

Development Contributions Policy



This brochure is a summary of Council's Development Contributions Policy. The full policy is available in the Long Term Council Community Plan 2009/2019. That policy takes precedence over this brochure. A full copy of the policy is available in the LTCCP on our website or from the Council.

What is a Development Contribution?

Where any development takes place in a community the local council will have to spend money to upgrade their services to accommodate that development. If it fails to do so then there will be a reduction in the level of its services it provides to the community.

The cost of upgrading services must be paid for either by the ratepayers or developers.

A development contribution is a levy on developers to pay for these costs of growth. The underlying principle is that the costs of growth to a community should be paid for by those causing the growth and not the ratepayers.

Development contributions are required in order to ensure that the existing levels of services provided by a Council are not reduced or diluted by ongoing development in the community. Developers who create a demand on infrastructure and reserves should contribute towards the cost of ensuring that there is no loss in the level of service that was being provided before the development took place. A development contribution may be in the form of land or money as specified in the policy.

Whilst individual developments may not in themselves have a significant effect on the level of services being provided the aggregate effects of development are considerable and could result, for example, in a new or larger water treatment plant being required.

Is the Council entitled to collect Development Contributions?

Development contributions are provided for under the Local Government Act 2002 (principally sections 197 to 211). The Act requires that Councils adopt a policy on development contributions in their Long Term Council Community Plan. Where a policy requires the payment of development contributions the calculation of the amount of the development contribution must be done in accordance with the method set out in the Act. The Policy is subject to full public consultation prior to it being adopted.

Almost all councils in New Zealand have chosen to collect Development Contributions rather than apportion the costs of growth to its ratepayers.



What benefit is there in doing this?

Ratepayers will not have to fund growth-related capital expenditure necessitated by new development.

Anyone who is developing or subdividing land will fund the growth-related costs of servicing that land. For example, if growth leads to a higher water demand then developers will pay a contribution towards upgrading the supply.

Don't my rates pay for this?

No, the Council uses rates for the operation and maintenance of its services, not capital expenditure to service additional demands caused by growth.

Ratepayers should not be expected to pay for additional services the Council has to provide to service the needs of new growth.

How are the amounts calculated?

The method to calculate these amounts is prescribed in the Local Government Act 2002. The figures are calculated by estimating growth over the next 10 years and projecting the additional infrastructure and services needed to accommodate that growth. These are then costed out and apportioned against the projected growth. These amounts are subject to review every three years as costs and other circumstances change.

How much will I have to pay?

A. Residential subdivisions and developments.

The development contribution to be paid depends on the services offered in various areas. To see which area applies in your case refer to the plans in this brochure.

The table below shows the contribution per additional dwelling or additional lot (Note there are reduced contributions for sleep-outs/granny flats/family flats).

Area (refer maps)	INC GST
Tokomaru	\$6,682
Tokomaru greenbelt	\$14,851
Shannon	\$5,709
Foxton	\$9,745
Foxton Beach	\$14,482
Levin general	\$14,284

Area (refer maps)	INC GST
Levin greenbelt	\$15,265
Levin North	\$14,698
Ohau	\$14,452
Waitarere Beach	\$9,244
Other urban	\$5,591
Rural	\$5,209

Note: A breakdown of these contribution figures is available in the policy document or you can contact the Council for more detail.

B. Non-residential subdivisions and developments.

Commercial and industrial developments will be liable for a development contribution which is based on the new or additional gross floor area of the development. The policy provides that for each 100m² of floor space 0.3 of a contribution shall be paid. Where the level of demand for an activity is significantly different from that anticipated in the policy the Council may agree to a special assessment of the units of demand, or the developer may elect to provide that assessment at their own cost.

Non-residential developments only pay a development contribution towards roading, water, wastewater and stormwater. There is no contribution for reserves or community facilities.

The following are examples of residential and non residential activities which would attract a development contribution:

Any subdivision of land where additional titles are created.

The building (or relocation) of a new or additional house onto a single title created after 1 July 2001, including a family flat.

The conversion of a single house into two units.

The conversion of a garage into a sleep-out/family flat/granny flat.

An additional connection to the Council's water system and/or sewer system.

The extension of a commercial or industrial building (not internal alterations).

The following would not incur a development contribution:

Building a house to replace one on the same title.

The building of the first house on a subdivision approved before 1 July 2001.

Why do different areas pay different amounts?

The different amounts are based mainly on the new services estimated to be required in each area as a result of new growth. Urban areas will have reticulated services available and consequently a higher contribution is needed to extend those services. Details can be found in the policy available from the Council.

