a signed sale and purchase agreement for the land subject to the development, or an independent registered valuer's report on the anticipated sale value of the land, or in the absence of subdivision, on 20m² of that land. Registered valuer's reports shall be no more than three months old and produced at the developers cost.

Where the development contribution is to be in land or infrastructure, the value of the land and infrastructure to be vested will be established on the basis of a registered valuer's report and substantiated prices prior to purchase and installation.

Appendix A: Schedule of development contributions (excl. GST)

Table 1: Roading and footpaths

Category	Area	Development Contribution
Road assets and bridges	District wide	\$Nil
Footpaths	Kaikōura urban area	\$615.64 per HEU \$102.61 per person ¹

Table 2: Water and wastewater

Area and/or connection	Water Contribution	Wastewater Contribution
Kaikōura urban water supply	\$998.59 per HEU \$166.43 per person ²	\$1,529.42 per HEU \$254.90 per person ²
Kaikōura suburban water	\$998.59 per HEU \$166.43 per person ²	
Ocean Ridge supply	Refer to separate developer agreement once the original 260 allotments are exceeded.	
Kincaid scheme	\$1,200 per HEU \$200 per person ²	
Fernleigh scheme	\$Nil	
East Coast scheme	\$1,506.55 per HEU \$251.10 per person ²	
Peketa & Oaro schemes	\$Nil	

Table 3: Stormwater

Area	Development Contribution
Kaikōura township and South Bay, but not including Ocean Ridge	\$450.58 per HEU \$75.10 per person ²

¹ Per person contributions apply to residential housing of less than 1 HEU and/or visitor accommodation.

Table 4: Community infrastructure

Contributing Category	Development Contribution per HEU
Residential	\$Nil per HEU
Rural Residential	\$Nil per HEU
Rural	\$Nil
Visitor accommodation	\$Nil per person

The amount required from development contributions to fund Community Infrastructure projects has been fully recovered. No further projects meet the definition of Community Infrastructure in the 2014 amendments to the Local Government Act (2002).

Table 5: Reserves

Contributing Category	Development Contributions % of Land Value
Residential	2.5%
Rural	0.5%
Rural Residential	1%

Appendix B: Development contributions calculation – examples

Example 1 – Residential Subdivision

Proposal: One residential lot subdivided into four new sections of about 1,600 m² thereby creating three additional lots

Location: Kaikōura township

Value of additional lots: \$180,000 (including GST) per lot (\$540,000 in total)

A full credit is given for the existing household unit (residual title) and the development contribution is only calculated on the three additional household units (the new titles).

Household Equivalent Units	Activity/Service	Contribution per HEU \$	Total Contribution \$
3	Roading	-	-
3	Footpaths	615.64	1,846.92
3	Kaikōura urban water	998.59	2,995.77
3	Wastewater	1,529.42	4,588.26
3	Stormwater	450.58	1,351.74
3	Community Infrastructure	-	-
	Subtotal (excluding GST)	3,594.23	10,782.69
	GST	539.13	1,617.40
	Subtotal (including GST)	4,133.36	12,400.09
Valuation \$540,000	Parks & reserves calculated at 2.5% of the value of each lot (\$180,000)	4,500.00	13,500.00
	TOTAL (including GST)	4,633.36	25,900.09

Example 2 – Residential (Visitor Accommodation)

Proposal: Visitor accommodation (motels) providing for 50 people, plus a manager’s residence

Location: Kaikōura township

Value of land (total): \$540,000 including GST

Size of existing section: 2,500m²

Valuation of land: \$216.00m²

A full credit is given for the existing household unit (the manager’s residence) and the development contribution is only calculated on the additional household units, assessed by the number of people being accommodated (discounted to a 75% occupancy).

In this instance there are 50 people able to be accommodated, divided by 4.5 people per housing unit, equals 11 housing units. The parks & reserves contribution is calculated as the value equivalent to 20m² per housing unit and discounted to 75% occupancy.

