

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Council will be held on:

Date: Thursday 17 March 2022
Time: 9.30am
Meeting Room: Audio Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Council *Kaunihera* OPEN AGENDA

Membership

Chairperson Mayor P Southgate
Heamana

Deputy Chairperson Deputy Mayor G Taylor
Heamana Tuarua

Members	Cr M Bunting	Cr A O’Leary
	Cr M Gallagher	Cr R Pascoe
	Cr R Hamilton	Cr S Thomson
	Cr D Macpherson	Cr M van Oosten
	Cr K Naidoo-Rauf	Cr E Wilson
	Cr M Donovan	

Quorum: A majority of members (including vacancies)

Meeting Frequency: Monthly – or as required

Amy Viggers
Mana Whakahaere
Governance

10 March 2022

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Amy.Viggers@hcc.govt.nz
www.hamilton.govt.nz

Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Hamilton.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council:
 - a) The power to make a rate.
 - b) The power to make a bylaw.
 - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
 - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
 - e) The power to appoint a Chief Executive.
 - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan, or developed for the purpose of the Council's governance statement, including the 30-Year Infrastructure Strategy.
 - g) The power to adopt a remuneration and employment policy.
 - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
 - i) The power to approve or amend the Council's Standing Orders.
 - j) The power to approve or amend the Code of Conduct for Elected Members.
 - k) The power to appoint and discharge members of committees.
 - l) The power to establish a joint committee with another local authority or other public body.
 - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.
 - n) The power to amend or replace the delegations in Council's *Delegations to Positions Policy*.
2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
 - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
 - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
 - c) Approval of any changes to city boundaries under the Resource Management Act.
 - d) Adoption of governance level strategies plans and policies which advance Council's vision and strategic goals.

- e) Approval of the Triennial Agreement.
- f) Approval of the local governance statement required under the Local Government Act 2002.
- g) Approval of a proposal to the Remuneration Authority for the remuneration of Elected Members.
- h) Approval of any changes to the nature and delegations of the Committees.
- i) Approval of all Council and Committee Advisory Groups and their terms of reference.
- j) Appointments to, and removals from, CCO CCTO and CO boards;
- k) Approval of proposed major transactions or constitutional adjustments of CCOs, CCTOs and COs.
- l) Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO, CCTO or CO.
- m) Approval of city boundary changes, including in respect of Strategic Boundary Land Use Agreements.
- n) Approval Activity Management Plans.

Oversight of Policies and Bylaws:

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Council to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipanga*

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum – *Aatea koorero*

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Mayor.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6727.

Council Report

Item 5

Committee: Council

Date: 17 March 2022

Author: Amy Viggers

Authoriser: David Bryant

Position: Governance

Position: General Manager People and Organisational Performance

Report Name: Confirmation of the Extraordinary Council (Recommendation from the CE Review Committee) Open Minutes - 17 November 2021

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirms the Open Minutes of the Extraordinary Council (Recommendation from the CE Review Committee) Meeting held on 17 November 2021 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Extraordinary Council (Recommendation from the CE Review Committee) Open Unconfirmed Minutes - 17 November 2021

Extraordinary Council *Kaunihera* OPEN MINUTES

(Recommendation from the CE Review Committee)

Minutes of a meeting of the Council held in Audio Visual Link on Wednesday 17 November 2021 at 3.10pm.

PRESENT

Chairperson Mayor P Southgate

Heamana

Deputy Chairperson Deputy Mayor G Taylor

Heamana Tuarua

Members

Cr M Bunting
Cr M Gallagher
Cr R Hamilton
Cr D Macpherson
Cr M Donovan
Cr A O'Leary
Cr R Pascoe
Cr S Thomson
Cr M van Oosten
Cr E Wilson

In Attendance: Lance Vervoort (Chief Executive)
Greg Tims (Consultant)

Governance Staff: Becca Brooke (Governance Manager)
Amy Viggers (Governance Team Leader)

1. Apologies – *Tono aroha*

Resolved: (Crs van Oosten/O'Leary)
That the apologies from Cr Naidoo-Rauf are accepted.

2. Confirmation of Agenda – *Whakatau raarangi take*

Resolved: (Cr Wilson/Deputy Mayor Taylor)
That the agenda is confirmed.

3. Declarations of Interest – *Tauaakii whaipanga*

No members of the Council declared a Conflict of Interest.

4. Public Forum – *Aatea korero*

No members of the public wished to speak.

5. Resolution to Exclude the Public

Resolved: (Mayor Southgate/Deputy Mayor Taylor)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Recommendation from the CE Review Committee) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987)	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to protect the privacy of natural persons	Section 7 (2) (a)
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The meeting went into an public excluded session at 3.11pm.

The meeting was declared closed at 4.22pm.

Council Report

Item 6

Committee: Council

Date: 17 March 2022

Author: Tyler Gaukrodger

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Council Open Minutes of 3 February 2022

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Minutes of the Council Meeting held on 3 February 2022 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Council Meeting Unconfirmed Open Minutes - 3 February 2022

Council *Kaunihera* OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton and via Audio Visual link on Thursday 3 February 2022 at 9.33am.

PRESENT

Chairperson Mayor P Southgate
Heamana

Deputy Chairperson Deputy Mayor G Taylor
Heamana Tuarua

Members

- Cr M Bunting
- Cr M Gallagher (partially via Audio Visual Link)
- Cr R Hamilton
- Cr D Macpherson
- Cr K Naidoo-Rauf
- Cr M Donovan
- Cr A O'Leary (exclusively via Audio Visual Link)
- Cr R Pascoe
- Cr S Thomson
- Cr M van Oosten
- Cr E Wilson

In Attendance

- Lance Vervoort – Chief Executive
- Blair Bowcott – General Manager Growth
- David Bryant – General Manager People and Operational Performance
- Sean Hickey – General Manager Strategy and Communication
- Andrew Parsons - Executive Director Strategic Infrastructure
- Greg Carstens - Growth, Funding and Analytics Unit Manager
- Justine Kennedy – Project Manager Special Projects
- Dan Finn – People, Safety & Wellness Manager

Governance Team

- Michelle Hawthorne - Governance & Assurance Manager
- Amy Viggers – Governance Lead
- Narelle Waite and Carmen Fortin – Governance Advisors

The meeting was opened with a karakia from Tame Pokaia.

1. Apologies – *Tono aroha*

Resolved: (Cr Bunting/Mayor Southgate)
That the apologies for lateness from Cr Macpherson be accepted.

2. Confirmation of Agenda – *Whakatau raarangi take*

Resolved: (Mayor Southgate/Deputy Mayor Taylor)

That the agenda is confirmed noting that:

- a) the late attachments (Draft HCC submission to Working Group on Representation, Governance and Accountability of new Waters Services Entities) for Item 9 (Reform Response Programme Update) are accepted. They were circulated under separate cover (and can be found [here](#)) to enable the most up to date information to be included in the submission; and
- b) the late item C4 (Verbal Chair's Report) be added to the agenda as a public excluded item to enable Council to carry out commercial activities without negotiation and to prevent the disclosure or use of official information for improper gain or improper advantage. This was added as a late item at the request of Members following the 2 February 2022 Briefing.

3. Declarations of Interest – *Tauaakii whaipanga*

No members of the Council declared a Conflict of Interest.

4. Public Forum – *Aatea koorero*

No members of the public wished to speak.

5. Confirmation of the Council Open Minutes of 16 December 2021

Resolved: (Cr Wilson/Cr Hamilton)

That the Council confirm the Open Minutes of the Council Meeting held on 16 December 2021 as a true and correct record.

6. Confirmation of the Elected Member Open Briefing Notes - 9 December 2021

Resolved: (Mayor Southgate/Cr Thomson)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 9 December 2021 as a true and correct record.

7. Chair's Report

The Mayor took her report as read and responded to questions from Elected Members concerning the recent meeting with Tauranga City Council Commissioners and the Mayor of Auckland Council and the matters discussed at the meeting.

Resolved: (Mayor Southgate/Deputy Mayor Taylor)

That the Council receives the report.

8. Proposed Development Contributions Policy 2022/23

The Growth, Funding and Analytics Unit Manager spoke to the report, noting the proposed policy amendments, consultation approach and the staff recommendation. He responded to questions from Elected Members concerning consultation with secondary schools, the proposed amendments, when proposed changes would be made effective and that changes would not be retrospective.

Resolved: (Cr Hamilton/Cr Wilson)

That the Council:

- a) receives the report;
- b) approves, for the purpose of preparing a Proposed Development Contributions Policy 2022/23 ("Proposed Policy"):

- i. amending the definition of gross floor area (GFA) such that development contributions will continue to be charged for the area under building canopies with the exception of eaves or overhangs of up to one metre in depth;
 - ii. for the stormwater component of a charge, charging 1 Household Unit Equivalent (HUE) of development contributions rather than 1.29 HUE, for dwellings of more than one level that have four or more bedrooms;
- c) notes that:
 - i. the Proposed Policy will include new provisions for a partial remission of development contributions for development undertaken by state-integrated schools, as resolved by the Strategic Growth Committee (item 6) on 2 December 2021;
 - ii. the changes in c) i above are not intended to have retrospective effect;
 - iii. the changes in b) i. and ii. above are recommended to give effect to the 27 August 2021 Judicial Decision on AGPAC Limited & others vs Hamilton City Council;
 - iv. recommendation b) i. includes amendments to the definition of GFA that will improve clarity and transparency, but not change the substance of the existing provisions;
 - v. recommendation b) ii. will better align household sizes with stormwater impacts;
 - vi. approving these recommendations will not amend the current Development Contributions Policy;
 - vii. a draft Proposed Policy which includes the draft provisions to give effect to these recommended changes to the Development Contributions Policy will be presented to the 17 March 2022 Council Meeting, seeking approval for community engagement, to be undertaken from 22 March 2022 to 14 April 2022, in alignment with the 2022/23 Annual Plan process.

9. Reform Response Programme update

The report was taken as read. Staff responded to questions from Elected Members concerning the workshops being held by the working group on the Future of Local Government and format of the report encompassing the Three Waters Reform, Future of Local Government, and Resource Management Reform Project.

The Executive Director Strategic Infrastructure spoke to the indicative transition roadmap in relation to the Three Waters Reform, the Working Group on Representation, Governance and Accountability of new Water Services Entities, and the late attachment which included a draft submission to the “Exposure Draft of the Water Services Entities Bill”. Staff responded to questions from Elected Members concerning the proposed membership of entity B now known as Western Central Water Group, the Working Group ‘Representation, Governance and Accountability of new Water Services Entities’, the proposed draft submission, what information was available to the public Councils’ website concerning the reform in particular the minutes from the Working Group’s meeting and its Terms of Reference, public consultation, and how a central North Island entity business case could be created.

Cr Macpherson joined the meeting (10.21am) during the discussion of the above item. He was present when the matter was voted on.

The meeting was adjourned 11.15am to 11.40am during the discussion of the above item.

The discussion on the above (item 9: Reform Response Programme update) was adjourned following the discussion to enable staff time to update the draft submission document.

10. Strategic Risk and Assurance reporting: Safety & Wellness

The General Manager People and Operational Performance spoke to the report, noting that the report will be taken to Council quarterly after safety and wellness discussions within the Strategic Risk and Assurance Committee. Staff responded to questions from Elected Members regarding Elected Member training survey and training support, best practice of Local Authority and Elected Member engagement, Covid-19 safety impacts, reaction to Council's vaccine policy, review of vaccine policy measurements, Covid-19 continuity plan which included the ability to use staff from other organisations, providing assistance to community core businesses, and supply of rapid antigen testing for staff.

Resolved: (Cr Wilson/Cr Pascoe)

That the Council receives the report.

11. Strategic Risk and Assurance reporting: Risk Management

The report was taken as read. Staff responded to questions from Elected Members regarding Annual Plan process in particular the inclusion of any escalated cost and how to address the skilled worker shortage.

Resolved: (Mayor Southgate/Deputy Mayor Taylor)

That the Council receives the report.

The meeting was adjourned from 12.45pm to 1.57pm.

12. Reform Response Programme update (*Continued*)

Motion: (Mayor Southgate/Cr Pascoe)

That the Council:

- a) receives the report;
- b) approves the draft submission (appendix 1) be submitted to the "Working Group on Representation, Governance and Accountability of new Water Services Entities" (the Working Group) on the updated "Exposure Draft of the Water Services Entities Bill (ED)" with the following additional paragraph after the existing paragraph 5:
'Council disagrees that the Entity B model proposed by Government will deliver the best outcomes. In particular, we are concerned that the proposed entity would not be able to sufficiently respond to the unique needs of growth metros such as Hamilton, and that an entity based on existing strategic relationships between Waikato/Bay of Plenty councils would be more appropriate.
'On this basis, we consider it critical that work continues on different models, with entities of different sizes and make-ups, which could still deliver scale while ensuring that the entities cover more natural groupings of communities, rather than the potentially unwieldy super entities currently proposed. This work must include a central North Island (Waikato and Bay of Plenty) entity. We have had constructive discussions with a range of partners, in particular the Tauranga commissioners, and believe there is strong appetite for exploring alternative models such as this to deliver the outcomes we need.'
- c) notes the Mayor will urgently write to all Waikato and Bay of Plenty Mayors, to continue work developing a concrete proposal for a central North Island entity, and putting forward the case for this to central Government, and will report back to Council on the progress of discussions as soon as possible;
- d) notes that the Mayor is setting up an urgent meeting with Commissioner Tolley and senior Ministers to propose an alternative mode for the central North Island; and
- e) looks forward to receiving the report on alternate models commissioned by Communities 4 Local Democracy, to consider whether and how what is proposed might benefit Hamilton.

Amendment: (Cr Taylor/Cr Bunting)

That the Council:

- a) receives the report;
- b) approves discussions to begin with the leadership of Councils 4 Local Democracy with a possible view to supporting the 3 Waters models they are presenting to the Representation, Governance and Accountability Working Group;
- c) approves staff to actively engage with any other relevant councils to discuss alternative 3 Waters proposals; and
- d) approves the immediate consultation with Hamilton residents to gain their views on the Water Entities Bill's Exposure Draft.

The Amendment was put.

Those for the Amendment: Councillors O'Leary, Bunting, Taylor, Naidoo-Rauf, Wilson and Donovan.

Those against the Amendment: Mayor Southgate, Councillors Gallagher, Pascoe, Macpherson, Hamilton, van Oosten and Thomson.

The Amendment was declared LOST.

The Motion was then put and declared CARRIED.

Resolved: (Mayor Southgate/Cr Pascoe)

That the Council:

- a) receives the report;
- b) approves the draft submission (appendix 1) be submitted to the "Working Group on Representation, Governance and Accountability of new Water Services Entities" (the Working Group) on the updated "Exposure Draft of the Water Services Entities Bill (ED)" with the following additional paragraph after the existing paragraph 5:
'Council disagrees that the Entity B model proposed by Government will deliver the best outcomes. In particular, we are concerned that the proposed entity would not be able to sufficiently respond to the unique needs of growth metros such as Hamilton, and that an entity based on existing strategic relationships between Waikato/Bay of Plenty councils would be more appropriate.
'On this basis, we consider it critical that work continues on different models, with entities of different sizes and make-ups, which could still deliver scale while ensuring that the entities cover more natural groupings of communities, rather than the potentially unwieldy super entities currently proposed. This work must include a central North Island (Waikato and Bay of Plenty) entity. We have had constructive discussions with a range of partners, in particular the Tauranga commissioners, and believe there is strong appetite for exploring alternative models such as this to deliver the outcomes we need.'
- c) notes the Mayor will urgently write to all Waikato and Bay of Plenty Mayors, to continue work developing a concrete proposal for a central North Island entity, and putting forward the case for this to central Government, and will report back to Council on the progress of discussions as soon as possible;
- d) notes that the Mayor is setting up an urgent meeting with Commissioner Tolley and senior Ministers to propose an alternative mode for the central North Island; and
- e) looks forward to receiving the report on alternate models commissioned by Communities 4 Local Democracy, to consider whether and how what is proposed might benefit Hamilton.

Those for the Motion:

Mayor Southgate, Councillors Gallagher, Pascoe, Macpherson, Hamilton, van Oosten and Thomson.

Those against the Motion:

Councillors O'Leary, Bunting, Taylor, Naidoo-Rauf, Wilson and Donovan

13. 2022 Triennial Elections Information

The Governance Lead spoke to the report noting that the last 3 trienniums had decided to arrange the candidates on voting documents in random order. She responded to questions from Elected Members regarding difference between random and pseudo-random, cost difference, Covid implications on voting, education campaigns, political advantage to alphabetical order, voting booklet layout, benefit to voter use, and ballot return data.

Resolved: (Mayor Southgate/ Cr Wilson)

That the Council:

- a) receives the report; and
- b) approves the names of the Hamilton City Council candidates for the 2022 Local Authority Elections to be arranged on the voting documents in random order.

Cr Donovan Dissenting.

14. Resolution to Exclude the Public

Resolved: (Mayor Southgate/Cr Wilson)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes of 16 December 2021) Good reason to withhold) information exists under) Section 7 Local Government	Section 48(1)(a)
C2. Confirmation of the Elected Member Public Excluded Briefing Notes - 8 December 2021) Official Information and) Meetings Act 1987	
C3. Confirmation of the Elected Member Public Excluded Briefing Notes - 9 December 2021		

C4. Late Report – Verbal Chair's
Report

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:


Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to enable Council to carry out commercial activities without negotiation	Section 7 (2) (h)
	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)

The meeting moved into a public excluded session at 3.31pm.


The meeting was declared closed at 3.40pm.

HAMILTON CITY COUNCIL SUBMISSION TO:

**Working Group on Representation,
Governance and Accountability of new
Water Services Entities**



3 February 2022



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

DRAFT

Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- A city that's easy to live in
- A city where our people thrive
- A central city where our people love to be
- A fun city with lots to do
- A green city

Water is essential to the improving all Hamiltonian's wellbeing. Water brings life to our people for food, for housing, for jobs, for recreation. It is essential to our being.

Council approval and reference

This submission was approved by Council at its Council Meeting on 3 February 2022.
Hamilton City Council Reference D-XXXXXX - submission # 6XX

Key Messages

The Journey

1. Council provided feedback to Government on its proposed waters reform on 1 October 2021. This feedback was based largely on information in Cabinet Papers about the governance, representation and accountability of the four proposed Water Services Entities.
2. In December 2021 the Government published the ["Exposure Draft of the Waters Services Entities Bill"](#) (ED).
3. Council has compared its previous feedback with the ED and assessed the extent to which matters raised by Council have been addressed in the ED.
4. Council acknowledges that many matters raised in the Hamilton City Council feedback were recognised and attributed to Hamilton City Council in the ["Summary of local government feedback on the three waters reform proposals"](#) October 2021. The ED, to varying degrees, reflects the feedback and offers improvements in areas of concern previously identified by Council.