Who is a developer?

The policy applies to any person who triggers a demand for additional services whether they are “developers” or not. It will apply to individuals in exactly the same way as it will to any business undertaking a development.



When are development contributions payable?

Development contributions are due at any one of three triggers, these being:

1. When resource consent for a subdivision is granted.
2. When a building consent is granted (residential or commercial/industrial).
3. When a new service connection application is granted.

They will be charged at the following times:

- For a subdivision an invoice will be issued on receipt of the application for certification of the subdivision under Section 224 of the Resource Management Act: or,
- For a building consent an invoice will be issued on the granting of the building consent or,
- When Council agrees to a new connection to its services.

If the development involves more than one of the above, Council will require the contribution at the earliest event.

Development contributions will only be charged once on each additional "Unit of Demand". That is, each new dwelling or new lot or new connection will be liable for one development contribution. Commercial and industrial developments will pay a contribution based on additional floor area. (See "Commercial/Industrial Contributions" section below).

The contribution per dwelling or additional lot will not exceed the amount specified in the policy at the time of the issue of the first invoice.

The Council will withhold final certification of a subdivision (required under Section 224 of the Resource Management Act) or a Code Compliance Certificate under the Building Act for the required payment as provided for under the Local Government Act 2002.

The contribution is due for payment on the issue of the invoice.

What is the difference between development contributions and financial contributions?

Financial contributions were taken under the Resource Management Act on subdivisions approved between July 2005 and June 2006. They have now been replaced by development contributions under the Local Government Act 2002.

Where a financial contribution for any particular purpose/s is due, or has been paid, on a subdivision a development contribution cannot be taken for the same purpose/s.

Is there a chance of the Council double-dipping?

No, where a financial contribution was paid in the past the Council cannot levy a development contribution for that purpose. Development contributions may however be due for any additional development that takes place on those properties.

What happens if I don't agree with the amount I have to pay?

The policy includes a section on credits and reviews for any development contribution.

A credit may be allowed where there has been some form of previous contribution to capital expenditure or where the development does not result in any demand on Council services and/or infrastructure having due regard for the previous use of the property.

You can apply in writing to the Council to review the amount you have been charged. Any request should be made within 15 days of being advised of the liability for development

6. contribution and must include the reasons for the request. The circumstances the Council

may take into account are specified in Section 8 of the policy but include:

- The extent to which works by the applicant reduce the need for capital expenditure.
- Situations where the level of demand is less than for a full unit of demand.
- Whether the policy has been correctly interpreted and applied.
- Personal/individual circumstances.
- Charitable purposes.

Am I entitled to any reduction or refund for existing subdivisions?

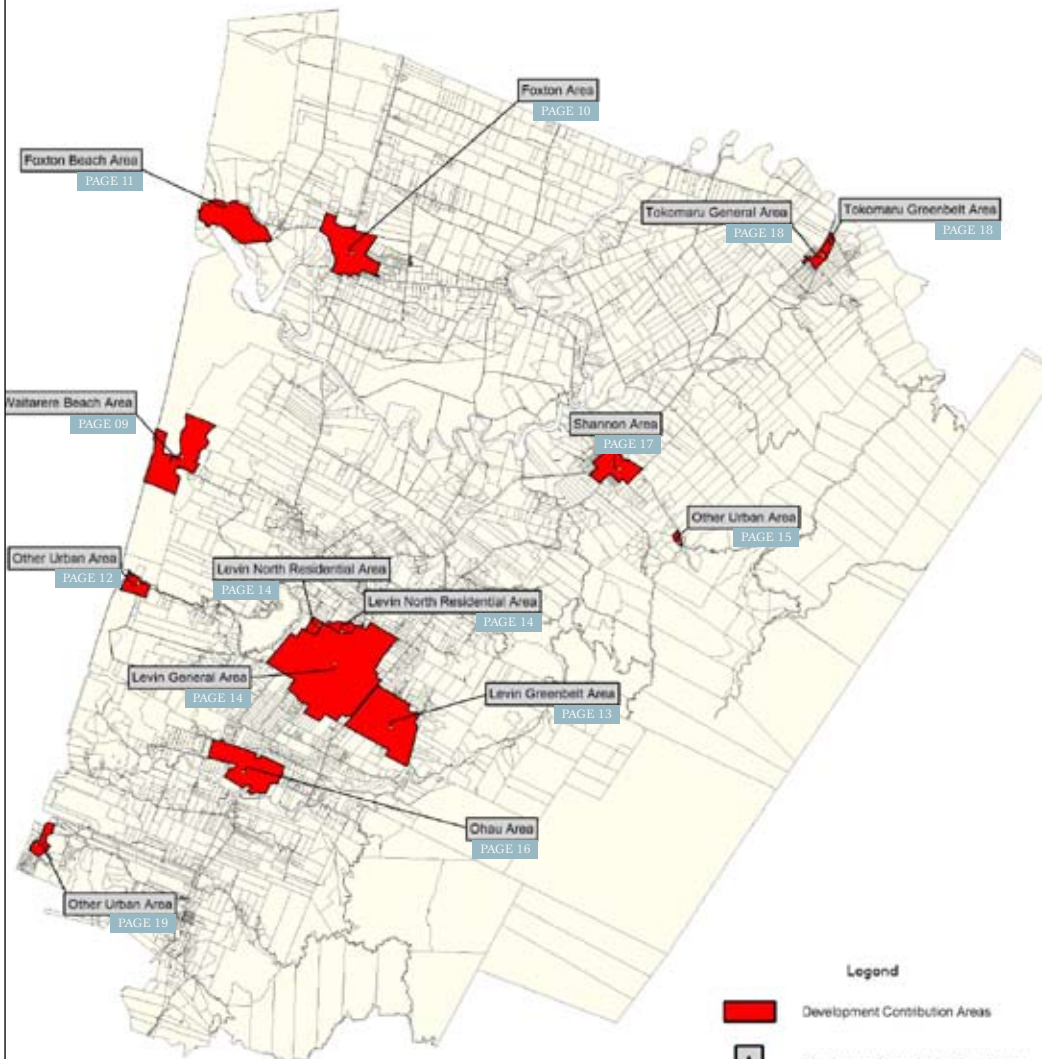
The Development Contribution Policy, as amended in 2009, provides for a graduated scale of exemptions for subdivisions granted before 1 July 2006 as follows.