Number of people to be accommodated	Activity/Service	Contribution per person \$	Total contributions \$
50	Roading	-	-
50	Footpaths	102.61	5,130.50
50	Kaikōura urban water	166.43	8,321.50
50	Wastewater	254.90	12,745.00
50	Stormwater	75.10	3,755.00
50	Comm. infrastructure	-	-
	Subtotal (excluding GST)	599.04	29,952.00
	GST	89.86	4,492.80
	Subtotal (including GST)	688.90	34,444.80
20m ² x \$216m ² x 11 HEU x 75%	Parks & reserves using LGA S203(1)(b)	712.80	35,640.00
	TOTAL (including GST)	1,402.70	70,084.80

Appendix C: Development contributions funding model

Purpose

The purpose of the funding model is to provide an equitable assessment of the funding requirements to support the development contributions regime. The primary output of the funding model is an assessment of the required development contributions charges.

The model takes account of:

- The funding requirements to support the cost of growth infrastructure.
- Equitable application of those funding requirements to the incoming growth community.
- Recognition that the backlog components of the growth infrastructure are funded by the existing community. The rating charges applied to the existing community will also be applied to the incoming community as there is no differential rating process to exclude the incoming community from those rates charges. The resultant rating charge on the incoming community is offset against the development contribution charge.
- Interest on funds raised to implement growth infrastructure.
- Interest on contributions received in advance of provision of growth infrastructure.
- Recognition that money raised must meet the financial requirements of projects, therefore consideration is given to the effects of inflation on both the costs and the income. (Note, currently the inflation is set to zero in the model as CCI is to be added separately to the contribution rates each year).

Background information

For each project planned, Council officers have determined the components of the project that are allocated to meeting the needs of the growth community. This allocation takes into account and deducts funds available from alternate funding sources such as Waka Kotahi (NZTA). These projects are reported in development contribution areas for each service type.

For each development contribution, Council officers have determined the anticipated number of new lots as the district expands. These are reported as Household Equivalent units (HEU's).

Development contributions

The development contribution will be assessed for each service type and each development contribution will be charged based on the number of HEUs demanded by each incoming activity.

Modelling principles

A project cannot be considered for development contributions unless it is an approved project in the LTP. The LTP includes schedules of planned projects and in the future will include schedules of past projects with remaining capacity intended to support the new and future incoming community.

Notes

- Year will be end year, i.e. 2021/2022 will be stated as 2022.
- Past expenditure will be actual cost of the project and will not be inflation adjusted.
- Interest on past expenditure will be based on the typical average interest rate for either borrowing or lending in each year since the past expenditure was incurred.

Expenditure

Expenditure will be assumed to occur in the year identified in the LTP or its amendments.

Development contribution

For each project the development contribution capital charge for each incoming HEU is assessed as the net cost of growth, divided by the number of HEUs assumed to be incoming from year 1 to the end of the funding period for that project.

The net cost of growth is determined as;

- For past projects, on the actual cost of the project less any third-party funding such as grants or subsidies,
- For future projects, on the forecast cost of the project in today’s dollars, less any third-part funding such as grants or subsidies, and
- based on the assumption that at the end of the funding period the remaining debt will be zero.

Development contributions collected after a project has been completed will be used to repay loan servicing costs including principal and interest associated with the project. Appendix D: Non-residential HEU conversions

Wastewater

Kaikōura District Council District Subdivision Code of Practice Design Standard: 1000 litres/household/day (1m3/lot/day)

Land use description	District Design Std (Litres/Day)	Units	HEUs
Commercial/industrial	200	100m2 GFA	0.2
Retail	266	100m2 GFA	0.26

Water

Kaikōura District Council Urban Water Supply Upgrade Officers Report 2000: 1930 litres/household/day - 1.9m3/lot/day

Land use description	District Design Std (Litres/Day)	Units	HEUs
Commercial/industrial	210	100m2 GFA	0.1
Retail	280	100m2 GFA	0.13

Roading

Land use	Vehicles per day	HEUs
Commercial/industrial	13.6	1.36
Retail	24.0	2.40
Rural	4 heavy trucks	5.0