Hamilton City Council's biggest concerns

5. Following our review, there remain several areas of concern which have been previously highlighted by Hamilton City Council in its feedback to Government. These areas have either been only partly addressed, or not addressed at all in the ED.
 - a. The rights of ownership (while significantly improved) remain diluted from what they would be if the entities operated under a conventional CCO business structure.
 - b. Hamilton is a high-growth area. This requires significant co-ordination to achieve the necessary growth investment on-time in the right place. We require that the entity is mandated to work closely with Council to ensure efficient and effective outcomes.
 - c. There must be local input to waters investment to ensure that communities' placemaking needs are met. Again, we require that close working relationships between Council and the entity are mandated.
 - d. Linkages to other reforms are weak and in practice appear non-existent. Alignment with RM reform and other legislative changes impacting urban development and future housing capacity are critical for high-growth councils such as Hamilton.
 - e. Community engagement and consultation. Council has strongly and consistently argued for far greater opportunities for public participation and consultation in the Three Waters Reform process. Genuine engagement is a critical part of accountability for future entities and there is little confirmed detail in the ED on mechanisms to ensure community voice is heard in the new entities. Although outside the scope of this Working Group, Council notes there have been minimal opportunities for direct community involvement in the reform process to date. Information delivery to our communities and councils from Government has been poorly handled, difficult to access, and ambiguous. We urge the Working Group to use its influence to improve communication of the reform and provide meaningful opportunities for our community to access and respond to the changes proposed.

Attachments

Attachment 1: Comparison of HCC feedback to the Exposure Draft of the Water Services Entities Bill (Dec 2021)

Page 3 | 5

6. This attachment identifies each of the Critical Success Factors and our potential solutions and compares that with the ED. The assessment includes a RAG (red, amber, green) analysis to indicate the extent to which Council's feedback has been addressed.
7. We request the Committee further consider those items of governance, representation and those items which we have highlighted as amber and red.

Attachment 2: Feedback to Government Oct 2021

8. We have attached our Feedback document to assist in providing fuller information on Hamilton City Council's position on the matters summarised in Attachment 1.

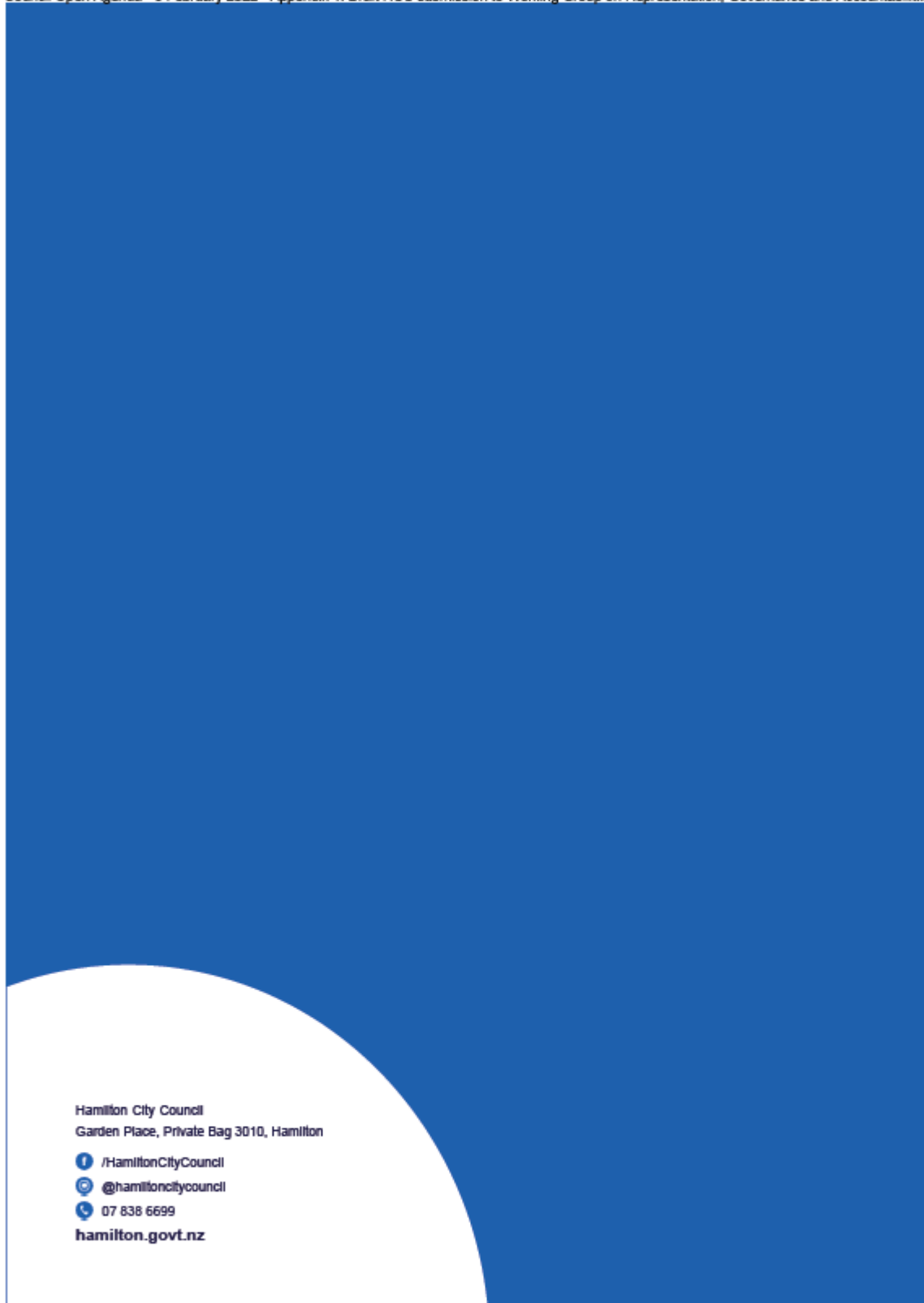
Further Information and Opportunity to Discuss Our Submission

9. Should the Committee require clarification of the submission from Hamilton City Council, or additional information, please contact **Andrew Parsons** (Executive Director – Strategic Infrastructure) on 07 838 6896 or 021 791 612, email andrew.parsons@hcc.govt.nz in the first instance.
10. Hamilton City Council would welcome the opportunity to discuss the content of our submission with the Committee in more detail.

Yours faithfully

Lance Vervoort
CHIEF EXECUTIVE

DRAFT



Hamilton City Council
Garden Place, Private Bag 3010, Hamilton
 /HamiltonCityCouncil
 @hamiltoncitycouncil
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hamilton.govt.nz

Council Meeting 3 February 2022

Attachment 1:

Comparison of HCC feedback to the Exposure Draft of the Water Services Entities Bill (Dec 2021)



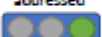

In December 2021, an [Exposure Draft of the Water Services Entities Bill \(ED\)](#) was released to assist the Representation, Governance and Accountability Working Group with its mahi. This ED is the first time we have seen a version of this.



On 1 October 2021, Council provided feedback on the Government's reform proposal. This feedback was based on information on the DIA three waters website available during the September 2021 period of the Government Reform pause for Council feedback. Our feedback was largely based on formal statements in Cabinet Minutes and Papers one, two and three and the Treasury Regulatory Impact Statement.


This ED contains matters that were represented differently in the material available during the feedback pause and reflects some of the feedback provided by councils.

The table below provides a staff perspective of matters raised by Council and the extent to which those matters are addressed in this ED. Note, some matters of feedback may not be relevant to the purpose of this proposed piece of legislation.

The purpose of this table is to identify areas Council may look to advocate on through the Working Group.






Key	Feedback not addressed	Feedback somewhat addressed	Feedback largely addressed	Not applicable to Bill
				

Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
Big Critical Success Factors			
1.	7a Consultation: We require absolute assurance that formal, effective and transparent consultation with our community will be undertaken before any structural changes to Council's management of Three Waters services.	Not applicable to the content and purpose of the Bill. The Government is currently engaging with local government and mana whenua through the Representation, Governance and accountability Working Group. Formally consultation on the Bill will occur using the Select Committee process.	
2.	7b Local Voice: Councils and communities must have meaningful input and influence over strategic directions, investment plans and service delivery standards of 3 Waters	Local Voice is provided through a representative of the RRG, an operating principle for the entity of <i>partnering and engaging early and meaningfully with territorial authorities and their communities</i> and	 Good partnering will be essential to achieving this. Achievement of great outcomes will be more to do






Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
	entities, especially as these relate to specific communities.	specific engagement requirements on statutory policies and other decisions	with relationships than statute.
3.	<p>7c</p> <p>Ownership: There must be proper rights of ownership for councils as the owner. Nominal ownership by councils, without any of the benefit of ownership is meaningless without the rights of ownership and accountability of the entity to the owners, and thereby to the owner's community.</p>	<p>ED Cl.13 states:</p> <ol style="list-style-type: none"> 1. A water services entity— <ol style="list-style-type: none"> a. is a body corporate; and b. is accordingly a legal entity separate from the entity's board members, the entity's employees, the Crown, the entity's regional representative group, and the entity's territorial authority owners; and c. continues in existence until it is dissolved by an Act. 2. A water services entity is owned collectively by its territorial authority owners. 3. Despite subsection (2), a water services entity is not— <ol style="list-style-type: none"> a. a council organisation or a council-controlled organisation as those terms are defined in section 6 of the Local Government Act 2002; or b. a local government organisation as defined in section 124 of the Local Government Act 2002. <p>ED Cl.25</p> <p>This clause modifies the functions of the RRG from the Cabinet Minutes.</p> <p>The RRG functions are now:</p> <ol style="list-style-type: none"> a. appointing and removing the entity's board members under this Part; and b. participating in the process of setting the entity's strategic direction and performance expectations under subpart 4 of Part 4; and c. reviewing the performance of the entity under section 120; and d. approving the appointment and remuneration policy prepared by its board appointment committee under section 35. <p>See items below also.</p>	 <p>Ownership and the rights of ownership have improved significantly from the Cabinet Minute.</p> <p>Collectively the RRG has more influence over the appoint and removal of Board members.</p> <p>The RRG also produces and holds the Board accountable for delivering the RRG's Statement of Strategic and Performance Expectations.</p> <p>The RRG receives and provides comments on the strategic documents.</p> <p>The rights of ownership are less than a CCO in that:</p> <ul style="list-style-type: none"> • HCC has no equity and no voting according to its amount of equity (shares) in the entity. • HCC voting on Board appointments is indirect through a committee of the RRG (which HCC could or could not be represented) and • HCC representatives influence voting on the decisions is subject to the constitution voting rules (not drafted) • Non-owners get a vote on the RRG.


Attachment 1





Item 6



Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
4.	7d Placemaking: There must be a strong connection to councils' roles in placemaking and supporting thriving communities and the future of local government reform.	Overall, the linkages to growth, development, and council priorities and preferences are only considered at the objectives and operating principles level.	 Good partnering (as stated in the Operating principles) will be essential to achieving this. Achievement of great outcomes will be more to do with relationships than statute.
5.	7e Other Reforms: There must be a strong connection to the existing resource management framework (e.g. the National Policy Statement on Urban Development), future of local government and resource management reform.	Overall, the linkages to growth, development, and council priorities and preferences are only considered at the objectives and operating principles level.	 This item remains a significant risk to achieve Council's goals for the City. Council and the public have insufficient information to understand how waters reform and the Future Local government roles will work together.
Overall Governance Concerns			
6.	27a A shareholders' forum, where every asset-owning council is represented, and where strategic directions are discussed and recommended back to councils before going to the Board/company for approval. This could include iwi in an advisory capacity.	The ED makes significant changes to the Regional Representation Group (RRG) from what was proposed in Cabinet Minutes. ED Cl.24 provides for the Entity B RRG to have up to 44 representatives, being 1 from each TLA and an equal number from Mana Whenua. ED Cl.36 to 43 provides for the RRG to have a constitution. This constitution will state "how the group will perform or exercise its functions, powers, and duties" ED Cl.49 provides that the Board is accountable to the RRG.	 Matters in 27a should all be able to be addressed in constitution.
7.	27b Councils and iwi develop a skills matrix and approve Board members.	ED Cl.25, 33, 34, 35 address the Board appointment process including a requirement to have an "Appointment and Remuneration Policy".	 Council and Iwi will be involved in the Board appointments through RRG representatives.
8.	27c A requirement for direct negotiation with individual	The high-level Objective and Principles for the Entity include:	


Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
	local councils or groups of councils should they choose (such as the 3 currently working on the Future Proof wastewater plans) over service delivery levels and infrastructure investment plans in their respective areas.	<p>Objective statement to: "support and enable urban development" Cl.10 and the operating principle of:</p> <p><i>"(f) partnering and engaging early and meaningfully with territorial authorities and their communities; and (g) co-operating with, and supporting, other water services entities, infra-structure providers, local authorities, and the transport sector." Cl.12</i></p> <p>ED Cl. 116 provides for the RRG to issue a Statement of Strategic and Performance Expectations every three years. It includes:</p> <ul style="list-style-type: none"> the regional representative group's expectations and strategic priorities for the entity; the outcomes the group expects to be achieved through the delivery of water services by the entity; how the group expects the water services entity to fulfil its objectives, functions, and operating principles; and require the entity to give effect to the objective under section 10(a) of delivering water services and related infrastructure in an efficient and financially sustainable manner. <p>ED Cl.94 provides that the Minister nor a territorial owner or their representative can <u>direct</u> the Board to act or bring a result.</p> <p>The ED requires the Board must prepare, deliver to the RRG and publish the following accountability documents:</p> <ul style="list-style-type: none"> Cl. 125 a Statement of Intent (SOI) annually. ED Sch.3 includes provisions similar to CCO provisions for RRG consideration of the draft SOI. Cl.128 an Asset Management Plan (AMP), every three years. AMP. Cl.131 a Funding and Pricing Plan (FPP) for 10 years, every three years. The FPP includes the Financial Strategy. Cl.134 an Infrastructure Strategy (IS) for 30 years, every three years. 	While high level objectives and plans indicate a strong intention, the draft legislation does not specifically require direct early partnership or engagement with councils.







Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
		<ul style="list-style-type: none"> • Cl.137 an Annual Report, annually. 	
9.	27d Accountability through annual reporting to each council and iwi within the entity.	<p>ED Cl.95 provides the Entity must hold at least two meetings annually that are open to the public.</p> <p>The Board is now required to deliver strategic documents and annual report to the RRG. See item 20 for more detail.</p> <p>There is no requirement for individual reporting to councils.</p>	 <p>Accountability and reporting is achieved through the RRG representation and publication of key strategic and planning documents and is not directly with each individual council.</p>
10.	27e Local council decision-making over the method/split of charges, once the water is delivered, or the wastewater 'uplifted' at the city/district boundary	The RRG will see and get to comment on the draft Funding and Pricing Plan (every three years) and there is a principle that the entity will work with local authorities and a requirement to engage with consumers and communities.	 <p>Influence on funding and pricing is reliant on representation on the RRG.</p>
11.	27f Plans that correspond to the timing of each Council's 10 and 30 year plans.	While key plans are not dissimilar to current local government plans and have similar time frames, the ED is not specific as to the timing of these policies with the LTP processes.	 <p>It might be possible that the Constitution of the RRG include provision for alignment in timing of these processes.</p>
12.	27g Required involvement of the entity in spatial planning groupings (e.g. Future Proof, Smart Growth), where alignment with environmental/conservation measures, transport and stormwater issues, community wellbeings, etc. can be better assured.	<p>The ED includes high level objective and purpose statements in relation to urban development and partnering.</p> <p>ED Cl.19 provides an Objective statement to: "support and enable urban development"</p> <p>ED Cl.12 provides an operating principle of:</p> <p>"(f) partnering and engaging early and meaningfully with territorial authorities and their communities; and</p> <p>(g) co-operating with, and supporting, other water services entities, infra-structure providers, local authorities, and the transport sector."</p>	 <p>The entities involvement with matters of local interest to the growth and development of the city is reliant on the RRG and Boards interpretation of high-level objective and purpose statements.</p>
13.	Protection against privatisation is required.	The ED sets out strong safeguards against privatisation or loss of control of water services and significant	


Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
		<p>infrastructure. In particular, the ED provides for—</p> <ul style="list-style-type: none"> • <i>“collective territorial authority ownership of entities, to ensure appropriate over- sight and influence on behalf of the communities:</i> • <i>joint oversight of entities by mana whenua:</i> • <i>clear legislative protections against loss of ownership or control based on pro- visions in the Local Government Act 2002, which are that an entity must not use water services assets as security for any purpose, divest its ownership in a water service, or sell or lose control of significant infrastructure:</i> • <i>a requirement that, for a divestment proposal to proceed, it must have support from 75% of both an entity’s regional representative group and a poll of the electors in its service area.</i> <p><i>The ED provides that territorial authority owners may not receive profits from the entity and have no beneficial interest in the security of an entity. The constitution must not give members of the RRG rights or interests in assets of an entity.”</i> (Quote from page 5 of ED Explanatory Note)</p> <p>Schedule 4 provides detailed information on Divestment Proposals.</p>	Provides the best protection available under NZ law.
Purpose and objectives of the Entity			
14.	<p>49</p> <p>The entity must ensure that Council’s aspiration for growth and spatial planning outcomes (including any Special Purpose Vehicle or Infrastructure Funding and Financing solutions) has surety that any waters entity will prioritise and give effect to our long term local, sub-regional and regional plans.</p>	See Item 12 and 15.	

Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
15.	49 Objective 15.7 and operating principle 20.5 (from Cabinet Minute CAB-21-MIN-0226) must provide stronger support or Resource Management planning (spatial planning and natural and built environments planning) its development and implementation.	Cabinet Min. Obj. 15.7 is unchanged in ED 5.10(c) and Cl. 20.5 has been modified by ED 5.12(f) & (g). This modification removed the words <i>"– including in relation to infrastructure planning, and development control and land-use planning processes."</i>	
16.	49 Objective 15.5 and operating principle 20.2 (from Cabinet Minute CAB-21-MIN-0226) must provide strong expectations to climate change mitigation including supporting the expectations of government to be carbon neutral.	Cabinet Min. Obj. 15.5 is modified in ED 5.10(g) and Cl. 20.2 is unchanged in ED 5.12(b). Reference to climate change mitigation is improved in ED 5.10(g).	 Although there are improved references to climate change mitigation proposed in Water Services Entities high level objectives, there is no reference to achieving carbon neutral objectives.
Regional Governance Group			
17.	53 We would prefer the legislation includes a schedule that defines the process by which the 22 councils come together to make decisions with regard to their representatives and to hear from their representatives on the Regional Reference Group.	The ED makes significant changes to the Regional Representation Group (RRG) from what was proposed in Cabinet Minutes. ED Cl.24 provides for the Entity B RRG to have up to 44 representatives, being 1 from each TLA and an equal number from Mana Whenua. ED Cl.36 to 43 provides for the RRG to have a constitution. This constitution will state <i>"how the group will perform or exercise its functions, powers, and duties"</i> This also includes the voting rights of members <i>"which may include voting procedures or procedures for the weighting of votes, or require consensus decision-making."</i> ED Cl.49 provides that the Board is accountable to the RRG.	
18.	53 The entity should fund all three waters governance meetings and engagements for the councils, the group of councils,	There is no specific provision for this.	 The ability to appoint and remove members of the Board, with all Council's represented on the RRG and

Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
	mana whenua and the regional representative group.		with the RRG able to draft a constitution which could include addressing these matters. This could provide a mechanism for the council and mana whenua representatives to ensure sufficient funding is available to meaningfully participate in the governance of the entity.
Consumer, Community and Council Engagement			
19.	60. We strongly prefer that individual councils are treated individually and with priority by the entity.	<p>The ED makes no specific provision for individual council's to be treated individually by the Entity.</p> <p>The high-level Objective and Principles for the Entity include: Objective statement to: "support and enable urban development" CI.10 and the operating principle of: "(f) partnering and engaging early and meaningfully with territorial authorities and their communities; and (g) co-operating with, and supporting, other water services entities, infra-structure providers, local authorities, and the transport sector." CI.12</p> <p>Engagement is addressed in ED CI.176 to 179.</p> <p>CI.176 requires the entity to consult and/or seek input during the formulation of a proposal or feedback on a proposal before deciding on a matter.</p> <p>CI.177 provides for a Consumer Forum.</p> <p>CI.178 provides for an annual Consumer Engagement Stocktake.</p> <p>Schedule 3 of the ED includes a requirement for the Board to engage with consumers and communities on the strategic plans.</p>	 <p>While there is somewhat of an improvement, combined with poor linkages to urban planning and RM reform there is no certainty that individual councils plans will be well co-ordinated with the Water Services Entities plans. Council's feedback sought to have specific local pre-engagement by the entity with each TLA. It might be possible that the Constitution of the RRG includes provision for each council to provide feedback.</p>
20.	60. We have developed a proposed process that gives each council the opportunity to participate in an engagement process and	The accountability of the Board to the RRG has significantly improved	

Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
	work with the entity on its strategic documents, as representatives of their community to ensure alignment with that council's plans. This pre-engagement is prior to the entity undertaking its own consumer consultation or engagement	<p>ED Cl. 25 Role of RRG provides the RRG must participate in the process of setting the Entity's strategic direction and performance expectations under Cl. 124 to 145.</p> <p>ED Cl. 116 provides for the RRG to issue a Statement of Strategic and Performance Expectations every three years (but may be reviewed and not inconsistent with the Government Policy Statement (GPS)). It must be published.</p> <p>The ED requires the Board must prepare, deliver to the RRG and publish the following accountability documents:</p> <ul style="list-style-type: none"> • Cl. 125 a Statement of Intent (SOI) annually. ED Sch.3 includes provisions similar to CCO provisions for RRG consideration of the draft SOI. • Cl.128 an Asset Management Plan (AMP), every three years. AMP. • Cl.131 a Funding and Pricing Plan (FPP) for 10 years, every three years. The FPP includes the Financial Strategy. • Cl.134 an Infrastructure Strategy (IS) for 30 years, every three years. • Cl.137 an Annual Report, annually. <p>Sch. 3 also includes requirements for the CE to prepare and publish reports on how consumer and community input into and feedback on these key strategic documents was considered and incorporated. Cl 130(b)AMP,133(b) FPP, 136(b) IS.</p>	
Financial Implications for our Community			
21.	67. More information for the community on how it impacts the community them in the short term is required for all models considered.	<p>Not applicable to the content and purpose of the Bill.</p> <p>This is a matter for the local government and mana whenua through the Representation, Governance and accountability Working Group.</p>	

Item	Feedback Paragraph number and Potential Solution	Response in Exposure Draft of Water Services Entities Bill (ED)	Degree Solution Addressed
Better Off Package			
22.	72. We request that additional funding of \$15M is provided to contribute to the necessary community infrastructure for placemaking and build strong, resilient new communities.	Not applicable to the content and purpose of the Bill. The Government has allocated funding, whether that reaches Hamilton is unknown.	
Worse Off Package			
23.	80. We request that additional funding of \$21M be provided to fund ALL costs created by government waters reform that leave stranded costs in Council after 1 July 2024 on a declining basis of Year 1 75%, Year 2 50% and Year 3 25% of the forecast overheads budgeted in the 10-year plan.	Not applicable to the content and purpose of the Bill. The Government has allocated funding, whether that reaches Hamilton is unknown.	
Transformation Costs			
24.	91. We request that the government guarantee that it will fund all reasonable costs of council participating, transitioning and transforming from now until 2027 (the end date for stranded costs), including the costs of any formal consultation with our community.	Not applicable to the content and purpose of the Bill. The Government has allocated funding, whether that reaches Hamilton is unknown.	
Owners' Representative Costs			
25.	We request that the government guarantee funding for all reasonable costs of the Regional Representative Group <u>during the establishment phase-up</u> until Entity B can fund its activities.	Not applicable to the content and purpose of the Bill. The Government has allocated funding, whether that reaches Hamilton is unknown.	
Timetable – Key Success Factor			
26.	97a The government must develop and maintain a detailed timetable from next steps after the eight-week period to final payments for stranded costs.	Not applicable to the content and purpose of the Bill. November 2021 updated timetable	
27.	97b Within that timetable it must be clear when councils will formally consult with their communities.	Not applicable to the content and purpose of the Bill. The Governments decision to make participation mandatory leaves community consultation as a choice	

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		for Council's. Council has chosen this option. To be implemented to align with the select committee processes.	
Communication – Key Success Factor			
28.	<p>101</p> <p>a. The Government develop and share a communication strategy and timeline that clearly distinguishes the roles of government and its agencies, transition entities, local government through to 30 June 2024.</p> <p>b. The Government commits to engage with councils on the content of any public collateral or campaign prior to release, and actively work to respond to, and address, concerns raised by Councils regarding that communication.</p> <p>c. Communication should be balanced to focus on all the benefits of reform including all the wellbeings - economic, social, cultural and environmental.</p> <p>d. The Government funds communication in the transition costs, recognizing that councils will need to communicate / engage with staff (waters staff and stranded costs) stakeholders (e.g. significant water users) and the community from now until the transfer.</p> <p>e. The government shows its contribution to the partnership by releasing information concerning the reform and waters matters to local government prior to releasing to media or general public.</p>	<p>Not applicable to the content and purpose of the Bill.</p> <p>We guess that a new government communication may start soon to support engagement with the select committee process. We have no information on this.</p>	

Three Waters Reform Formal Feedback to Government

This feedback is provided to give focussed feedback to the Government on Council's areas of concern on critical success factors the Council has previously identified. The Feedback does not focus on the positive aspects of the Government's proposal.

There has been no opportunity for detailed formal consultation with the community on a complete reform proposal. As this is the Government's reform Council expects clear information which would include a formal proposal and opportunities for councils to formally consult with their communities.

Overview

1. Hamilton City Council supports the Government's goals of ensuring safe, sustainable, and economically efficient delivery of three waters services but notes effective transition to any new structure must be in full and equitable partnership with local government.
2. Hamilton City Council has sought to work with its neighbours on waters activities for many years. In 2015-16 we undertook a significant investigation for a Waikato Water CCO proposal where the benefits of working together with our neighbours were clear and there was a strong case for change. Despite support from two of three councils, this didn't proceed. Council also works well with its neighbours in the very successful Waikato Regional Airport Ltd community owned CCO. Our learnings from that waters and airport CCO journey and have been applied to this reform proposal.
3. The Government's current reform proposal has been developed following nationwide systemic failings identified through inquiries into a water contamination issue in Havelock North in 2016. A wide-ranging reform programme to address compliance, regulatory frameworks and investment in infrastructure was developed. In August 2020 Council committed to engaging with the Government on Three Waters Reform and has responded with feedback to Local Government New Zealand in June and August 2021. On 10 June 2021 we identified 11 key areas that are critical to the reform's success. This feedback on the government's three waters reform proposal focusses on those crucial success areas that need more work.
4. The Government has foreshadowed a [new future for local government](#). A future with flexibility and incentives to adapt to the future needs of local communities and to provide better social, environmental and cultural and economic wellbeing to these communities.
5. In this Feedback document we have looked at the Government proposal in detail and have given feedback on those critical success factors that need work. There will be detail more appropriate to feedback to the Select Committee process when the legislation is drafted.
6. In the spirit of partnership, we have provided feedback on improving the proposed governance structure as proposed. However, getting the governance structures right is a big critical success factor. The current proposal needs work to be a successful model for central and local government and our communities. We have separately addressed this below.

The Big Critical Success Factors

7. Council has identified that effective communication, governance and aligned delivery with other reforms are the big critical success factors that need work. Council is concerned the Government's governance proposals provide no guarantee that local governance would be preserved in any meaningful way. For the reforms to be successful the following matters are required:
 - a. **Consultation:** We require absolute assurance that formal, effective and transparent consultation with our community will be undertaken before any structural changes to Council's management of Three Waters services.
 - b. **Local Voice:** Councils and communities must have meaningful input and influence over strategic directions, investment plans and service delivery standards of 3 Waters entities, especially as these relate to specific communities.
 - c. **Ownership:** There must be proper rights of ownership for councils as the owner. Nominal ownership by councils, without any of the benefit of ownership is meaningless without the rights of ownership and accountability of the entity to the owners, and thereby to the owner's community.
 - d. **Placemaking:** There must be a strong connection to councils' roles in placemaking and supporting thriving communities and the future of local government reform.
 - e. **Other Reforms:** There must be a strong connection to the existing resource management framework (e.g. the National Policy Statement on Urban Development), future of local government and resource management reform.
8. Crucial to success is community support for the reform. Council has not been able to consult formally and has found informing our community problematic due to poor quality information, information gaps and insufficient central rebuttal to national and regional misinformation.
9. The future of local government review states the following areas of focus. *"The Review's initial focus will be on how local government will be a key contributor to the wellbeing and prosperity of New Zealand and an essential connection to communities in the governance of New Zealand in the future."* The Minister of Local Government said, "Local government plays an important role in our democratic system, giving people a voice in the leadership of their communities and in the governance of services and publicly owned assets." The proposed governance structure does not support the Government's own recognition of the role of local government.
10. It appears the governance model is compromising ownership rights and accountabilities in order to fund the \$185B forecast spend from debt. This places too much emphasis on the finances and not enough on the social and cultural needs of communities in the design of the governance model.
11. Is the proposed structure the best governance model for success? We cannot assess this. The Regulatory Impact Statement includes five alternative governance structure models. The comparison and information sharing of these models has been insufficient for councils to conclude which is the best model. Our Waikato Water CCO study showed significant financial savings and greater investment could be achieved with a CCO structure. Waikato Regional Airport Ltd demonstrates councils can be shareholders of a community owned company that thrives.
12. Resource management reform and its links to three waters investment is critical to placemaking and building thriving communities. A strong voice for the local community would support greater alignment with other community planning mechanisms (e.g. RMA and its successors, responding to growth, Council investment planning in 10 and 30-year plans) and community driven solutions to water conservation, climate change, price allocation and other social and cultural matters connected with waters.
13. Council is proposing that part of the potential governance solution sits in having strong links to the outcomes of the resource management reform in the entities' objectives and operating principles. These provide the foundation for what must be embedded in all aspects of the waters business, not just the waters entities but the waters regulators as well.

14. POTENTIAL SOLUTION:

There must be an opportunity for formal consultation with our community before any proposal is implemented.

Hamilton City Council is not satisfied with the Government's proposed governance structure. Council is looking for an improved structure that meets financial and community objectives better, provides for localism and placemaking and strongly integrates with other reforms.

Council would like to explore alongside government an opportunity to understand, review and evaluate alternative ownership models including the Tasmanian, Welsh and other company models (like a CCO, joint ventures or other off-balance sheet funding models) that use well established governance and business structures. Council would like to explore regional and sub-regional options with the Government.

Central and local government must come together to share knowledge and experience and wholly redesign the governance structure.

Introduction

15. Council supports the Government's goals of ensuring safe, sustainable, and economically efficient delivery of three waters services but notes effective transition to any new structure must be in full and equitable partnership with local government.
16. On 10 June 2021 Council provided feedback to Local Government New Zealand (LGNZ) on the three waters reform. In that feedback we identified 11 key areas that are critical to the reform's success. On 15 July 2021 LGNZ and the Government signed a Memorandum of Understanding on the three waters reform. Further feedback was provided to LGNZ as an addendum in August 2021.
17. To assist LGNZ's discussions with the Government on the three waters reform programme, we have considered the current status of our 11 key areas. We have found that the status of these key areas can change positively or negatively as the reform continues depending on both new information and community perceptions. The 11 keys areas and their status are shown in the table below.

Key Area for success	Overview	Status
Governance	see The Big Critical Success Factors para. 7-14 Governance para. 19-60	NEEDS WORK
Community ownership	see The Big Critical Success Factors para. 7-14 Governance para. 19-60	NEEDS WORK
Enabling Legislation and other reforms	see The Big Critical Success Factors para. 7-14 Governance para. 19-60	NEEDS WORK
Financial	see para. 61-98	NEEDS WORK
Community engagement and information	see para. 98-101	NEEDS WORK

Geography	Any entity in our region should include the Waikato and Bay of Plenty regions in their entirety, even if the entity included Taranaki. 'Our region' includes Thames-Coromandel and Hauraki and ensures areas of common interest and lifestyle make a cohesive whole.	Neutral
Iwi participation	<p>Hamilton City Council has built enduring and mutually-supportive relationships with iwi/Māori in our region. Any waters decision-making in our region must be directed by the vision and principles of Te Mana O Te Wai, recognise treaty settlements and give effect to Te Ture Whaimana/the Vision and Strategy for the Waikato River.</p> <p>Council acknowledges and supports the need for greater efforts in sustainability of healthy water and increased awareness of the precious and finite nature of this resource.</p> <p>We will be working with our iwi partners throughout the reform but need clear guidance from Government on what aspects of the reform are for councils to respond to, and what aspects will be managed by centrally. Establishing mechanisms for iwi co-management is best framed consistently at a national level rather than entities attempting to create potentially disparate bespoke arrangements.</p> <p>We support, as has been made clear by the Government, the Entities are not owned by mana whenua, although they have representation on the proposed Regional Representation Group.</p>	Neutral
Early transition	<p>A long transition process will increase costs and create uncertainty.</p> <p>Incentives for early adopters of the transition process would allow development of transition plans even ahead of legislation for those entity areas willing and able to do the work. The early creation of a transition entity and transition Board would enable regional decision-making in the same way as the Auckland Transition Agency enabled the creation of what is now Auckland Council.</p> <p>Council supports a trial transition governance arrangement. This would enable testing of governance models and representation to identify and resolve issues of localism, control and accountability.</p>	Proposal largely acceptable
Model	<p>We understand the Government favours a model with deemed participation by councils who could choose to opt out.</p> <p>A fragmented approach to establishing regional entities would undermine the benefits to community health, the environment and efficiencies. Therefore, a collaborative approach to a model would be more efficient.</p> <p>If a council(s) can demonstrate individually or collectively that they can demonstrate a cost effective, safe, and sustainable service which achieves all of the reform outcomes then they should retain the ability to opt out.</p>	Next steps unresolved.
Staff Welfare	<p>Staff are our greatest asset and reform places impacts our waters specialists as well as on staff in the remaining Council activities.</p> <p>We strongly support the Government on their announcements regarding the transfer of waters staff.</p> <p>Waters roles will remain with councils until transition to a new entity in June 2024, should reform proceed on the planned timeline. Council</p>	Proposal largely acceptable

	<p>staff will be impacted in ways that will have both positive and negative wellbeing implications for them.</p> <p>It is essential there is clear direction and communication from the Government and its agencies, as well as government and funding support for councils to transition, retain and develop all affected staff (waters and outside the waters business) over the next three years.</p>	
Data-led decision-making	<p>Councils must have access to clear, timely and accurate data to make informed decisions within the Governments timeframes.</p> <p>One example is the methodology to calculate and transfer financial assets, debt and cash reserves in a way which is understandable and acceptable to councils and communities. Council wishes to avoid a situation where Government timelines are impacted because a lack of data means Council is unable to make an informed decision.</p>	<p>Information supplied largely acceptable however there are many gaps in the data. See Financial.</p>

Detailed Feedback

18. The following are the concerns and potential solutions of Hamilton City Council to the proposed Government three waters reform. We have focussed on four critical success factors that need work:

- a. Governance
- b. Financial
- c. Timetable
- d. Communication

Governance – Key Success Factor

19. Council requires that the principle of localism (working with local people to solve local issues) is not lost and the community has a voice, particularly in regard to:

- a. service level,
- b. waters investment
- c. rates, fees and charges.

20. Resource management (RM) reform and its links to three waters investment is critical to placemaking and having thriving communities. Hamilton City is a big growth council and Three Waters services are essential to growth. The community having a strong voice in the waters entity is essential to aligning council and waters community planning mechanisms (e.g. RMA and its successors, national policy statement e.g. NPS-UD, and Council investment in 10 and 30-year plans) and community driven solutions to water conservation, climate change, price allocation and other social and cultural matters connected with waters.

Overall governance concerns

21. **CONCERNS:** Council acknowledges that the entity structure is highly influenced by the benefits of balance sheet separation (to achieve significant financial opportunities for the entity and council) and protection from privatisation.
22. Governance structures are complex, needing to address a mix of financial, cultural and social matters. The impact of focusing on the financial matters has virtually remove all community influence in governance, based on the role of the Regional Reference Group as represented in Clause 17 of Cabinet Minute (CAB-21-MIN-0227).

23. The multi-tiered governance structure, which requires an additional structure for 22 councils and another for mana whenua so that they each can select their six representatives is cumbersome, opaque and distant from the owners (the councils on behalf of the community).
24. Furthermore, Council does not accept the proposed concept of statutory ownership of the asset, where we have no rights of ownership. We are not aware of another example of this type of ownership structure in use anywhere else in New Zealand. Company models using well established governance and business structures are successful in Australia.
25. The Regulatory Impact Statement refers to 5 other governance models. The comparison and information sharing of these models has been insufficient for councils to conclude which is the best model. Our Waikato Water COO study showed significant financial savings and greater investment could be achieved with a COO structure and Waikato Regional Airport Ltd demonstrates councils can be shareholders of a community owned company that thrives.
26. Council expects that the three water assets will always remain in public ownership. New Zealand is a country where the legal framework for Parliament prevents a government from binding future government. Given this reality, achieving community governance objectives (including influence, localism and wellbeing) and the financial objectives (associated with the governance structure) should come first.