If you have a vacant property (or have developed a property) subdivided before 1 July 2006 you will be entitled to a reduction of the contribution due in accordance with the table below.

Development contributions exemption for subdivisions approved prior to 1 July 2006	
Time of subdivision approval <i>*This is the date that the resource consent for the subdivision was granted.</i>	Level of development contributions exemption
On or after 1/7/2006	0% credit
Between 1/7/2004 and 30/6/2006 (inclusive)	20% credit (n/a where financial contribution paid)
Between 1/7/2003 and 30/6/2004 (inclusive)	40% credit
Between 1/7/2002 and 30/6/2003 (inclusive)	60% credit
Between 1/7/2001 and 30/6/2002 (inclusive)	80% credit
Prior to 1/7/2001	100% credit

If you have paid a development contribution on a property subdivided between 1 July 2001 and 1 July 2006 you may be entitled to a refund in accordance with the above table. If you believe this to be the case you should set out the details in writing to the Council giving the reasons for the refund, details of the amount paid and details of the amount of the refund sought. Please contact Council staff for more details.

Note: Refunds will be paid to the current owners unless there are verifiable grounds to justify otherwise. If you believe this to be the case you will need to include documentary evidence to justify a refund to you and not the current owner.



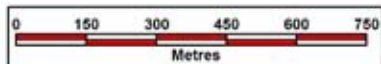
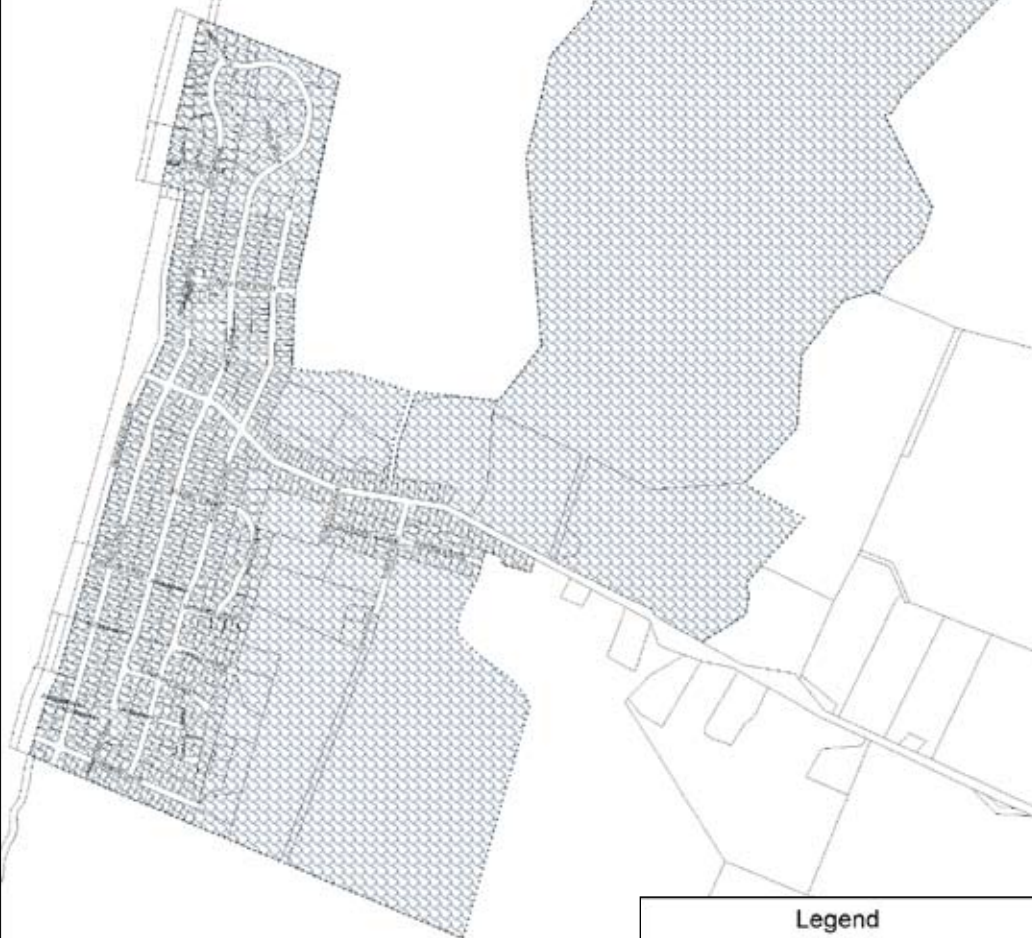
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-  Development Contribution Areas
-  Development Contribution Area Name
-  Rural Development Contribution Area





Waitare Beach Area



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-  Waitare Beach Development Contribution Area