Vehicles per day (VPD)

In using vehicles per day, consideration should be given to:

- (1) The end destination and sole purpose of the trip is to that activity therefore VPD rate is at 100%
- (2) Trip is made as one of a number of linked trips therefore VPD rate is at 25%
- (3) Trip is made but only because the route goes past that location therefore VPD rate is at 5%

Footpaths

Land use	Pedestrians per day	HEUs
Retail	30.0	3.0
Industrial	12	1.2
Commercial	20	2.0
Rural	Nil	-

Appendix E: Kaikōura district growth

Population growth in the Kaikōura district is expected to remain fairly static for the next ten years, with only an average of 10 new HEU created per annum, mainly within the Kaikōura urban area or within two kilometres of the urban boundary.

Residential development

There are currently very few subdivisions going through the resource consent process, and the demand for new sections appears to be well met by the number of sections already available within the district. Consequently, the LTP is only anticipating that 100 new titles will be created during the 2021-2031 period. Some higher density residential accommodation (apartments and affordable housing) may begin to emerge.

Visitor accommodation

The Sudima Hotel currently under construction may meet foreseeable demand for visitor accommodation, with perhaps only small boutique B&Bs emerging in the short- to medium-term. Growth projections for visitors are difficult to rely upon, particularly with the impact of COVID-19 on international visitor numbers.

Commercial development

The Wakatu Quay development is a Provincial Growth Funded project, which will not be subject to contributions because it is Council-owned (the Council would need to increase rates to pay itself the cost of the contributions, which is counter-productive). At this stage, no major commercial developments are anticipated other than rebuilding earthquake-damaged business premises (Sonic Café, Adelphi Hotel site, and New Commercial Hotel site for example).

Industrial development

The Council is in discussion with a developer interested in creating a new light industrial zone to the south of the Kowhai River. Should that industrial zone go ahead, it is conceivable that the Kaikōura urban area – particularly the Beach Road business zone – is significantly affected by existing light industries moving to the new zone. This could in turn free up the Beach Road area to more retail

and commercial space, or visitor accommodation. At this juncture, the industrial zone is in discussion and will still be subject to the resource consent process. No assumptions have been made that would impact this development contributions policy.

Appendix F: Capital expenditure

The following table summarises the capital expenditure that the Council has already incurred, or expects to incur within the next ten years, to meet the increased demand for services resulting from growth. The Council has determined to use the funding sources stated as the most appropriate source of funds for each of these capital projects, to match the distribution of benefits most equitably to groups and/or individuals, and to make the optimum use of alternative sources of funding such as grants and subsidies, and development contributions where appropriate.

The Council's development contributions policy was first adopted in June 2004 and provided for several capital projects that have already been completed. In many cases, loans have been raised to complete that work, and development contributions are collected to meet the cost of loan servicing and to contribute towards the cost of that work previously undertaken. Development contributions are only levied until the portion of costs of the capital work has been recovered.

	Year	Estimated cost	Funding Sources	
			Grants, subsidies & other	Development contributions
Footpaths				
Footpaths and active travel	2022-2031	900,000	97%	3%
Water services				
Kaikōura urban reservoirs and water source	2012-2014	119,831	20%	80%
Kincaid reservoirs, treatment and pipelines	2006-2013	361,933	30%	70%
East Coast pumps, switch board and pipelines	2010	37,961	90%	10%
Wastewater				
New pump stations	2014	367,061	50%	50%
Stormwater				
Increased capacity	2011	180,233	70%	30%
Community infrastructure				
No growth-related project	-	-	-	-
Parks & reserves				
Reserves projects are only undertaken as funds are available.				