27. POTENTIAL SOLUTION:

Council has provided solutions below to improve the current proposal, however Council continues to look for a better overall structure that can meet the financial and community objectives better. See the *Big Critical Success Factors* para. 7-14

As part of the solution, Council proposes the following matters are considered:

- a. A shareholders' forum, where every asset-owning council is represented, and where strategic directions are discussed and recommended back to councils before going to the Board/company for approval. This could include iwi in an advisory capacity.
- b. Councils and iwi develop a skills matrix and approve Board members.
- c. A requirement for direct negotiation with individual local councils or groups of councils should they choose (such as the 3 currently working on the Future Proof wastewater plans) over service delivery levels and infrastructure investment plans in their respective areas. (Also see para. 29-38)
- d. Accountability through annual reporting to each council and iwi within the entity. (Also see para. 50-60)
- e. Local council decision-making over the method/split of charges, once the water is delivered, or the wastewater 'uplifted' at the city/district boundary. (Also see para. 50-60)
- f. Plans that correspond to the timing of each Council's 10 and 30 year plans. (Also see para. 50-60)
- g. Required involvement of the entity in spatial planning groupings (e.g. Future Proof, Smart Growth), where alignment with environmental/conservation measures, transport and stormwater issues, community wellbeings, etc. can be better assured. (Also see para. 50-60)
- h. Protection against privatisation is required (also see para. 26).

Purpose and objectives of the Entity

28. **CONCERNS:** We have two main concerns with the purpose and objectives of the entity:
 - a. Weak integration with the Government's Resource Management (RM) reform.
 - b. Weak integration with the Government's Climate Change response.
29. Resource Management Reform (RM reform)

30. Water services entity objective 15.7 and operating principle 20.5 (from Cabinet Minute CAB-21-MIN-0226) need work:
 - a. "15.7 Supporting and enabling housing and urban development."
 - b. "20.5 Cooperating with, and supporting, other water services entities and infrastructure providers, local authorities, and the transport sector – including in relation to infrastructure planning, and development control and land-use planning processes."
31. These important strategic references will guide the entities direction and priorities. The link to the suite of proposed RM reform documents needs work.
32. We note the Government recognises these important links, but with multiple reforms happening at once and an often-siloed public sector, we are uncertain that the links are being built in as the programme develops.
33. It is essential that there are strong connections between all planning, which by implication has strong linkages to growth, the current housing challenges and government policy such as the National Policy Statement for Urban Development.
34. RM reform is not providing any certainty of sub-regional or local growth and spatial plans (like the Hamilton Urban Growth Strategy (HUGs), Hamilton-Waikato Metropolitan Spatial Plan (MSP) and Future Proof | Te Tau Tiitoki) nor recognising Hamilton's high growth demands (giving it tier 1 status under the National Policy Statement for Urban Design (NPS UD)).
35. This uncertainty creates significant risk that three waters investment needs will not be appropriately recognised in the new RM reform plans. With Entity B straddling 3.5 regions and potentially needing to work with 4 RM entities, the three waters investment risk for NPS UD tier 1 areas is further increased. If these links fail NZ Inc goes backwards, housing shortages exacerbate and GDP growth shrinks.
36. Managing these risks starts at the drafting of the legislation for both reforms and is essential. In the case of waters reform, building strong links with the entities purpose and its objectives is the start of accountability for getting this right.
37. The uncertainty of the future of these reforms makes determining the costs of future asset investment for councils and water entities difficult and challenging. As a result assumptions have been made about future costs and revenues that are rebuttable.
38. We are proposing that part of the potential solution sits in having strong links to the outcomes of the RM reform in the entities' objectives and operating principles. These provide the foundation for what must be embedded in all aspects of the waters business, not just the waters entities but the three waters regulators as well.
39. Climate Response
40. Three waters reform presents an opportunity to embed a low-carbon approach in entity planning from the outset. It is critical that action in this area is consistent with, and supportive of, Government's wider climate action goals. Building resilience to climate change is commendable but a failure to implement benchmarks to transition toward a net zero carbon future would be an opportunity missed.
41. Water services entity objective 15.5 and operating principles (from Cabinet Minute CAB-21-MIN-0226) need work:
 - a. "15.5 delivering and managing water services in a sustainable and resilient manner, which seeks to address climate risks and mitigate the negative effects of natural hazards."
42. We are very concerned that the environment or climate change mitigations are not referenced in the operating principles. These could be added to "20.2 being innovative in the design and delivery of water

services and infrastructure” as it is likely that improving the environment and reducing carbon emissions will best be achieved by innovation.

43. The Ministry for the Environment promotes the Carbon Neutral Government Programme set up to accelerate the reduction of emissions within the public sector. Three waters entities should be ambitious in reducing their carbon footprint.
44. We support the Government’s objective to increase the resilience of three waters service provision to climate change risks. However, more emphasis needs to be put on rapidly reducing the significant carbon footprint of water services. This includes emissions from capital delivery, such as the embodied carbon in concrete and steel; operational emissions from electricity and fuel use; and waste gases (methane and nitrous oxide) from wastewater.
45. As highlighted by Waters NZ in its submission to the Climate Change Commission, the reforms open a “window of opportunity” for reassessing past practices and design philosophies to re-orientate the sector towards low carbon approaches. This includes contributing to the circular economy by capturing the energy contained in wastewater and bio-solids.
46. There needs to be a clear commitment to transitioning the sector to net zero carbon. Given both the public nature of the water entities and the serious risks that climate change poses to water services, targets for reducing emissions should be ambitious.
47. In 2018/2019, the treatment of Hamilton’s wastewater produced more than half of the organisation’s emissions. Council has already committed in its 2021-2031 10-year Plan to switch away from natural gas at its wastewater treatment plant.
48. We are proposing that part of the potential solution sits in having strong links to climate change outcomes in the entities’ objectives and operating principles. These provide the foundation for what must be embedded in all aspects of the waters business.

49. POTENTIAL SOLUTION:

The entity must ensure that Council’s aspiration for growth and spatial planning outcomes (including any Special Purpose Vehicle or Infrastructure Funding and Financing solutions) has surety that any waters entity will prioritise and give effect to our long term local, sub-regional and regional plans.

Objective 15.7 and operating principle 20.5 (from Cabinet Minute CAB-21-MIN-0226) must provide stronger support or Resource Management planning (spatial planning and natural and built environments planning) its development and implementation.

Objective 15.5 and operating principle 20.2 (from Cabinet Minute CAB-21-MIN-0226) must provide strong expectations to climate change mitigation including supporting the expectations of government to be carbon neutral.

Regional Governance Group

50. **CONCERNS:** Council considers that the Regional Governance Group does not support our critical success factor for good governance. It does not provide councils with the benefits of ownership, nor does it provide councils with the ability to influence the entity and provide a link to communities on waters matters. We have addressed these and other concerns about governance in the *Big Critical Success Factors* para. 7-14.
51. Council has considered ways to improve the proposed Regional Reference Group, should this feature be included in the reform. We note that these solutions do not meet all our concerns or expectation of an appropriate governance structure that will deliver good governance to Hamilton.

52. Entity B has 22 councils that need to appoint 6 representatives. We require that the legislation provides for appropriate processes for this diverse group to appoint these representatives. We recognize that a solution for Entity B may not work for other waters entities. Key items that could be included in a schedule to the Entities founding legislation include:

- a. A democratic process to ensure the members are representative of the populations. This could include the legislation creating a permanent joint committee, with a single representative of each council and voting based on population. For example, the *Joint Committee of Owners of Entity B*.
- b. We acknowledge it is perverse to add another structure into an already overly complex structure, but perhaps this is representative of the flaws in the proposed structure.
- c. There is no legislative confirmation the Entity will fund all activities including but not limited to: meetings costs, independent expert advice, communication, engagement and consultation with councils and mana whenua, and meetings costs of councils and mana whenua in the selection and replacement of RRG members.

53. POTENTIAL SOLUTION:

We would prefer the legislation includes a schedule that defines the process by which the 22 councils come together to make decisions with regard to their representatives and to hear from their representatives on the Regional Reference Group.

The entity should fund all three waters governance meetings and engagements for the councils, the group of councils, mana whenua and the regional representative group.

Strategic Documents to be delivered to Regional Governance Group

54. **CONCERNS:** We are concerned that:

- a. the legislation provides only for the *Board Appointment and Remuneration Policy* to be delivered to the Regional Representative Group.
- b. Other strategic documents are not required to be delivered.

55. POTENTIAL SOLUTION

56. We would prefer that the legislation should require the Entity Board to report the following to the Regional Representative Group:

- a. Their response to the Statement of Strategic and Performance Expectations.
- b. The Statement of Intent
- c. The Engagement Policy (currently not required for Entity)

Consumer, Community and Council Engagement

57. **CONCERNS:** Council is concerned that we will be treated as a customer and not as a trusted partner in the development of the city. There is no evidence in the proposal that the principles of localism and working with communities to find solutions that fit with the values and aspirations of those communities are recognized. There must be alignment with council planning processes and planning documents.

58. Councils provide a unique perspective of local community wellbeing (economic, cultural, social and environmental). Councils have the benefit of having managed waters activities, own or manage a significant part of the stormwater network and are intimately involved in the planning for the shape of their communities, housing, business development and growth. This perspective across the multidisciplinary activities of councils cannot be provided by community and consumer engagement alone.

59. To improve the opportunity for local input and better alignment policies and plans we have developed the following process improvements.
- That the entity should be required develop an Engagement Policy and engage with councils, communities and consumers on the proposed policy within 12 months of 1 July 2024 and reviewing and re-consulting no less than every 6 years.
 - That the entity must adopt by 1 March 2025 the following documents which have been audited and reviewed in line with Council long-term planning cycles:
 - Prioritisation methodology that informs the asset management plan;
 - Asset Management Plan; and
 - Funding and Pricing Plan.
 - That the above plans provide sufficient information for councils to be clear on the service levels in their communities, the investment in assets, rates, fees and charges that the entity intends to levy within Council boundaries.
 - That the entity consults with each council on the above policies prior to consulting with consumers and the community.
 - That a council may prepare a written statement, expressing a view on the entities proposals, to be included by the entity in its community and consumer engagement information.
 - That having regard to its own long term planning and other strategic documents a council's statement would state whether each plan (see para 56):
 - Is supported by the council, and
 - If part of the plan is not supported by the council, the council's views on why it is not supported and a potential solution to the issues identified by the council.
 - That the entity will be required to include the statement in the community and consumer engagement.
 - That the entity may express its own views on the matters raised by the council and include those views in their engagement material.

60. POTENTIAL SOLUTION:

We strongly prefer that individual councils are treated individually and with priority by the entity.

We have developed a proposed process that gives each council the opportunity to participate in an engagement process and work with the entity on its strategic documents, as representatives of their community to ensure alignment with that council's plans. This pre-engagement is prior to the entity undertaking its own consumer consultation or engagement

Financial – Key Success Factor

- Council requires an absolute guarantee that, from 2024, its community and consumers are financially better off with waters reform than they would be should Council continue to operate three waters activities.
- Council requires that the transfer of assets and liabilities and revenues is designed so that Council and the community are no worse off.
- Council requires that the cost of the Government's Three Waters Reform is fully funded by the government allowing council and the community to:
 - fully participate in the reform;
 - transition assets, liabilities, and revenues and staff to EB; and
 - transform (right size) council, including stranded costs and a new direction.

Financial Implications for our Community

- CONCERNS:** Council's have been provided with significant amounts of data. It is spread across many reports, dashboards and the occasional spreadsheet. Some of the data was sourced from council direct or

indirectly from audited annual reports and plans. Most of the data is based on significant assumptions, which in some cases have been peer reviewed and accepted as reasonable for the purpose of long term forecasting.

65. Council however has been unable to get answers to many questions as the data either does not exist, has not been shared or has not been found in the mass of data provided at short notice.
66. Council is particularly concerned in the immediate years after the transfer. These are questions the community will expect answers to when the time to consult occurs.
 - a. What will happen to pricing at day one of the Entity?
 - b. Has the cost of reform been added to the price of services in these early years?
 - c. When will harmonisation start and what cost does that Hamilton ratepayers?
 - d. Does harmonisation mean a loss of capital value rating for waters?
 - e. When will the community see the benefits of economies of scale on pricing?

67. POTENTIAL SOLUTION:

More information for the community on how it impacts the community them in the short term is required for all models considered.

Better Off Package

68. **CONCERNS:** Providing financial support to councils is a critical success factor for waters reform. Hamilton has been disadvantaged by the allocation formula of population, deprivation and area. The government formula has not taken account of growth and the placemaking role of future councils to invest in community infrastructure to build strong and resilient communities.
69. For more than a decade Council has been challenged by growth. Information supplied in the RFI in late 2020 and early 2021 indicated Council has a waters debt to revenue ratio of 522%, illustrating the large investment that has been made in waters infrastructure predominantly driven by growth. This has come at a considerable cost to the community infrastructure investment (as demonstrated by the high waters debt to revenue ratio).
70. The funding allocation has not recognised this investment of waters infrastructure to enable growth, at the expense of community infrastructure.
71. It is a key goal of waters reform to increase housing availability. Hamilton's investment has been large to achieve this. However, our investment in community infrastructure is less than desirable and delivered later than the community needs due to financial constraints and other waters investment needing to be prioritised. Also, Hamilton's investment in three waters infrastructure to support the government's growth and freshwater agenda must be financially recognised.

72. POTENTIAL SOLUTION:

We request that additional funding of \$15M is provided to contribute to the necessary community infrastructure for placemaking and build strong, resilient new communities.

Worse Off Package

73. **CONCERNS:** Providing financial support to councils is a critical success factor for waters reform. Councils have not budgeted for waters reform in their 10-year plans at the request of the government. Councils' ability to fund participation, transition and transforming (right sizing) council is a critical success factor for the reform. Without this funding, councils' ability to represent and/or invest in their communities would

be restricted as funds are diverted or are not available. The success of implementation of findings from the Future of Local Government review relies on an efficient transition and transformation.

74. DIA have advised they estimate \$8M would be paid to Hamilton in 2024 to fund stranded costs. This is a small fraction of the expected 2024 stranded costs that Council will carry for a number of years until it is able to right size the council.
75. In the Waikato Water COO project (2016) it was proposed that the waters entity would pay the councils for stranded cost on a decreasing scale over five years. This provides time for councils to shed or absorb those costs.
76. A fair and appropriate funding of stranded costs would be:
 - a. 2024/5 75% of waters overheads
 - b. 2025/6 50% of waters overheads
 - c. 2026/7 25% of waters overheads
77. After 2027 Council would then fund all costs itself.
78. Based on the audited 10-year plan allocations to waters activities and applying the formula in paragraph 70 above, Council expects a contribution of \$29M for stranded costs. Adjusted for the estimated \$8M contribution Council is underfunded for costs incurred by the government reform by \$21M.
79. This gives councils the opportunity to right size for the smaller authorities that they must become after removing such a large portion of their business. It also gives council a reasonable opportunity for the community not to be funding costs, bought about only because of the government waters reform.

80. POTENTIAL SOLUTION

We request that additional funding of \$21M be provided to fund ALL costs created by government waters reform that leave stranded costs in Council after 1 July 2024 on a declining basis of Year 1 75%, Year 2 50% and Year 3 25% of the forecast overheads budgeted in the 10-year plan.

Transformation Costs

81. **CONCERNS:** \$296M was allocated in the 2021 budget for transitioning costs. We have been advised that this funding becomes available when the decision to reform is made. This is anticipated to be between 2 October and before the parliamentary summer recess from 16 December 2021.
82. We have heard from DIA that this funding will be for:
 - a. The creation and funding of an overall transition entity;
 - b. The creation of 4 shadow entity transition entities;
 - c. Increased training for waters staff;
 - d. Costs of transitioning waters staff and activities out of councils (including significant legal costs associated with contracts) into new entities.
83. The Water Industry of Scotland (WICS) forecasts included \$1B of transition costs in the new entities. We expect the new entities would pay for the costs of:
 - a. New computer systems and technology for asset management, financial management, people management, billing and customer service and engagement.
 - b. Transitioning assets, liabilities, revenues and employment records into these new systems.
 - c. Establishing the new corporate structures.
84. We expect that all work undertaken by Department of Internal Affairs (DIA), LGNZ and other government entities will be funded from other than the above allocations.
85. Council estimates, based on its investigations in relation to the Waters COO project, show that over the next three years Council could spend between \$5M and \$8M, participating, transitioning and

transforming the Council. We understand that all of this cost would be funded from the \$296M allocated in the budget.

86. It is not clearly obvious that sufficient funding has been made available to support participation, transition and transformation costs driven by government.
87. Council has been funded to participate in the reform with an allocation of stimulus money requested in the original stimulus package. The government has until now denied the opportunity for many of our Entity B (EB) partners (including Iwi) to be funded to participate in reform. It is clear that those funded to participate are better informed and more able to influence better outcomes for the sector. Waikato/BOP have been regularly congratulated on the high level of participation as a result of working together in the consortium. This is a small head start on other parts of the country that if capitalised on, should lead to better outcomes for EB and the EB communities.
88. Formal consultations are expensive and in the case of this reform more so due to the complex nature of the proposal. It is estimated that if consultation is undertaken by Council, that the expected cost would be between \$100,000 and \$150,000 preparing consultation information, running a consultation process and hearings. This is a cost not budgeted for by Councils and a cost directly driven by the government reform which should be paid for by the government.
89. Council stimulus funding runs out in March 2022 and there is no guarantee of any funding availability after that date to cover participation and transformation costs.
90. Attracting and retaining resources will become critical with the massive amount of work this reform will require in the next 33 months.

91. POTENTIAL SOLUTION

We request that the government guarantee that it will fund all reasonable costs of council participating, transitioning and transforming from now until 2027 (the end date for stranded costs), including the costs of any formal consultation with our community.

Owners' Representative Costs

92. **CONCERNS:** The cost of ownership of the entity should be funded and supported by the entity. This includes the following costs:
 - a. Operating the Regional Representative Group
 - b. Meetings of the owners
 - c. Owners' communications and engagements with their communities.
93. As discussed in our governance section of this feedback, the Regional Representative Group will need financial support from the Entity to fund independent advice and consultation and engagement with councils and mana whenua. We expect that to be funded by the entity once it is established. We are unclear where the funding for that comes from during the transition stage.