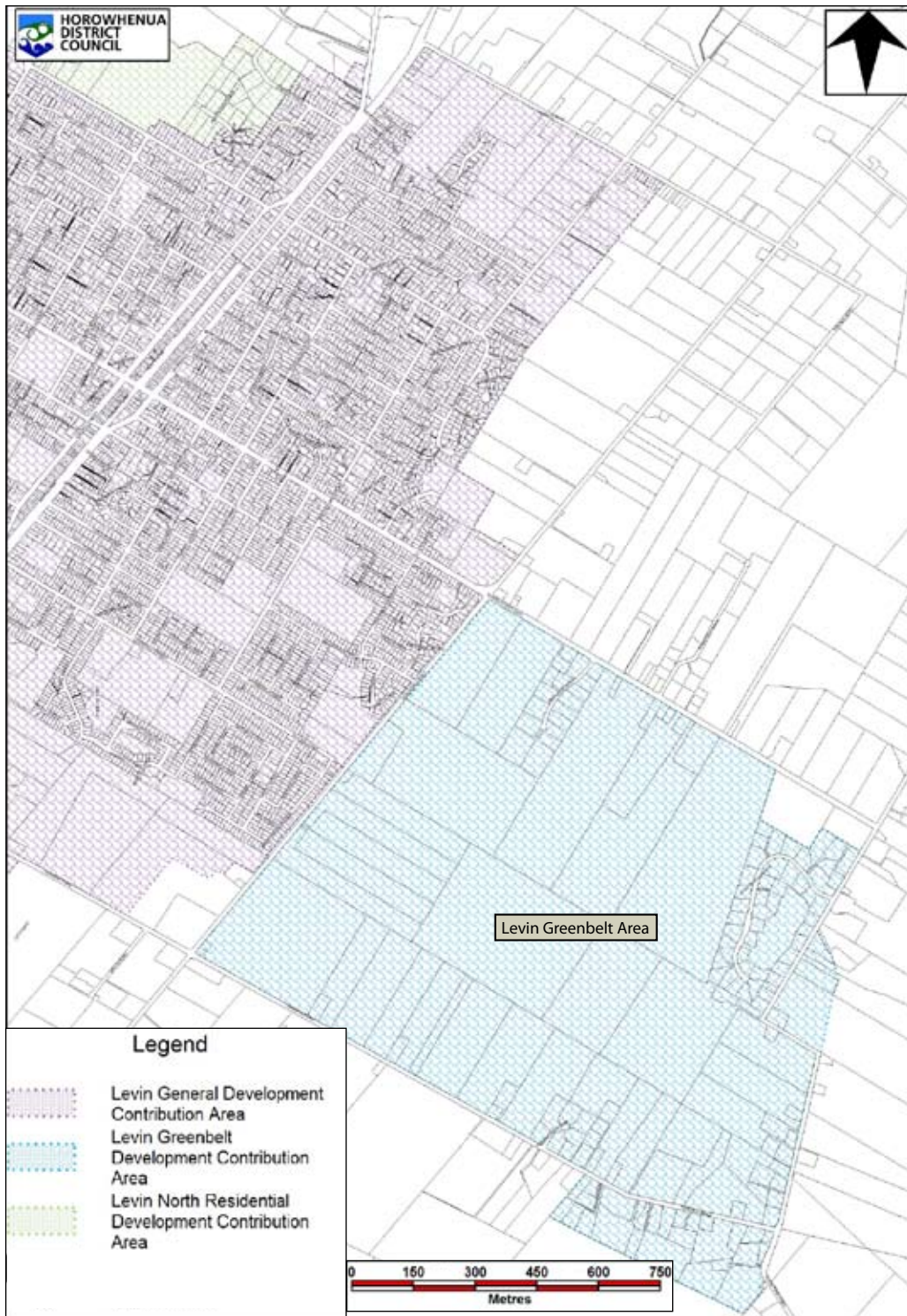


Foxton Area



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Foxton Development Contribution Area





Levin North Residential Area

Levin General Area

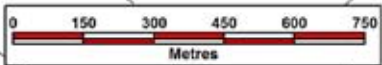