Glossary of terms

Backlog	That portion of a project that relates to historical catch-up to meet the required level of service for the existing community.	Development contribution area	Separate development contribution areas exist for each area asset category. For some assets, e.g. roading, the development contribution area is district wide, whereas for asset categories such as stormwater, water and wastewater development contribution areas are based upon existing service catchment areas.
Bed	When assessing development contributions for visitor accommodation, per bed is used. A bed refers to a single bed, therefore equates to per person per night.	Financial contributions	These are provided for by the Resource Management Act (RMA) and the Council's policy is set out in section 5 of the Kaikōura District Plan. A financial contribution is a contribution from developers of cash, land, works, services or a combination of these. Financial contributions are used to offset or mitigate the adverse impacts on the natural and physical environment including utility services, of a new development.
CCI	Construction Cost Index.	Funding model	The funding model ensures an equitable assessment of the funding requirements to support the development contributions regime. The primary output of the funding model is an accurate assessment of the required development contribution charges.
Commercial	Any activity, whether temporary or permanent, involving payment, exchange or other consideration, but not including visitor accommodation. Examples include restaurants, bars, conference facilities, tourism operator ticketing counters, and office spaces.	Funding period	Not less than ten years, otherwise lesser of asset capacity life, asset useful life, or 30 years.
Community infrastructure	means land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities, and includes land that the Council acquires for that purpose.	GFA	Gross Floor Area
Credits	Where development contributions or financial contributions for a particular property have previously been assessed and paid, credit to that amount will be given for the particular activity.	Growth model	For each development contribution area the Council has determined the population changes anticipated as the district expands. These are reported as “Household Equivalent Units” (HEUs).
DC	Development contribution	GST	Goods and Services Tax
Development	Any subdivision or other development that generates a demand for reserves, network infrastructure, or community infrastructure (but does not include network utilities such as electricity or telecommunications).	HEU	Household Equivalent Unit. A type of unit of demand that relates to the typical demand for infrastructure by an average household (4.5 people).
Developer agreement	Any private agreement signed between a developer and Kaikōura District Council, and takes the same meaning as a development agreement in the Local Government Act 2002 (e.g. s197).		

Industrial	Activities including associated land, infrastructure and buildings used for the manufacturing, fabricating, processing, packing or storage of goods, substances, energy or vehicles, and the servicing and repair of goods and vehicles whether by machinery or hand.				
Level of service (LOS)	The standard of service provision for assets.				
LGA	Local Government Act (2002) including amendments				
Lot	Lot is deemed to have the same meaning as “Allotment” under both the LGA, and the Resource Management Act 1991.				
LTP	Long Term Plan				
New expenditure	Relates to the growth demand and planned costs in the ten years from the current year. Starting in year 1 (2022) and ending in year 10 (2031).				
Past growth	Relates to the growth capacity and cost that has been provided by past expenditure.				Reserves, for this purpose of this policy, do not include land that forms or is to form part of any road or is used or is to be used for stormwater management purposes.
Past expenditure	Relates to actual costs incurred in past years – including the 2021 year. In terms of demand it relates to the provided capacity for the period between implementation and the current year. (Note: The Council is not proposing to recover development contributions for capital expenditure incurred prior to 1 July 2005.)	RMA	Renewal	Residential	Resource Management Act 1991 That portion of project expenditure that has already been funded through depreciation of the existing asset. The use of land and buildings by people for accommodation purposes, including unit/strata title development and visitor accommodation.
Parks & reserves	This refers to the cost of providing additional improvements necessary to turn basic reserve land into usable reserves such as: <ul style="list-style-type: none"> • Amenity reserves – generally small areas of scenic or recreation reserve that are intended primarily to “beautify” an urban area. 	Retail			The use of land, a building or parts of a building where goods are sold or displayed for sale, by retail, or are offered for hire.

Roading	Roads, bridges, kerb and channel, traffic services, footpaths, streetlights and cycleways within the road corridor.	Service connection	A physical connection to a service provided by, or on behalf of the Council
Rural	Deemed to be in the same area as both Rural and Semi-rural in the Council's rating information database, and that are 5 hectares or more.	Wastewater	The assets relating to the collection, treatment and disposal of sewage
Rural residential	Properties outside of the urban area and less than 5 hectares and containing, or intending to contain, a dwelling.	Urban area	The urban area within the Kaikōura township as defined by the Council's Rating Information Database.
		VPD	Vehicles Per Day