94. POTENTIAL SOLUTION

We request that the government guarantee funding for all reasonable costs of the Regional Representative Group during the establishment phase-up until Entity B can fund its activities.

Timetable – Key Success Factor

95. Council requires a detailed and clear timetable to 30 June 2027 (the end of the final funding), is developed to cover all significant elements of the reform, from next steps to final payments for stranded costs. It should make it clear as to when councils will be expected to formally consult with their communities.
96. **CONCERNS:** The reform timetable was first published in December 2020 and slightly modified in a presentation "Three-Waters-Reform-Programme-March-Engagement-slides" and is now archived on the Department of Internal Affairs Three Waters Reform Programme website. Dates on this timeline have not been achieved. Council as part of implementing its 10-Year Plan, a significant work programme, on the Government's instruction councils have not budgeted for this reform. A clear timetable to fit the business of council with the business of government is urgent and essential.

97. POTENTIAL SOLUTION:

- a. The government must develop and maintain a detailed timetable from next steps after the eight-week period to final payments for stranded costs.
- b. Within that timetable it must be clear when councils will formally consult with their communities.

Communication – Key Success Factor

98. Council requires that Government dramatically improves its communication on three waters reform.
99. Council requires the Government to own its reform and communicate either directly or through its agencies (including transition agencies and waters entities) clearly, consistently and concisely.
100. **CONCERNS:** Communication by the Government and its agencies has been poor and has created significant confusions and misunderstanding. Councils appear to have had no, or limited, opportunities to review and comment on public material before release. The Three Waters official social media account has been allowed to host nonfactual posts without rebuttal, media have been released council information before councils have received it (or in parallel), official statements on the waters reform page have been verbose, inconsistent and unclear and there has been too much emphasis on economic wellbeing and grossly insufficient emphasis on cultural, social and environmental wellbeing outcomes of reform. There has been no attempt to correct misleading information in the public domain, despite that information being demonstrably false.

101. POTENTIAL SOLUTION

We request that:

- a. The Government develop and share a communication strategy and timeline that clearly distinguishes the roles of government and its agencies, transition entities, local government through to 30 June 2024.
- b. The Government commits to engage with councils on the content of any public collateral or campaign prior to release, and actively work to respond to, and address, concerns raised by Councils regarding that communication.
- c. Communication should be balanced to focus on all the benefits of reform including all the wellbeings - economic, social, cultural and environmental.
- d. The Government funds communication in the transition costs, recognising that councils will need to communicate / engage with staff (waters staff and stranded costs) stakeholders (e.g. significant water users) and the community from now until the transfer.
- e. The government shows its contribution to the partnership by releasing information concerning the reform and waters matters to local government prior to releasing to media or general public.

Council Report

Item 7

Committee: Council

Date: 17 March 2022

Author: Tyler Gaukrodger

Authoriser: Michelle Hawthorne

Position: Governance Advisor

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Elected Member Open Briefing Notes - 2 February
2022

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 2 February 2022 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Elected Member Open Briefing Notes - 2 February 2022

Elected Member Briefing Notes – 2 February 2022 – OPEN

Time and date:	9.35am, 2 February 2022
Venue:	Council Chamber, Hamilton City Council and Audio-visual Link
In Attendance:	Mayor Southgate (partially via audio-visual link), Deputy Mayor Taylor (via audio-visual link), Crs Pascoe, O’Leary (via audio-visual link), Bunting, Hamilton (via audio-visual link), Macpherson, van Oosten, Thomson (via audio-visual link), Wilson, Naidoo-Rauf (via audio-visual link), Donovan
Apology for Full Session:	Cr Gallagher and Maangai Kana, Hill, Te Ua, Thompson-Evans and Whetu
Apologies for lateness/early departure:	Mayor Southgate and Crs Macpherson, O’Leary, Naidoo-Rauf, and Hamilton

Discussion

The briefing session covered in an open session:

- Reform Response Programme Updates
- Transport Centre Rejuvenation Project
- Additional Funding for Public Transport and Cycling Projects

There were a number of key points arising from the discussion:

1. Reform Response Programme Updates

The General Manager Communication and Engagement explained that the purpose of the presentation was to provide an overview of the reforms and discuss the three Government programmes; Three Waters, Resource Management Reform, and Future for Local Government, noting that the main programme for discussion was Resource Management. He discussed the timeframes for the reform programmes, staff working groups in place, and upcoming submissions to Central Government on the different proposed reform programmes.

The Special Projects Manager – Growth discussed the Ministry for Environment discussion document, the questions posed, and key themes.

The City Planning Unit Manager discussed the National Planning Framework, regional spatial strategies and their purpose, Natural and Built Environment Act (NBA) plans and their purpose, NBA joint committees and membership, role of local government, and funding mechanisms.

Staff Action: Staff undertook to include feedback regarding compliance and regulation in regard to the National Planning Framework in the Ministry for Environment submission.

Staff Action: Staff undertook to provide an update on biodiversity offsetting and inclusion within the Future Proof Plan.

Staff Action: Staff undertook to invite Mayor Toby Adams (Hauraki District Council) and other Future Proof Council Mayors to discuss Joint Committees and problem areas in the Resource Management Plan.

Members asked questions in relation to the following:

- placemaking definition;
- monitoring and compliance of regional plan;
- standard reporting mechanism and enforcement;
- feedback through submission;
- promotion of standards and statements;
- embeddedness of the Local Policy Statement in Future Proof;
- effectiveness of regional spatial strategies;
- strengthening framework of regional spatial strategies;
- offsetting effects;
- city development, growth and conflicting city border developments;
- potential for regional RMA governance;
- joint committees' membership and representation;
- engaging with local politicians regarding reform programme feedback;
- influence of building codes;
- localism in proposed reforms and submissions;
- simplifying outcomes of local government; and
- standardisation of rules in different localities.

2. Transport Centre Rejuvenation Project

The General Manager Infrastructure explained that the purpose of the presentation was to discuss design services for the transport centre and receive guidance on the original scope of design and outcomes. She outlined the implementation of environmental principles since the original discussion in April 2021, and the importance of incorporating these principles into the design, and the 10–15-year plan for the existing transport centre.

The Transport and Urban Mobility Programme Delivery Lead explained that Council had gone out for expressions of interest and before tender were requesting Member feedback on weighting requirements such as security and safety and locality.

Mayor Southgate provided an update regarding the city safe task force, noting that the police, Waikato-Tainui, and Waikato University are working together to improve safety and decrease crime in problem locations within the city, and the ability of Council to address some of the issues.

Staff Action: *Staff undertook to provide information regarding the presence of the city safety team at the transport centre.*

Members asked questions in relation to the following:

- long term planning and potential relocation;
- design improvements for safety;
- presence of City Safety and police in the area;
- option to relocate iSite closer to transport centre;
- green renewal inclusion in tender;
- lighting infrastructure;
- cohesion with Waka Kotahi and Waikato Regional Council;
- building improvements and weather proofing;
- fits with surrounding services and organisations;
- opportunity to show leadership in environmental building practices; and
- inclusion of greenery.

3. Additional Funding for Public Transport and Cycling Projects 2021/22 – Projects to be Processed

The Transport and Urban Mobility Programme Delivery Lead explained that the purpose of the presentation was to seek feedback on the reallocated funding for Public Transport and Cycling Projects. He explained that the approval for the reallocation of funding for the projects would be done through the Infrastructure Operations Committee of 24 February 2022. He discussed the potential projects including Claudelands Road/ Grey Street Heaphy Terrace and Brooklyn Road/O’Neil Street Intersection. He further noted that the Public Transport projects were not able to be discussed due to timing but information was available within the presentation provided.

Members asked questions in relation to the following:

- coordination with private projects at the Claudelands Road/ Grey Street Heaphy Terrace location;
- relation to the university link project;
- anticipated feedback from residents and KiwiRail;
- budget;
- use of bridge for pedestrians and cyclists;
- pedestrian crossing at O’Neill Road;
- signalised crossings for cyclists;
- size of cycleways on Brooklyn Road;
- connection of intersections;
- safety of Ruakura biking connection;
- consideration of rail crossing;
- maximization of bike parking in central city, including outside Council; walking and cycling behaviour
- advertising at bike parks; and
- location options, ongoing costs and advertising opportunities of the Green Roof Bike Shelter.

Council Report

Committee: Council

Date: 17 March 2022

Author: Tyler Gaukrodger

Authoriser: Amy Viggers

Position: Governance Advisor

Position: Governance

Report Name: Chair's Report

Item 8

Report Status	<i>Open</i>
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Recommendation – *Tuutohu*

That the Council receives the report.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report



Chair's Report

It is two years on from our first online meeting. The way Councillors and staff have responded to these different ways of working has been impressive. We would all agree there is no substitute for face-to-face meetings, and the opportunity to get stuff done in person. I look forward to returning to the Chamber as soon as possible. In the meantime, I thank staff for their work and dedication in these unusual and challenging times to keep our city running.

Today at this important Council meeting we discuss next year's Annual Plan for 2022-3. This represents 'Year 2' of the Long-Term Plan that we agreed last year. Significant work from staff and Elected Members went into the Long-Term Plan, and I am not expecting significant changes in the Annual Plan. However, a few new issues have emerged and will need to be discussed and decided upon today. There is so much changing in the world around us, so we need to ensure the plans – and the assumptions (including financial assumptions) that underpin them – remain right for Hamilton at this time.

I'm also mindful of just how much businesses are hurting – particularly our wonderful hospitality and events venues around the city. This is an extremely challenging time being experienced by other sectors also, including the charity sector. Charities are hurting and they have very little to come and go on despite the extraordinary work they do on behalf of all of us. As Omicron cases peak in the next few weeks businesses and charities in our city will struggle and we will need to be alert to how we can support them.

Finally, I note the tragic events unfolding in Ukraine. I'm proud that, like many other cities around the world, Hamilton has been able to light up our city – in our case, Victoria Bridge – in the colours of the Ukrainian flag. We are also raising a Ukrainian flag above the Municipal building. I've also had the opportunity to meet Ukrainian leaders within our community, and commend their spirit and leadership. Our thoughts are with them, and all of their loved ones in Ukraine. Hamilton is proud of its diversity and the work we are doing around our diversity strategy to make sure all Hamiltonians thrive.

These are uncertain and unsettling times. I thank the Chairs and Deputies of our committees for the awesome work they are doing to make Hamilton a better place.

Chair's Recommendation

That the Council receives the report.

Paula Southgate
Mayor Hamilton City

Council Report

Item 9

Committee: Council **Date:** 17 March 2022
Author: Lisa Topcsov **Authoriser:** Helen Paki
Position: External Funding Manager **Position:** General Manager Community
Report Name: Hamilton City Council's Draft Submission to the WEL Energy Trust's 2022/2023 Draft Annual Plan

Report Status	Open
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Purpose - *Take*

1. To seek the Council approval of Hamilton City Council's Draft submission to the WEL Energy Trust's 2022/23 Draft Annual Plan.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report;
 - b) approves Hamilton City Council's Draft submission to the WEL Energy Trust's 2022-2023 Draft Annual Plan;
 - c) notes that the approved submission will be sent to the WEL Energy Trust following approval at the Council's meeting (noting that the Trust has provided Council with an extension to the official 16 March 2022 submission closing date); and
 - d) notes that Council representatives (to be confirmed at this meeting) will speak in support of the approved submission at the Trust's hearing scheduled for 22 March 2022.

Executive Summary - *Whakaraapopototanga matua*

3. The WEL Energy Trust (the Trust) is seeking public consultation on its [2022-2023 Draft Annual Plan](#).
4. Staff have developed a draft submission (**Attachment 1**), which was circulated to Elected Members and Maangai Maaori for feedback on 23 February 2022.
5. Staff recommend that the Council approves the draft submission and that Hamilton City Council representatives (to be confirmed at this meeting) speak in support of the approved submission at the Trust's hearing scheduled for 22 March 2022.
6. Staff consider the decision has low significance when assessed under Council's Significance and Engagement Policy and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

7. The Trust released the 2022-2023 Draft Annual Plan seeking public consultation between 23 February 2022 and 16 March 2022.

8. The Draft Annual Plan outlines the Trust's intentions, expected outcomes and measures for the period 1 April 2022 to 31 March 2023.
9. As the Council is the largest Capital Beneficiary of WEL Energy Trust (63% shareholding), it is considered important to make a submission to ensure the Council's views are outlined and highlights upcoming priorities of the Council to the Trust.
10. Staff developed a draft submission, which was circulated to Elected Members and Maangai Maaori for feedback on 23 February 2022. No feedback was received for inclusion.
11. As the Council is to consider the draft submission at the 17 March 2022 meeting, after the official closing date 16th March 2022, the Trust has agreed to receive the Council's approved submission thereafter.

Discussion - *Matapaki*

12. Council's draft submission supports the overall direction and intent of the Trust's 2022-23 Draft Annual Plan, noting the reduction of funding to support core granting activities as set out in the "Outcome Area - Effective Community Investment-Action Priorities"
13. The key messages of the draft submission include:
 - i. Hamilton City Council invites increased funding contribution to our priority areas and projects and strongly encourages approval through the Trust's annual contestable fund.
 - ii. The Sports Parks Floodlighting Improvement Project is the most aligned project currently and requests co-funding through the upcoming contestable fund.
 - iii. A review of how we approach and attract funding has resulted in a realigned City Investment Programme, which we see a significant shift to a city-wide solution focused approach to investment. We consider the Trust a key investment partner in this programme.
14. Other matters outlined in the submission include:
 - i. Hamilton City Council strongly values the relationship built with the Trust, which contributes to the intergenerational wellbeing of our community in Hamilton and the Waikato Region.
 - ii. Council believes there is greater opportunity to align with Hamilton City Council's Annual and Long-Term Plans, which is supported in the Trust's Deed
15. The submission notes that Council representatives wish to speak in support of its submission at the Trust's hearing, which is scheduled for 22 March 2022.

Options

16. The Council has can either make a submission the Trust's 2022-23 Draft Annual Plan (option 1) or not make a submission to the Trust's 2022-23 Draft Annual Plan.
17. Although the Council has no obligation to make a submission, staff recommend making a submission (option 1) to the WEL Energy Trust's 2022-2023 Draft Annual Plan to ensure the Council's views are considered and taken into account by the Trust.

Financial Considerations - *Whaiwhakaaro Puutea*

18. The staff resource to develop the submission is estimated at 2 hours at \$100 per hour. This has been met within existing staff budgets.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

19. Staff confirm that the recommendations in this report comply with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

20. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
21. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
22. The recommendations set out in this report are consistent with that purpose.

Social

23. This submission has been developed to support the delivery of capital projects that will benefit the community and provide better spaces for social connections.
24. Community spaces highlighted in the submission such as Sport Parks are a focal point for community connections with low or no cost opportunities that is inclusive for all to socialise and be active.
25. The social wellbeing impacts relating to the capital projects put forward to WEL Energy Trust for future co-funding will be presented in reports specific to the project.

Economic

26. This submission highlights the need for co-funding to support the delivery of capital projects which reduces the financial impact to our ratepayers and local community.
27. The economic wellbeing impacts relating to projects put forward to WEL Energy Trust for future co-funding will be presented in reports specific to the project.

Environmental

28. The submission has been developed to support the delivery of capital projects which align to the Trusts Draft 2022-2023 Annual Plan specifically, the key question in Section 3 "*How can we support energy efficiency initiatives?*"
29. The Sport Parks floodlighting project highlighted in the submission aims to provide energy efficient community infrastructure across Hamilton.

Cultural

30. This submission has been developed to support the Trusts overall commitment to key initiatives like the Waikato Wellbeing Project which supports the cultural wellbeing of our community.

Risks - *Tuuraru*

31. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

32. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

33. Given the low level of significance determined, the engagement level is low. No engagement is required.

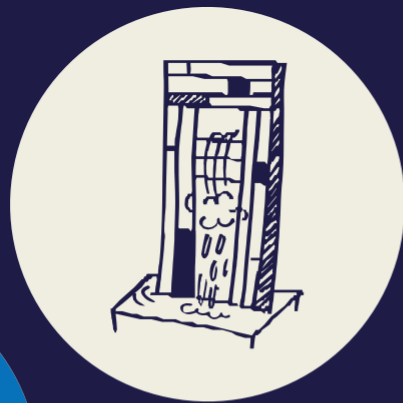
Attachments - *Ngaa taapirihanga*

Attachment 1 - Hamilton City Council Draft Submission - WEL Energy Trust 2022-23 Draft Annual Plan

Draft 1

Hamilton City Council Submission On: WEL ENERGY TRUST 2022-23 DRAFT ANNUAL PLAN

WEL Energy Trust



17 March 2022



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- A city that's easy to live in
- A city where our people thrive
- A central city where our people love to be
- A fun city with lots to do
- A green city

The topic of this submission is aligned to the priority 'A city where our people thrive'.

The five priorities set the direction for the city where Hamilton City Council can influence, collate, partner and deliver in actions that will improve/drive the social, economic, environmental and cultural wellbeing of our community. We see the WEL Energy Trust as a key partner to achieving this vision.

Council Approval and Reference

This submission was approved by Hamilton City Council at its meeting held on 17 March 2022.

Hamilton City Council Reference D-4093742 - submission # 679

Key Messages

1. Hamilton City Council encourages increased contribution to our priority areas and projects that is representative of being WEL Energy Trust's largest Capital Beneficiary.
2. Requests the Trust to co-fund the delivery of our Sports Parks Floodlighting project, which has been developed through a partnership with key sector and community stakeholders.
3. Hamilton City Council would like the opportunity to provide feedback into the Trust's 5-year Community Investment Strategy review.
4. Considers WEL Energy Trust as a key partner to supporting a city-wide solutions-focused approach to investment.

Introduction and Specific Comments

5. Hamilton City Council welcomes the opportunity to make a submission to the WEL Energy Trust's 2022-23 Draft Annual Plan.
6. Hamilton City Council support the overall direction and intent of the Trust's 2022-23 Draft Annual Plan.
7. As the largest Capital Beneficiary of the WEL Energy Trust, Hamilton City Council looks forward to building on the current working relationship it has with the Trust to create a strategic approach to investment. This will contribute to the intergenerational wellbeing of our community in Hamilton and the Waikato Region.
8. Hamilton City Council is committed to a strategic city-wide approach to projects and funding solutions that deliver the greatest benefits to our community. We see the Trust as a key partner in this.