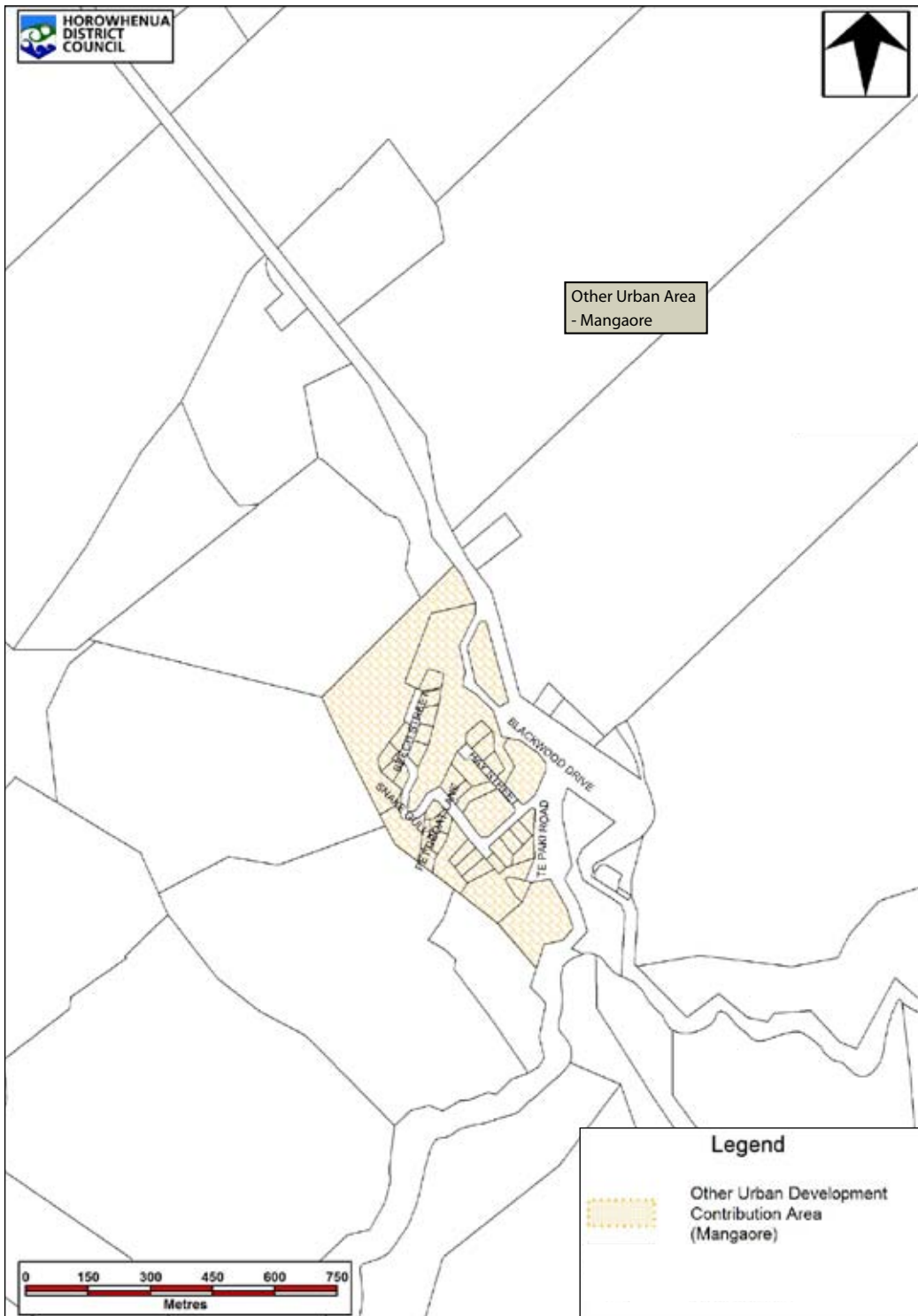
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-  Levin General Development Contribution Area
-  Levin Greenbelt Development Contribution Area
-  Levin North Residential Development Contribution Area