Support for Community Investment Alignment

9. We acknowledge the Trust's long-standing commitment to community grants and its social impact investment approach to deliver on regional priority projects.
10. We also note the reduction of funding to support core granting activities as set out in the 2022-23 Draft Annual Plan "Outcome Area - Effective Community Investment-Action Priorities".
11. We strongly believe there is greater opportunity to align with Hamilton City Council's Annual and Long-Term Plans, which is supported in the Trust's Deed i.e., "Clause 9.5 REGIONAL OR COMMUNITY PROJECTS OR GRANTS: The TRUSTEES in making decisions on projects or grants in accordance with clauses 9.3 (d) and 9.3 (e), will take into account the recommendations of the relevant TERRITORIAL AUTHORITIES..."
12. Section 4 of the Trust's 2022-23 Draft Annual Plan (page 11) seeks feedback from the Capital Beneficiaries on three key questions:
 - *Question 1: How can the Trust optimise long-term capital growth of core investment in WEL Networks in terms of inter-generational benefit?*
 - *Question 2: How can the Trust better contribute to Capital Beneficiary priority areas?*
 - *Question 3: How can the Trust ensure we are engaging in inter-generational 'impactful' investing/granting that aligns with Capital Beneficiary strategy?*
13. Hamilton City Council invites an increased contribution by the Trust to our priority areas and projects. We strongly encourage funding approval through the Trust's annual contestable fund that is representative of being the largest Capital Beneficiary (63%) of the Trust.

14. Hamilton City Council's [five priorities](#) set the direction of where Council can invest, influence, collaborate, and partner to deliver actions that will improve the social, economic, environmental and cultural wellbeing of our community i.e., the four wellbeings as mandated by the Local Government Act.
15. Through community consultation and partnership with key community stakeholders, Hamilton City Council considers the Sports Parks Floodlighting Improvement Project as the most aligned project for funding at this time.
16. The project aligns with Hamilton City Council's priority of: Shaping a fun city with lots to do. Ahuahungia teetehi taaone ngahau e tini ai ngaa kaupapa papai hei whai.
17. This project aims to establish improved floodlighting facilities to 21 sport fields (5 Sports Parks) across Hamilton. Working with key sector and community stakeholders, this project will be delivered through a partnership approach.
18. The total cost of the project is \$4.5 Million. The total investment required to deliver this project as approved is \$1.3 Million.
19. This project is a critical component to create well-functioning and high performing network of sport facilities provides our sports community places that are inclusive for all to be active, have fun and socialise and connect.
20. Key benefits of the project include:
 - Provides increased activities and participation opportunities for all ages.
 - Provides cost-effective, energy efficient, and equitable infrastructure.
 - Increased capacity and usage by extending availability for training, postponed scheduled games and mid-week games.
 - Unlock infrastructure and interdependent developments to provide improved community facilities and asset management.
21. Hamilton City Council requests that the WEL Energy Trust co-fund this project through its upcoming contestable fund.

Maximise Our Partnership for City-Wide Intergenerational Benefits

22. As with our submissions to the Trust's previous Draft Annual Plans, Hamilton City Council continues to support the Trust's Community Investment Strategy and notes in Section 1 that *"Informed by our stakeholders and community, the Trust will review and refresh the Community Investment Strategy for implementation by 1 April 2022"*.
23. Hamilton City Council would welcome the opportunity to provide input to the review and refresh of the Trust's Community Investment Strategy, particularly regarding review item 3 *"What the Trust's focus areas will be over the next three to five years and how we can work with other funders to deliver the greatest benefit to our community"*.
24. Hamilton City Council has undertaken a review of how we consider and attract funding for key projects, resulting in a realigned programme.
25. The aim of the realigned programme (City Investment Programme) will see a significant shift to a city-wide solutions-focused approach to investment.
26. Hamilton City Council, along with other city and regional leaders, will seek solutions together supporting intergenerational impactful investing with the needs and benefits of our community at the forefront of our decision making. We consider the Trust to be a key investment partner.

27. This will deliver and drive enduring social, economic, environmental and cultural wellbeing for the community.

Further Information and Hearing

28. Should the WEL Energy Trust require clarification of the submission from Hamilton City Council, or additional information, please contact **Lisa Topcsov** (External Funding Manager - Major Projects) on 07 929 2715 or 027 808 2971, email lisa.topcsov@hcc.govt.nz in the first instance.
29. Hamilton City Council **does wish to speak** in support of this submission at the WEL Energy Trust's hearing that is scheduled for 22 March 2022.

Yours faithfully

Lance Vervoort
CHIEF EXECUTIVE

Council Report

Committee: Council **Date:** 17 March 2022
Author: Greg Carstens **Authoriser:** Blair Bowcott
Position: Growth, Funding & Analytics Unit Manager **Position:** General Manager Growth

Report Name: Draft Development Contributions Policy 2022/23 - Consultation

Report Status	<i>Open</i>
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Purpose - *Take*

1. To seek the Council's approval of the Proposed Development Contributions (DC) Policy 2022/23 and Consultation Document for public consultation.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report;
 - b) approves the Proposed Development Contributions Policy 2022/23 (**Attachment 1** of the staff report) and the Development Contributions Policy Consultation Document (**Attachment 3** of the staff report) for community consultation; and
 - c) notes that community consultation on the Proposed Development Contributions Policy 2022/23 will take place from 22 March to 14 April 2022.

Executive Summary - *Whakaraapopototanga matua*

3. The Development Contributions (DC) Policy is proposed to be amended in alignment with the 2022/23 Annual Plan process. The proposed amendments set out in this report are important in their own right, but are quite specific and ultimately do not represent fundamental changes to the DC Policy.
4. At the [3 February 2022](#) Council meeting, the Council approved, for the purposes of preparing a Proposed DC Policy 2022/23, two key changes:
 - i. amending the definition of gross floor area (GFA) such that development contributions will continue to be charged for the area under building canopies with the exception of eaves or overhangs of up to one metre in depth;
 - ii. for the stormwater component of a charge, charging 1 Household Unit Equivalent (HUE) of development contributions rather than 1.29 HUE, for dwellings of more than one level that have four or more bedrooms.
5. The third key change, to introduce a partial remission for development undertaken by state-integrated schools that provides public access and community benefit was resolved at the Strategic Growth Committee Meeting on [2 December 2021](#).

6. In addition to these three key changes, staff have made amendments to the way the GFA definition is set out to improve clarity and transparency, and other minor changes to update information or dates, or correct grammar.
7. The attached Proposed DC Policy 2022/23 (**Attachment 1**) incorporates these changes. **Attachment 2** is a tracked changes version of the Proposed DC Policy.
8. Elected Members should also note that the 2021/22 DC Policy (operative from 1 July 2021) provides for a phased transition to higher charges for residential development in Greenfield areas over a three-year period. The second phase/year two charges in Schedule 1A have been updated to reflect this.
9. Staff have identified, based on advice from the Council's Barrister, a non-exhaustive set of key stakeholders for the purposes of community consultation. These groups include:
 - i. all Hamilton Schools;
 - ii. the Waikato Principals Association;
 - iii. the Property Council;
 - iv. the newly established Developer Reference Group (which includes Elected Member representatives and influential members of the development community);
 - v. the Ratepayers Association; and
 - vi. Waikato Tainui (through Tainui Group Holdings).
10. The consultation document can be found in **Attachment 3**. As noted, consultation on the Proposed Policy will run from 22 March to 14 April 2022.
11. Following consultation, Members will have the opportunity to hear verbal submissions from the community on 5 May 2022 and deliberations will take place alongside the Annual Plan on 25/26 May 2022.
12. The adoption meeting for the Proposed DC Policy 2022/23 is scheduled for the 24 June 2022 alongside the Annual Plan. If adopted, the Policy will become operative on 1 July 2022.
13. Council staff have sought a legal review, which concluded that the Proposed Policy amendments are lawful and that the Proposed Policy is in a form appropriate for community consultation.
14. Staff consider the decisions in this report have medium significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

15. The Council adopted its current Development Contribution Policy 2021/22 at the [24 June 2020](#) Council meeting, alongside the 2021-31 Long Term Plan (LTP) and associated capital programme.
16. On 27 August 2021, Justice Gault released the Judicial Decision in the case AGPAC Limited & others vs Hamilton City Council, which comprehensively found in favour of the Council's DC Policy. However, the Judge made some limited comments in relation to Council's DC Policy which required updating the Policy.
17. Following Judge Gault's ruling, staff sought approval of the recommended changes at the 3 February 2022 Council meeting. The Council resolved, for the purpose of preparing a Proposed 2022/23 DC Policy:
 - i. amending the definition of gross floor area (GFA) such that development contributions will continue to be charged for the area under building canopies with the exception of eaves or overhangs of up to one metre in depth;

- ii. for the stormwater component of a charge, charging 1 Household Unit Equivalent (HUE) of development contributions rather than 1.29 HUE, for dwellings of more than one level that have four or more bedrooms.
- 18. At the request of Elected Members, staff presented a report to the Strategic Growth Committee on 2 December 2021, where it was resolved to introduce a partial remission for development undertaken by state-integrated schools that provides public access and community benefit.
- 19. It is important to note that regardless of any amendments that may be made through the Proposed Policy, an updated schedule of DC charges will become operative on 1 July 2022. The operative DC Policy 2021/22 contains provisions that phase in increases in DC charges for residential developments in Greenfield areas. The Policy states that development contribution charges for residential development in the Peacocke 1, Peacocke 2, Rotokauri, Rototuna and Ruakura general catchments will be phased in annually between 1 July 2021 and 30 June 2023.

Discussion - *Matapaki*

- 20. The attached Proposed DC Policy 2022/23 (**Attachment 1**) incorporates the changes resolved by Council at the 3 February 2022 meeting and the 2 December 2021 Strategic Growth Committee meeting. For a tracked change version of the Proposed Policy, see **Attachment 2**.

Change 1: Amend the GFA definition

- 21. Consistent with the recommendations from Justice Gault in the Judicial Review, the GFA definition in the Policy has been updated to clarify that the measurement of GFA includes the areas under canopies but excludes the floor area under building eaves or roof overhangs up to one metre from exterior walls.
- 22. The District Plan's exclusion of eaves in the definition of Site Coverage "*the permitted eave overhang of 1.0m shall be excluded in all circumstances*" has been adopted for the purposes of the GFA definition.
- 23. Making this amendment is consistent with the comments made by Justice Gault and provides greater transparency and certainty for developers and staff regarding when canopies are included and excluded from the chargeable GFA.
- 24. Minor amendments have also been made to the way the GFA definition is set out to improve clarity. These changes do not change the substance of the existing provisions or the application of the DC Policy.

Change 2: Amend the stormwater charge for large dwellings with more than one level

- 25. Council charges DCs on a per bedroom basis for residential development and charges per household unit equivalent (HUE). A HUE means demand for Council services on an activity-by-activity basis, equivalent to that produced by an average household. For example, a standard three-bedroom dwelling will pay equivalent to 1 HUE where a large residential dwelling with four or more bedrooms will pay equivalent to 1.29 HUE.
- 26. This assumes that dwellings with more bedrooms will have a greater proportion of site area that is impervious because the roof area is greater than a smaller house. However, in the case of stormwater demand, this may not hold true where a large house has multiple levels or a small footprint.

27. In the Judicial review decision, Justice Gault commented that Council should review its approach to charging stormwater DCs for multi-level dwellings:

[120] I expect HCC, as part of its annual review of its development contributions policy, will consider how best to address the prospect of greater anomalies in future as multi-level dwellings become more prevalent with higher density developments.

28. To address Justice Gault's comments, staff have proposed an amendment to the DC Policy to remove the anomaly in multi-level dwellings by lowering the stormwater DCs charged from 1.29 HUE to 1 HUE for dwellings with more than one level and four or more bedrooms.
29. The proposed amendment is an interim change as work is currently underway to review Hamilton's District Plan and to update the zoning requirements. The new zoning will reflect the NPS-UD and the Government's high-density intensification objectives and it expected to change the typology and density of housing in Hamilton in the future. It may be that this amendment is re-visited once detailed work has been undertaken on the NPS-UD requirements as part of the full DC Policy review alongside the 2024-34 Long-Term Plan.

Change 3: Introduce a partial remission for state-integrated schools

30. At the request of Elected Members and as resolved at the Strategic Growth Committee on 2 December 2022, a partial state-integrated schools remission clause has been added to the Policy for state-integrated schools that provide public access and community benefit.

Further amendments

31. In addition to the three amendments discussed above, further minor changes have been made (identified as tracked changes in the Proposed Policy – see **Attachment 2**), including correcting grammatical errors and updating date references. None of these changes represents significant changes to the meaning or implementation of the Policy.
32. In addition, Members should note that in the DC Policy 2021/22, Council introduced a phased transition to higher charges for residential development in Greenfield areas. The second phase/year two charges have been updated in the Proposed 2022/23 DC policy to reflect this resolution.

Financial Considerations - *Whaiwhakaaro Puutea*

33. There are minimal financial implications associated with updating the GFA definition outlined above. The assessment of canopies is largely unchanged from the current policy, and the proposed change will create only minor changes in DCs for individual developments.
34. The change to the stormwater HUE for multi-storey residential dwellings with four or more bedrooms is estimated to result in a reduction in DC revenue of around \$90,000 per year based on recent building consent data.
35. The financial implications from providing a remission for state-integrated schools is forgone revenue for Council. It is difficult to determine the overall financial impact of this change as each application and circumstance will differ, including the size of the remission. However, a recent proposal from Hamilton Christian School gives an idea of the potential impact of a remission. Based on the plans provided, staff estimated that DCs on Hamilton Christian School's two court gymnasium would equate to about \$1.1m under the DC Policy at the time. A 50% remission would therefore be forgone DC revenue of approximately \$550,000.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

36. The LGA provides the legal and statutory framework for preparing and adopting a DC policy. All decision-making must adhere to this framework.

37. Staff confirm that the Proposed DC Policy 2022/23 complies with the Council's legal and policy requirements and that legal review has been sought confirming that the amendments are lawful and appropriate for consultation.
38. Legal review of the consultation document has also been completed.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

39. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
40. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
41. The recommendations set out in this report are consistent with that purpose.
42. Both those undertaking developments and the general community benefit from growth in Hamilton. The cost of growth needs to be balanced fairly, given the limited sources of funding available to the Council. The overall impact of requiring DCs on the current and future social, economic, environment and cultural wellbeing of the community needs to be considered.
43. If DCs were not to be required from developments, the Council may not be able to provide the necessary infrastructure to meet the new demand in a community, and more revenue would need to come from general rates. The latter scenario means that existing ratepayers meet the cost for new development. Both outcomes negatively impact on all aspects of wellbeing for the communities involved.

Social

44. DCs help to fund city infrastructure such as roads and reserves, which help to link whanau and communities and provide places for them to connect.

Economic

45. DCs support investment in critical infrastructure for both residential and non-residential development activity. Once a growth cell, or existing areas in the city, are enabled through infrastructure, economic benefits can be realised. New development creates jobs and wealth both now and, in the future, supporting our communities' economic wellbeing.

Environmental

46. DCs help to fund reserves as well as certain environmentally friendly infrastructure, particularly stormwater and wastewater. These help to protect our waterways and ecosystems, while also providing spaces where people can enjoy their local environment.

Cultural

47. Cultural wellbeing is enabled by projects that acknowledge and support their local communities' shared cultural attributes. DCs also help to fund projects such as those that enhance the wellbeing of the Waikato River and support Te Ture Whaimana o Te Awa o Waikato.

Risks - *Tuuraru*

48. The risk associated with adopting the draft Policy for consultation under the LGA is considered low. Council will consult on the Proposed Policy in accordance with statutory requirements and will have the opportunity to incorporate any feedback received from the community into the final 2022/23 DC Policy.
49. The recommended amendments have been legally reviewed and are considered lawful.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

50. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a medium level of significance.

Engagement

51. As per the recommendation, staff seek Council's approval for the draft Policy to go out for community consultation between 22 March and 14 April 2022.
52. There will be no public consultation on the 2022/23 Annual Plan; however, consultation will take place as per legal advice, engaging with targeted groups such as
- i. all Hamilton Schools and relevant principal groups (e.g. the Waikato Principals Association);
 - ii. the Waikato Branch of the Property Council;
 - iii. the Developer Reference Group.
53. Staff have actively contacted the above groups prior to 17 March 2022 to offer the opportunity to discuss the proposals and to provide any support to understand the DC Policy and proposed changes, as well as advising when the consultation will run.
54. Once consultation begins, contact will be made with Council's list of developers, the Ratepayers Association and all those who have previously engaged with DC Policy reviews. There will also be information on the website and media releases aimed at the wider community.
55. Given the medium level of significance determined, the engagement level is medium. Engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Proposed Development Contributions Policy 2022/23

Attachment 2 - Proposed Development Contributions Policy 2022/23 (Tracked changes version)

Attachment 3 - Proposed Development Contributions Policy Consultation Document 2022/23

First adopted:	1 July 2005
Revision dates/version:	Version 16, Adopted TBC
Date this Policy operative:	1 July 2022
Engagement required:	Sections 82-87 LGA 2002
Document number:	D-4098374
Associated documents:	Refer www.hamilton.govt.nz/dc
Sponsor/Group:	Growth Group

DRAFT DEVELOPMENT CONTRIBUTIONS POLICY

2022/23

1. PURPOSE OF POLICY

- 1.1 The purpose of this Development Contributions Policy ("the Policy") is to:
- Provide predictability and certainty about the role development contributions play in Council's overall funding and financial strategy;
 - Establish a policy framework for the calculation of development contributions and how they are to be applied to Council activities;
 - Enable the development community to understand how and in what proportions it pays for infrastructure which supports growth;
 - Set development contributions at a level which will assist Council in delivering on its role and purpose as defined under the Local Government Act 2002 (LGA).