Other Urban Area
- Mangaore



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 Other Urban Development
Contribution Area
(Mangaore)



Note: No contribution is required in area 'A' for water or stormwater. All other development contributions will apply.



Ohau Area



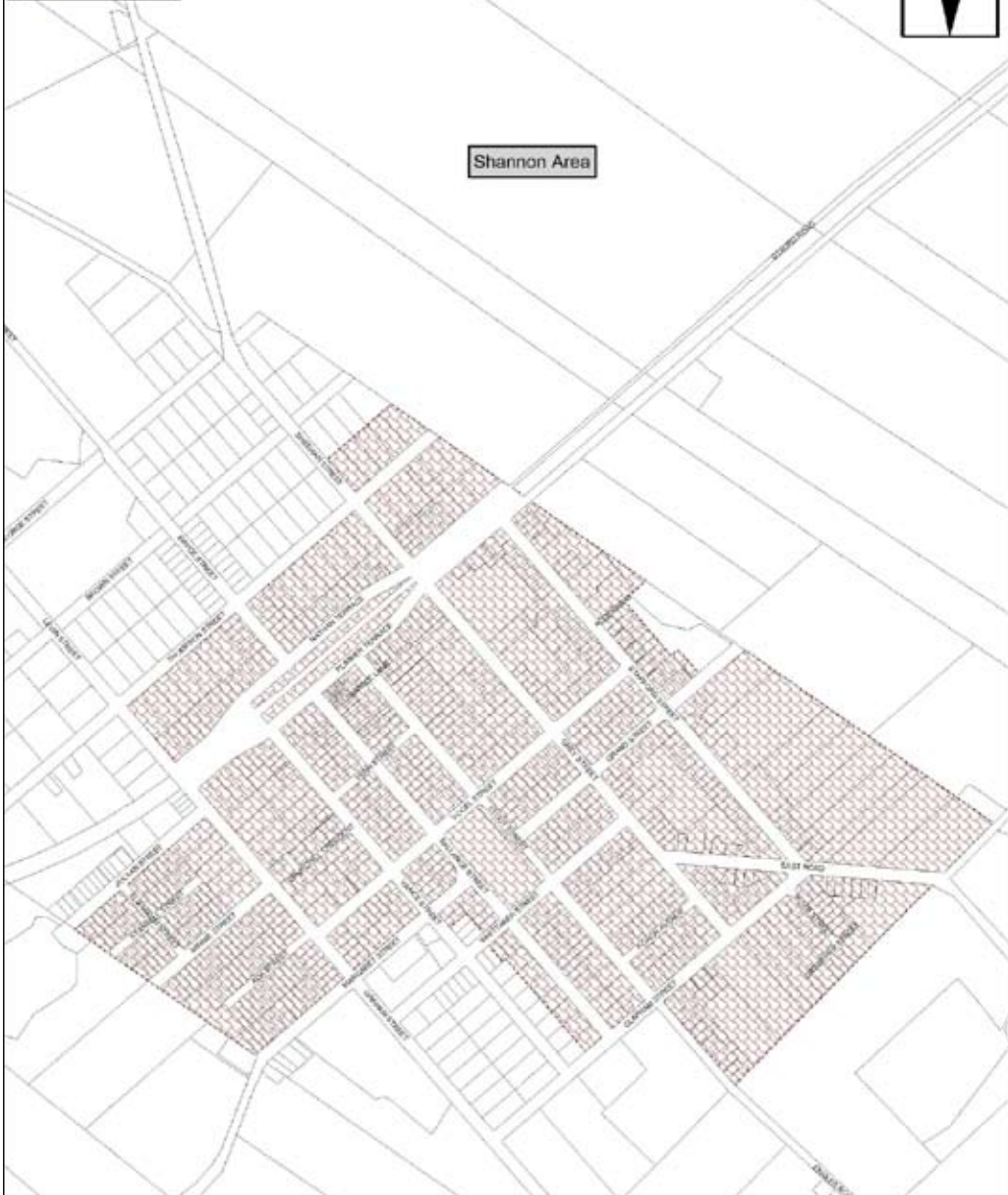
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Ohau Development Contribution Area