2. QUICK REFERENCE GUIDE

- 2.1 The following table provides quick references to key sections of the Policy:

Section	Section Name	Page
Section 5	What is a development contribution?	4
Section 6	Definitions	5
Section 9	Capped and Phased Charges	14
Section 11	Stages when development contributions are required	23
Section 12	Payment of development contributions	24
Section 13	Limitations and calculation of credits and exemptions	25
Section 14	Requests for reconsideration	26
Section 15	Objecting to an assessed charge	27
Section 17	Special Assessments	28
Section 18	Remissions	29
Section 21	How to estimate your development contribution charge	32
Schedule 1	Table of Charges	34
Schedule 7	Catchment maps	53

- 2.2 These are suggested as sections for first reference, but the Policy needs to be considered in its entirety. The full methodology and supporting information behind the Policy is also available from Council upon request.
- 2.3 The following summary information can be viewed by clicking the links below. They are for guidance and information only, and do not supersede anything in this Policy.
- [Development contributions information sheet](#)
 - [How to estimate a development contribution charge](#)
 - [When do I need to pay a development contribution?](#)
- 2.4 For further guidance and information please visit [Council's development contributions website](#)

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4. POLICY BACKGROUND

- 4.1 Hamilton has grown rapidly over the past few decades and although the rate of growth slowed down following the global financial crisis, economic activity has been strong for several years and ongoing growth is projected for Hamilton into the foreseeable future.
- 4.2 Council is required to ensure that this growth is efficiently managed and accommodated within the city so that growth benefits the entire community. The primary way that Council performs this function is by delivering infrastructure to support this growth in an efficient and cost-effective manner. That infrastructure includes reserves, community infrastructure, and network infrastructure such as roads, water, wastewater, and stormwater systems.
- 4.3 Council must plan for this future demand for infrastructure that comes from growth and establish a capital expenditure programme which provides for these activities over time. It must also determine how these activities are to be paid using the range of funding sources available to it, including rates, financial contributions under the Resource Management Act 1991, grants, and development contributions.
- 4.4 Council is required to determine how each activity is to be funded, including what activities should be funded wholly, or in part, by development contributions, which are a direct method of targeting the developer community as a funding source. The need for some infrastructure, for example, is brought about solely to meet additional demand created by development, and so it is fair that the developer community contributes significantly to these costs. However, new infrastructure may also benefit the wider community, and so it is appropriate that they also contribute to the costs. An appropriate balance must be struck, depending on the activity.
- 4.5 This Policy establishes a framework for determining what level of funding an activity will receive by way of development contributions, and assists developers in determining the level of development contributions payable by them on a development by development basis.
- 4.6 This Policy takes effect on 1 July 2022 and will apply to applications for consents or service connections submitted on or after that date where accompanied by all required information.
- 4.7 Applications for consents or authorisations submitted to Council prior to 1 July 2022 but not granted until after 1 July 2022 will be considered under the policy that was in force at the time that the application was submitted to Council accompanied by all required information.

5. WHAT IS A DEVELOPMENT CONTRIBUTION (S197AA, AB LGA)

- 5.1 A development contribution is a contribution made by a developer to Council which is provided for in this Policy and calculated in accordance with the methodology set out in this Policy and established by the LGA; it can comprise money, land or a combination of both.
- 5.2 The purpose of the development contribution provisions as stated in the LGA is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.
- 5.3 A development contribution may be required in relation to developments if the effect of the developments is to require new or additional assets or assets of increased capacity, and as a

consequence, Council incurs capital expenditure to provide appropriately for community infrastructure, reserves or network infrastructure. Developments are considered in this context to be cumulative with other developments.

- 5.4 Council can require a development contribution to pay for capital expenditure already incurred by it in anticipation of the development.
- 5.5 Before any development contribution can be levied in respect of development, it must be demonstrated that the development, which can be any subdivision or other development, by itself or in combination with other developments, generates a demand for community infrastructure, reserves or network infrastructure. Network infrastructure means the provisions of roads and other transport, water, wastewater, and stormwater collection and management. Council can require a development contribution to be made to it upon the granting of resource consent under the Resource Management Act 1991, the granting of a building consent or certificate of acceptance under the Building Act (2004), or upon authorisation of service connection being granted.
- 5.6 A development contribution cannot be levied if Council has imposed a financial contribution condition under the Resource Management Act 1991 in respect of the same development for the same purpose, or if the developer will fund or otherwise provide for the same community infrastructure, reserve or network infrastructure, or Council has received or will receive funding from another source.

6. DEFINITIONS

- 6.1 **activity** means transport, water, wastewater, stormwater, community infrastructure or reserves.
- 6.2 **allotment** means:
 - a) any parcel of land under the Land Transfer Act 1952 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not:
 - i. the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted by Council.
 - ii. a subdivision consent for the subdivision shown on the survey plan has been granted under the Act.
 - b) any parcel of land or building or part of a building that is shown or identified separately:
 - i. on a survey plan.
 - ii. on a licence within the meaning of Part 7A of the Land Transfer Act 1952.
 - c) any unit on a unit plan.
 - d) any parcel of land not subject to the Land Transfer Act 1952.
- 6.3 **ancillary activity** means any non-residential activity on the same site as another principal non-residential building or activity and whose use is incidental to the principal building or principal activity, and which occupies not more than 25% or 250m² of the activity's gross floor area on the site and associated premises (including any associated premises on an immediate adjoining site), whichever is the lesser.

- 6.4 **base charge** means the unmodified development contribution charge generated by the development contributions calculation model.
- 6.5 **bedroom** means an area of a residential unit that is not:
- the kitchen, bathroom(s), laundry and toilet(s),
 - the dining room or living room (but not both) whether open plan with the kitchen or not,
 - entrance halls and passageways,
 - garage, and
 - any other room smaller than 6m².
- 6.6 **capex** means capital expenditure.
- 6.7 **capped charge** means a development contribution charge manually adjusted to a level lower than the base charge (refer section 9: capped charges).
- 6.8 **catchment** means an area shown in Maps 1-9 (refer Schedule 7) within which a separately calculated and specified set of development contributions charges apply.
- 6.9 **CBD** means the Central Business District. An area defined as the Business Improvement District (BID) in Council's Rating Policy.
- 6.10 **citywide** means the catchment that covers the entire city. The citywide charge forms a component of all other development contribution charges.
- 6.11 **commercial development** means any development involving the use of premises (land and buildings) for administration or professional activities, leisure and recreation activities, community centres, places of worship, mobile accommodation, overnight accommodation, and all other activities not covered by the definitions of residential, retail, and industrial development.
- 6.12 **community infrastructure**
- means land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and
 - includes land that the territorial authority will acquire for that purpose
- 6.13 **Council** means the Hamilton City Council and includes any committee, subcommittee or person acting under delegated authority.
- 6.14 **Council's website** means www.hamilton.govt.nz/dc
- 6.15 **DC** means development contribution.
- 6.16 **developer** means any individual entity or group undertaking development.
- 6.17 **development** means any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for community infrastructure, reserves or network infrastructure; but does not include the pipes or lines of a network utility operator.
- 6.18 **one bedroom dwelling** means a residential unit with not more than one bedroom in total.
- 6.19 **two bedroom dwelling** means a residential unit with not more than two bedrooms in total.
- 6.20 **standard residential dwelling** means a residential unit with not more than three bedrooms in total.

- 6.21 **large residential dwelling** means a residential unit with more than three bedrooms in total.
- 6.22 **granted** means the date that an application for a consent or service connection is approved by Council.
- 6.23 **greenfield** means any catchment other than the citywide and infill catchments.
- 6.24 **gross floor area (GFA)** means the sum of the area of all floors of all buildings on a site measured from the exterior faces of the exterior walls or from the centrelines of walls separating two buildings.

The measurement of gross floor area shall include:

- a) elevator shafts, stairwells and lobbies at each floor and mezzanine floors and balconies
- b) the floor area beneath permanent outdoor covered structures and canopies, including where existing floor area is covered for the first time; and
- c) covered and uncovered areas of a site that provide carparking on a commercial basis.

The measurement of gross floor area shall exclude:

- d) incidental or temporary loading and servicing areas and access thereto
- e) building service rooms containing equipment such as lift machinery, tanks, air conditioning and heating plants
- f) the area that provides for carparking to directly service the development
- g) buildings and structures authorised by a relevant building consent or resource consent for the first time, which have a duration of two years or less; and
- h) building eaves and overhangs when extend up to 1.0m from exterior walls.

- 6.25 **household unit equivalent (HUE)** means demand for Council services, equivalent to that produced by an average household.
- 6.26 **industrial development** means any development involving the use of premises (land and buildings) for manufacturing, processing, bulk storage, warehousing, servicing and repair activities, or if the use of premises is unknown, any development permitted or authorised by resource consent in an industrial zone.
- 6.27 **infrastructure** means network infrastructure, community infrastructure or reserves.
- 6.28 **Infrastructure Strategy** means the 30-Year Infrastructure Strategy adopted with Council's Long-Term Plan.
- 6.29 **lodgement date** means, in accordance with S 198 (2A) LGA 02, the date at which an application for building consent, resource consent or authorisation of service connection was submitted, accompanied by all required information.
- 6.30 **Long-Term Plan** means Council's adopted long term plan in accordance with the LGA.
- 6.31 **lot** means allotment.
- 6.32 **LGA** means the Local Government Act 2002.
- 6.33 **network infrastructure** means the provision of roads and other transport, water, wastewater, and stormwater collection and management as defined by the LGA.

- 6.34 **residential activities** means the use of land and buildings on a site by people for living accommodation either alone, in families or groups.
- 6.35 **residential development** means new buildings or parts of buildings designed to be used as residential units. This includes but is not limited to apartments, semi-detached and detached houses, ancillary residential units, units, town-houses, private units within a retirement village, show homes, self-contained accommodation, and new allotments on land that is zoned residential.
- 6.36 **residential unit** means a building or group of buildings, or part of a building or group of buildings that are used, or intended to be used, only or mainly for residential activities.
- 6.37 **retail development** means any development involving the use of land or buildings where goods and services are offered or exposed to the general public for sale, hire or utilisation. For the purposes of this Policy, this definition shall include restaurants, licensed premises and food and refreshment facilities.
- 6.38 **Schedule of Assets** means the S201 LGA schedule available on Council's website.
- 6.39 **sector** means residential, industrial, commercial, retail, or wet industries
- 6.40 **self-contained accommodation** means a residential unit which has kitchen, toilet and bathroom facilities.
- 6.41 **site** means an area of land which is:
- Comprised in a single certificate of title or in respect of which a single certificate of title could be issued without further consent from the Council.
 - Composed of two or more lots held together in one (or more) certificate(s) of title and where no single lot can be dealt with separately without the prior consent of the Council.
 - An area of land which has been defined for the purpose of transferring it from one certificate of title to another.
 - An area of land which is, or is to be, used or developed as one property whether or not that use, or development covers the whole or a part(s) of one or more lots.
- 6.42 **wet industries** means industrial developments that are assessed to or will utilise more than 15,000 litres of water per day.

7. **GROWTH-RELATED CAPITAL EXPENDITURE (S101(3), S106(2), S197AB, S199(1), S201(1) LGA)**

- 7.1 **Summary and explanation of growth-related capital expenditure (s106(2), (2)(a) s201A LGA)**
- 7.2 Based on demographic and economic data it is projected that Hamilton will continue to grow over the next few decades. Some of this growth can be supported by existing Council infrastructure, but Council has identified that there will also be a need for several new assets and an increase in the capacity of a number of existing assets.
- 7.3 Major growth-related infrastructure projects in Council's 30 Year Infrastructure Strategy include further extensions of the Hamilton Ring Road including a four-lane bridge into Peacocke, capacity increases relating to water and wastewater headworks, completion of

existing and the provision of new sports parks, a stormwater floodway in Rotokauri, and extensions to water, wastewater, transport and stormwater infrastructure in Rototuna, Ruakura, Rotokauri, and Peacocke.

- 7.4 Not all growth-related projects can be funded from development contributions. A development contribution can only be levied where it can be demonstrated that the effect of the development, either alone or in combination with other developments, is to require new or additional assets or assets of increased capacity, and as a consequence, Council incurs capital expenditure to provide that infrastructure.
- 7.5 Where this criterion can be met, Council has chosen to recover some of the costs for these infrastructure projects from development contributions.
- 7.6 The Schedule of Assets sets out in detail information for each new asset or programme of works, including the estimated capital costs and the proportion proposed to be recovered through development contributions and through other funding sources.
- 7.7 **Development contribution components and proportion of growth-related capital expenditure funded by development contributions (s199(1), 106(2)(b) LGA)**
- 7.8 The growth-related capital expenditure that Council has incurred, and will incur over the Long-Term Plan period and for selected projects the 30 Year Infrastructure Strategy period, is allocated across a number of groups of activities that are impacted by increased demand, and will be funded from a mix of development contributions, rates, financial reserves, and NZTA subsidies as set out in the Schedule of Assets.
- 7.9 The development contribution charges for these groups of activities correspond to six development contribution charge accounts maintained by Council. The six development contribution accounts cover the three types of infrastructure for which Council takes development contributions, these being community infrastructure, reserves and network infrastructure. The latter is further divided for charging purposes into transport, water, wastewater and stormwater.
- 7.10 **Rationale for using development contributions as a funding source (s106(2)(c), 101(3) LGA)**
- 7.11 The proportion of costs that will be funded by development contributions has been determined using the following rationale.
- 7.12 Community outcomes
- 7.13 Council's growth-related capital expenditure primarily contributes to the following community outcome identified to guide city strategic planning: *"a city that embraces growth - our city has infrastructure that meets our current demands, supports growth and helps build a strong economy."*
- 7.14 Council considers that this community outcome is best promoted by:
 - a) the timely provision of infrastructure to support growth in Hamilton, while protecting ratepayers from unacceptable annual rates increases by taking development contributions to fund an appropriate portion of growth-related capital expenditure;
 - b) using conservative assumptions to forecast growth or project development contribution revenue; and

- c) allocating costs of growth-related expenditure to reflect the causes and benefits of growth infrastructure provision and hence encouraging sustainable development activity by ensuring that developers meet their fair and equitable share of the costs related to the infrastructure provided.
- 7.15 Additionally, in the process of allocating costs to development contributions, Council's outcomes and goals specific to each major project were identified and taken into consideration.
- 7.16 Causes and benefits
- 7.17 The LGA provides that cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the growth-related assets to be provided (including the community as a whole) as well as those who create the need for those assets.
- 7.18 It is Council's view that development is a major cause of the costs identified in the Schedule of Assets, and that this growth-related expenditure is necessary to enable the growth of the city to continue without reducing the current levels of service provided.
- 7.19 Developers will also derive benefit from this expenditure on infrastructure by Council, so it is fair and equitable that developers should pay for a reasonable portion of these costs through development contributions.
- 7.20 Extent to which development causes expenditure
- 7.21 In evaluating the extent to which development causes expenditure, some components of the total cost of growth-related capital projects will be excluded from charging, including growth caused from outside the city, growth that is caused and benefits only the general rating community, and level of service improvements. This portion will be funded separately from other sources including central government subsidies and general rates loans – recognising that some of the benefits derived from these assets accrue both to the existing community and to future ratepayers, and those outside the city.
- 7.22 Cost allocations are evaluated on a project-by-project basis or for groups of projects, and include consideration of:
 - the project description and relevant information
 - the purpose and key outcomes of the project
 - related projects and project dependencies
 - rationale for the choice of catchment
 - multiple Levels of Service considerations
 - growth benefits and growth causation rationale
 - the duration of those benefits
 - the exclusion of non-DC growth.
- 7.23 Projects considered to be of the greatest significance in terms of quantum of cost, complexity, or other matters, including community considerations, have been assessed in substantially more detail. Individual substantive engineering reports have been compiled and referred to for the purposes of allocating costs, including disaggregation of projects into component projects for finer grained analysis, and detailed project and asset metrics under guidance from an external asset management specialist.

- 7.24 These reports and the wider analysis intend to rigorously capture what is meant by level of service deficiencies and its different dimensions and significance, and to assess capital projects on the extent to which they are driven by these level of service deficiencies.
- 7.25 Costs by project have been allocated to development contributions by deriving a percentage figure to reflect both the extent to which the development community causes the need for the expenditure, and the extent to which developers benefit from the expenditure. The average of the two percentages is used as the final percentage of growth-related project costs for development contributions funding.
- 7.26 The percentage figure for developer causation has been derived by considering the extent to which the project would be needed if there was no development, by excluding the portion of each project that contributes to renewals, demand caused by development outside the city, and remedying existing level of service deficiencies (backlog).
- 7.27 Level of service assessments are derived by considering the breadth of level of service improvements addressed by provision of each project, and by the significance of the level of service improvements of each project in the context of the wider project or projects.
- 7.28 For transport projects for which NZTA subsidies are available, the amount of these subsidies is removed from the total cost prior to applying the development contributions allocation.
- 7.29 Significant assumptions in the cost allocation process are described under 10.71 below. Full details of methodology for cost allocations, causation and benefit analysis, and other related aspects for each individual project cost allocation are available on request.
- 7.30 The distribution and timing of benefits
- 7.31 The timing of profits accruing to developers and the need for the capital expenditure both align more closely with the timing of the consents required by developers than they do with the annual rates payments made by residents, so it is appropriate that a portion of the costs be imposed as development contributions through the consenting process.
- 7.32 For each project, consideration has also been given to the period over which the benefits are expected to occur or over which the capacity provided by the project will endure. Recovery of costs from development contributions has been timed to align with this period. The cost allocation percentage figure for growth benefits has been derived on the basis of assessed growth benefits accruing to new residents compared to existing residents, and by considering the rate of expected growth over the recovery period.
- 7.33 Housing Infrastructure Fund (HIF)
- 7.34 HIF is a government initiative to provide alternative funding sources for high growth councils that have financial challenges in providing growth infrastructure necessary to enable adequate housing supply is maintained.
- 7.35 HIF comprises two main funding elements for growth infrastructure being a 10 year interest free loan, and for applicable transport projects, a capital subsidy from NZ Transport Agency.
- 7.36 Council successfully applied to the Government for HIF funding of growth infrastructure projects that will enable stage two of the Peacocke area to be developed. The Government approved the HIF subject to final Council acceptance of loan agreement terms and on Council approving its 2018-28 Long-Term Plan (with the Peacocke growth infrastructure included) following the public engagement process.

- 7.37 Interest costs not incurred by Council on account of HIF interest free borrowing terms, which the calculation model would otherwise have included in its development contribution charge calculation, have been offset in the model. The effect of this is to prevent developers paying development contributions for interest that would never actually be incurred by Council. Likewise, NZTA subsidies have been excluded from recovery through development contributions.
- 7.38 If Council ceased to rely on the HIF facility then the interest free offset would not be used in the development contribution charge calculation.
- 7.39 Transparency and accountability
- 7.40 Growth costs and their funding source are identified separately and on a project-by-project basis which imposes significant administrative costs on Council, but these are outweighed by the benefits in terms of greater equity (user pays), transparency and accountability.
- 7.41 The full methodology and rationale that demonstrates how the calculations for the contributions were made, is available on Council's website.
- 7.42 Overall impact of allocation
- 7.43 In some catchments, and for some types of development, Council has taken the view that the development contribution charge resulting from the above allocations would have an adverse effect on the development community to an extent that it would hinder growth and development, with negative consequences for the community as a whole. In these cases, Council, with consideration to s101(3)b of the LGA, has opted to cap the charge and fund any resulting revenue impacts from rates. This approach is consistent with that described in Council's Revenue and Financing Policy in the section titled Funding Sources for Capital Costs.
- 7.44 Council considers that overall, the allocation of growth-related capital costs to development contributions set out in the Schedule of Assets and the resulting development contribution charges as specified in Schedule 1 of this Policy to be reasonable and consistent with the statutory framework.
- 7.45 Total amount of development contributions funding sought (s106(2)(d), s201(1), s197AB LGA)
- 7.46 The total amount sought from development contributions funding, including financing costs, is set out in Schedule 2 of this Policy.