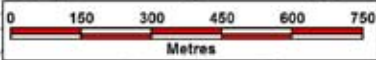
Shannon Area

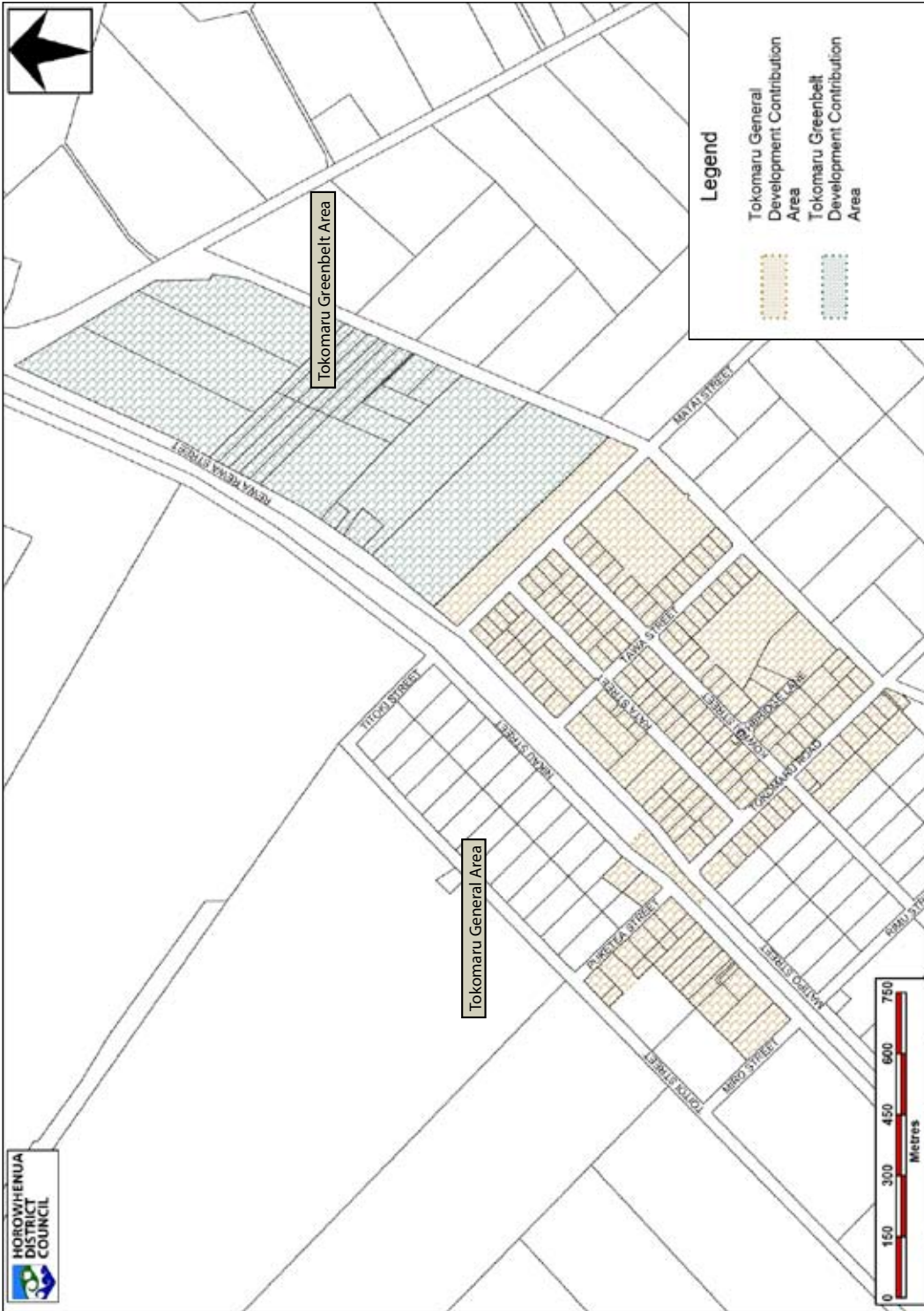


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Shannon Development
Contribution Area





Tokomaru Greenbelt Area

Tokomaru General Area

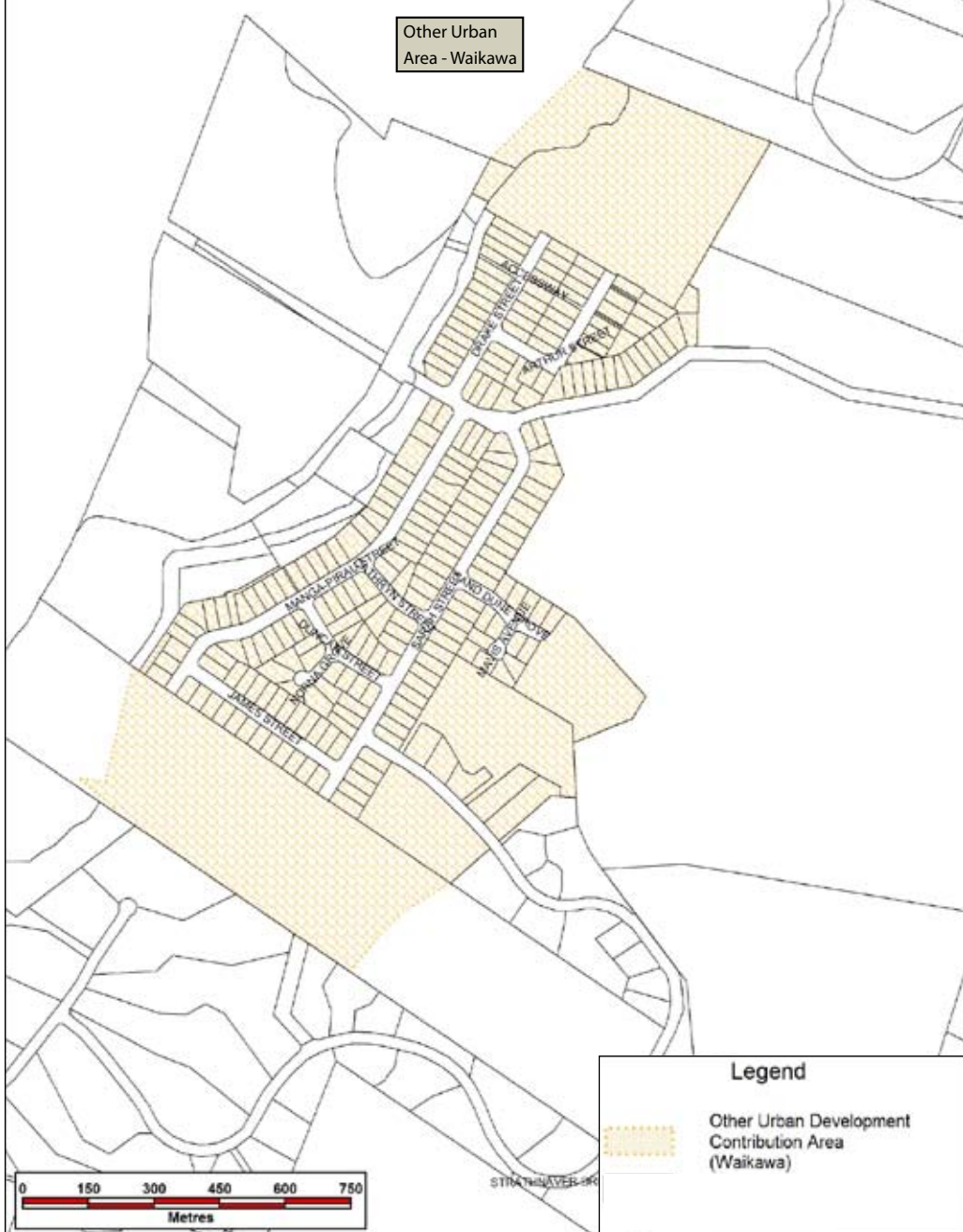
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- Tokomaru General Development Contribution Area
- Tokomaru Greenbelt Development Contribution Area




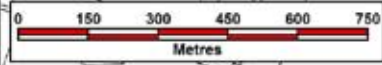


Other Urban
Area - Waikawa



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 Other Urban Development Contribution Area (Waikawa)





Further Information

Further details can be found in Council's Long Term Council Community Plan 2009 – 2019 , available from Council.



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