8. EXPLANATION AND JUSTIFICATION FOR CALCULATION OF CHARGES (S201(1)(A) LGA S197AB)

- 8.1 **Development contribution catchments**
- 8.2 Different areas of the city ("catchments") have been allocated different amounts of growth-related capital expenditure as set out in the Schedule of Assets and are forecast to have different amounts of growth (see Schedule 6). Financing costs have been allocated to them in proportion to the balance of expenditure and growth within each area over time (see Schedule 2).

- 8.3 It is not practical to define catchments that precisely fit each individual growth project that Council undertakes. Taking this into account, Council considers that it is most equitable to divide the city into catchments as is shown in the maps displayed in Schedule 7.
- 8.4 Within each of these catchments, unless a remission, specific agreement or where credits apply, all developments will pay the same development contribution, regardless of their location within the catchment and regardless of their proximity to any particular projects that Council has undertaken or will undertake in that catchment.
- 8.5 This will ensure that the historical and future costs of growth-related capital works in that catchment are shared amongst all developments that benefit from them to the best practicable extent, whether directly or indirectly.
- 8.6 Some growth-related capital expenditure cannot adequately be confined to individual areas, and where appropriate will be recovered on an equal basis from all developments in the city, regardless of location.
- 8.7 Council's approach is supported by s197AB(1)(g) of the LGA which provides that when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that—
- the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
 - grouping by geographic area avoids grouping across an entire district wherever practical.
- 8.8 **Producer Price Index adjustments**
- 8.9 Council will at its sole discretion and in accordance with s106(2B-2C) LGA, will increase the capital component of development contribution charges annually based on the Producers Price Index Outputs for Construction rate provided by Statistics New Zealand.
- 8.10 **Calculation of charges (s203(2), Schedule 13 LGA)**
- 8.11 The formula used in Council's calculation model to calculate project-level charges is derived from the following equilibrium condition. It states that the net present value of money coming in from development contributions must equal the present value of money going out for growth-related project costs.

$$\sum_{t=1}^N \frac{HUE_t \times DC_t}{(1+r)^{t-1}} = Growth \times \left(\sum_{t=1}^k \frac{Cost_t}{(1+r)^{t-1}} + HC \right) - HR$$

- 8.12 It follows that the development contribution charge is as follows:

$$DC_1 = \frac{Growth \times \left(\sum_{t=1}^k \frac{Cost_t}{(1+r)^{t-1}} + HC \right) - HR}{\sum_{t=1}^N HUE_t \times \left(\frac{1}{1+r} \right)^{t-1}}$$

- 8.13 Where:

- t = time indicator

- $Cost_t$ = LTP Project Cost in year t
- $HEU_t = HUE_t$ = Household equivalent units of demand in year t
- $DC_t = DC_1$ = Development contribution per HUE in year t
- N = length of the cost recovery period in years.
- k = time over which future project costs will be recovered in years
- Σ = summation operator
- HC = Historic costs incurred prior to the LTP
- HR = Historic development contribution revenues allocated to this project
- Growth = share of project cost to be recovered from growth via development contributions

- 8.14 Capital expenditure and growth (which is proportional to revenue) for the purposes of generating the charge are expressed in present value terms in order to match planned costs with forecast growth for the purpose of determining revenue across the life of the model, consistent with accepted financial modelling practices.
- 8.15 For each development contributions account within each catchment, the charge is the sum of the charges for the individual expenditure items.
- 8.16 A worked example is provided in Schedule 3, illustrating the calculation of a specific charge in accordance with this formula.
- 8.17 More detail on the mathematics in the model is available from Council on request.

9. CAPPED AND PHASED CHARGES (S101(3)B, S198(2A) LGA)

- 9.1 Some development contribution charges calculated by the calculation model have been capped at a specific level, or phased in, to take account of considerations outside the scope of the development contribution model parameters.
- 9.2 The calculation model produces mathematically and legally justifiable development contribution charges “base charges” but whether these base charges are to be levied is required to be tested in accordance with s101(3)b of the LGA, which is a critical filter through which all proposed development contributions must pass.
- 9.3 Council has considered the base charges in light of the critical filter set out in s101(3)b and concluded that if the base charges were adopted, in some cases this would represent an allocation of liability for revenue needs which would not deliver the most advantageous impacts on the community. Accordingly, Council has decided to reduce certain base charges as set out below.
- 9.4 Capped and phased development contribution charges in this section represent a manual adjustment to a base charge. Capped and phased charges are a discretion of Council and should not be considered charges in their own right.
- 9.5 For the purposes of disclosure on fees advice letters, capped individual activity charges are generated by scaling the base activity charges by the ratio of the total capped charge and the total base charge. Phased charges are an incremental annual increase to the 2019/20 Policy charges as set out in section 9.11 below.

- 9.6 **Council's decision to modify charges under S101(3)b**
- 9.7 Council considers that its decision to cap or phase charges represents a proper exercise of its discretion under s101(3). Council's decision in respect of these capped and phased charges has not impacted on its decision making in respect of the balance of this Policy. To that extent, Council would have adopted the balance of this Policy regardless of whether it capped or phased these charges.
- 9.8 **Capped non-residential charges**
- 9.9 Development contribution charges for industrial, commercial, or retail development (or part of a development) will pay no more than \$20,000, \$30,000, or \$40,000 respectively (exclusive of GST) per 100m² of gross floor area for the total of water, wastewater and transport activities, and correspondingly for stormwater on a site area basis.
- 9.10 Where the base charge is less than that amount, the base charge will apply.
- 9.11 **Phased residential charges**
- 9.12 Development contribution charges for residential development in the Peacocke 1, Peacocke 2, Rotokauri, Rototuna and Ruakura general catchments will be phased in annually between 1 July 2021 and 30 June 2023.
- 9.13 The incremental phased increases in development contributions are as follows:
- (i) where the lodgement date is between 1 July 2021 and 30 June 2022, residential developments in the above catchments pay the 2019/20 Policy charges plus 1/3rd of the difference between the 2019/20 Policy and the 2021/22 Policy charges.
 - (ii) where the lodgement date is between 1 July 2022 and 30 June 2023, residential developments in the above catchments pay the 2019/20 Policy charges plus 2/3rd of the difference between the 2019/20 Policy and the 2021/22 Policy charges.
 - (iii) Where the lodgement date is between 1 July 2023 and 30 June 2024, residential developments in the above catchments pay the full 2021/22 Policy charges set out in Schedule 1B (base charges).
- 9.14 Phased charges are calculated using aggregated 2019/20 Policy and base charges, and apportioned using the activity proportions of the base charges.
- 9.15 See Schedule 1A for a table of these phased charges and Schedule 1B for the base charges.
- 9.16 Schedule 1A will be updated annually to reflect the next phase of charges as outlined in 9.14 above.
- 9.17 These phased charges are intended to provide greater certainty of the level of development contributions charges payable by developers, but Council reserves the right to review its policy and corresponding charges at any time.
- 9.18 **Rationale**
- 9.19 Base non-residential charges in some catchments are significantly higher than comparable areas in other parts of the city, largely due to higher investment by Council in its strategic growth capital programme in those areas.

- 9.20 Due to increasing costs of providing growth infrastructure and the scale of infrastructure required, development contribution charges are materially higher in this policy than in previous policies, which creates financial planning difficulties for developers and those purchasing property. To address this, residential development in the Peacocke 1, Peacocke 2, Rotokauri, Rototuna and Ruakura general catchments are phased in by one third each year over three years.
- 9.21 Council has made substantial infrastructure investments based on long-term city growth planning and land use strategies, which, if materially compromised due to low uptake, could reduce the realisation of expected benefits from Council's investment in infrastructure, and lead to lower levels of development and loss of jobs and industry to other regions.
- 9.22 Under those circumstances, allocation of liability for revenue needs according to the base charges may have an adverse impact on the community and to avoid this impact, the base charges for some non-residential charges has been capped and some residential charges have been phased in, as described above.

10. SIGNIFICANT ASSUMPTIONS AND POTENTIAL EFFECTS OF UNCERTAINTY (S201(1)(B), S197AB LGA)

- 10.1 The Development Contributions Policy incorporates a number of assumptions underlying the calculation of development contributions, principally around city growth, the demands placed on infrastructure by different types of developments, the allocation of costs and ultimately how these costs will be recovered from different types of development.
- 10.2 These assumptions, and an assessment or estimate of the effects of the uncertainty surrounding them, are detailed in this section.
- 10.3 **Growth projections**
- 10.4 Residential growth projections are based upon the National Institute of Demographic and Economic Analysis (NIDEA) population projection methodologies and data from Council's databases.
- 10.5 Non-residential floor area projections are based on economic projections for Hamilton and the Waikato Region by Market Economics Ltd.
- 10.6 Summary growth projection tables for the Long-Term Plan period are presented in Schedule 6.
- 10.7 Effects of uncertainty
- 10.8 Projecting or forecasting growth over the long term across the city and for individual areas and types of development within the city naturally involves a significant amount of uncertainty, and this will become more pronounced as time progresses. Growth inputs are a core component of the charge calculations, and there is a real likelihood that even a robust growth model would generate outputs that vary significantly from realised growth.
- 10.9 Projections that are lower than 'actual' growth would retrospectively have returned charges set at a level that is too high, and vice versa.
- 10.10 The divergence may also vary according to catchment and industry sector, resulting in charges that are weighted too heavily to some areas or some types of development. The

effect of citywide growth variations would be expected to be less because projecting across a city has a lower error margin than by individual catchment, and historical data will inform projections better across a city compared with catchments or growth cells.

- 10.11 In order to minimise the effects of uncertainty, growth demand projections and assumptions will be monitored and regularly reviewed in light of new information.
- 10.12 **Conservative revenue assumptions**
- 10.13 The theoretical revenue generated by the development contribution model assumes that all HUEs return full revenue in accordance with the applicable charges.
- 10.14 Forecasts for development contribution revenue for the purposes of the Long-Term Plan are conservative estimates including allowances made for future remissions, and historical consents issued at lower charge rates as per the applicable policy at the time a consent is granted.
- 10.15 Effects of uncertainty
- 10.16 Revenue forecasting has a high margin of error due to substantial underlying assumptions including economic outlook and projections, growth projections, undeterminable developer and market behaviour, the property market volatility and unpredictability, and other wider considerations including government policy changes.
- 10.17 This uncertainty impacts Council's debt to revenue calculations and consequent capacity for borrowing to finance growth. Council has attempted to strike a balance in its forecasts, based on historical levels of revenue and the best information that it has available about likely future revenues, but with a view to conservatism.
- 10.18 If Council had included an allowance for reduced development due to high charges, it would have reduced revenue in the model and increased charges to an extent.
- 10.19 **Methodology for relating costs of community facilities to units of demand.**
- 10.20 The purpose of Council's methodology is to enable it to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.
- 10.21 It achieves this outcome by first identifying the total cost of the capital expenditure that it expects to incur in respect of these community assets to meet increased demand resulting from growth.
- 10.22 Next it identifies the share of that expenditure attributable to each unit of demand. It does this by using the units of demand by which the impact of growth has been assessed. To identify those units of demand Council takes account of a wide data set of information which informs it on the estimated rates of development in the City.
- 10.23 **Supply of land**
- 10.24 The supply and capacity of development land is assumed to be constrained by the current and future availability of infrastructure – whether planned to be provided by Council or likely to be able to be provided by developers.
- 10.25 The land supply assumptions are well informed from the perspective that Council is providing much of the growth infrastructure and has good information on yield and land availability. Private land owners however will bring sections to market using rationale that is

not entirely predictable from Council's perspective, and as a result there will inevitably be variance between projected and actual future land supply.

10.26 Effects of uncertainty

10.27 If the actual supply of land for development is higher than was projected, then more development could potentially go ahead, spreading capex costs over more growth which would have retrospectively reduced the development contribution charge.

10.28 The supply assumptions that have been made are based on information provided by Market Economics Limited and the best knowledge of Council's Growth Funding & Analytics Team at the current time.

10.29 **Types of development (sectors)**

10.30 Developments are assumed to be of five basic types (sectors):

1. Residential, which includes:
 - one bedroom dwelling
 - two bedroom dwelling
 - standard residential dwelling
 - large residential dwelling
2. Retail
3. Commercial
4. Industrial, and
5. Wet industries.

10.31 Within these sectors, there will be a range in the amount of benefit derived from Council's growth-related capital expenditure.

10.32 With the exception of wet industries, where demand will be assessed on a case by case basis, all developments within a sector will be charged development contributions at the rate applicable to that sector as a whole.

10.33 Effects of uncertainty

10.34 Using a wider range of sectors would theoretically allow a closer fit between the assumed demand generated and the actual demand produced by different types of development. However, although it might seem to be more equitable, this is not necessarily practical, as growth would need to be projected separately for each sector and insufficient data is available for this task. The range of sectors will, however, be reviewed periodically and will be expanded when appropriate and feasible as more sophisticated ways of modelling development emerge.

10.35 **Residential dwellings**

10.36 Council charges development contributions on a per bedroom basis using four categories, being large residential, standard residential, two bedroom, and one bedroom dwelling. Census 2013 data through statistical analysis shows that the greater the number of bedrooms in a dwelling the more people are likely living in it (distributed normally). The more people in a dwelling the greater level of Council services that dwelling demands. Accordingly, development contributions for larger dwellings are higher compared to smaller dwellings, noting that except for the stormwater charges, all dwellings with four or more bedrooms pay the large residential rate. Stormwater is treated differently because some

multi-storey dwellings with four or more bedrooms will not necessarily give rise to increased impervious surfaces beyond those expected from a standard residential dwelling. Accordingly, large residential dwellings with more than one level are assumed to generate 1 HUE of stormwater demand.

- 10.37 Council made this decision in order to better reflect true infrastructure demands and improve the equitable spread of the development contributions burden across the residential sector. This approach better achieves the purpose of development contributions as set out in section 197AA of the LGA.
- 10.38 The total recovered over the long term is no greater or less than if Council had retained the approach taken in the prior policy.
- 10.39 Effects of uncertainty
- 10.40 A direct correlation is assumed between demand for Council services and the number of people in a dwelling. If the correlation was inaccurately estimated, development contributions would be distributed differently within the four residential categories, although a house with more bedrooms would always pay a higher development contribution than a dwelling with fewer bedrooms.
- 10.41 Council could have chosen more or less than four categories but elected to use four. It was deemed that choosing more than four categories would introduce undue complexity for both developers and the Council in its administration of the Policy. In any case, data shows that the more bedrooms a dwelling has, the slower the marginal increase in demand for services becomes for each of those additional bedrooms.
- 10.42 Council used its rating database to correlate the number of bedrooms per new dwelling with the Census 2013 data, to calculate demand factors for each of the bedroom categories. Census 2013 data shows that there were 2.7 people per household. This figure is used as the basis for determining the final demand factors for each dwelling size which is the basis of Council's household unit equivalent (HUE).
- 10.43 The stated assumptions are broad and general in construction and hence from one residential unit to another the assumptions may not correlate exactly with the actual demand placed on Council infrastructure, however these types of development constitute only a small proportion of total demand and revenue, and this mitigates the effects of uncertainty.
- 10.44 **Non-residential demand conversion factors**
- 10.45 To provide a common denominator calculating development contribution charges using the equations given in section 8, conversion factors have been used to equate non-residential demand to the residential demand. Conversion factors estimate the number of HUEs of demand that non-residential sectors produce per 100m² of gross floor area (GFA). Data from various sources (e.g. Census, water-metering, traffic studies) has been used to estimate the average demand placed on Council infrastructure (site area for stormwater) or per non-standard residential dwelling. Details of these are set out and described in Schedule 4.
- 10.46 Effects of uncertainty
- 10.47 A higher conversion factor for an activity will result in a higher development contribution charge, and vice versa.

- 10.48 The effect on the development contribution charges of variances due to the choice of conversion factors can be significant, but the current figures reflect the best information that Council has available at this time. Using a wider range of sectors would allow charges to be more closely tailored to individual types of development but would also require individual forecasting of each of these types, with a resulting increase in forecasting error.
- 10.49 An assumption is that HUEs can be used as a proxy for non-residential demand based on floor area (or site area for stormwater) by way of a set of metric based conversion factors. This is a typical approach for council development contribution policies to take, and no ready alternative is available.
- 10.50 **Catchments**
- 10.51 The Peacocke, Rototuna, Ruakura, and Rotokauri greenfield catchments (refer Schedule 7) are based on Council's District Plan structure plan areas. The Temple View and Te Rapa North greenfield catchments are areas that have been added to the city through recent boundary changes.
- 10.52 The infill catchment is defined as all areas in the city that are not greenfield areas, typically referred to as the built-up area or brownfields.
- 10.53 The stormwater catchments are based on monitored and modelled stormwater flows in hydrological catchments, and the wastewater catchments reflect the gravity-fed network, the natural boundary of the Waikato River, and the relative network impact of the eastern and western wastewater interceptors.
- 10.54 An all-of-city or "citywide" catchment is used where it is impractical or inequitable to use only the catchments described above. Any allocation of costs to the citywide catchment has been made in accordance with the following principles:
- a) Causation:
 - There is a causal link between the demand generated by development in the city, regardless of location, and the need to undertake the project or expand the capacity of a network via a group of related projects.
 - b) Open access:
 - There are no significant barriers to the use of the infrastructure by all the community.
 - The infrastructure is available and accessible to the community at large.
 - The costs of using the infrastructure are fair and equitable, and no particular locality of the wider community is disadvantaged by higher user cost.
 - c) Integrated network:
 - The project contributes to an interconnected infrastructure network within the city.
 - The project benefits are closely aligned with the benefits of the related wider infrastructure network.
- 10.55 A number of the larger projects set out in the Schedule of Assets have been split into citywide and catchment components and allocated separately, to reflect causes and benefits of expenditure more equitably and accurately.

- 10.56 It is assumed that all developments within a catchment contribute to the need for and benefit equally from Council's growth-related expenditure having the effect that similar developments in the same catchment attract the same charge.
- 10.57 Effects of uncertainty
- 10.58 Where there are developments in close proximity but in different catchments, significantly different charges may be payable when the demand they place on infrastructure may be very similar. Conversely, not all developments within the same catchment will benefit equally from the infrastructure provided in that catchment.
- 10.59 Using a greater number of catchments would lessen the effect of the first of these issues, and strengthen the causal link between developments and the infrastructure that they require, but would heighten the effect of the second consideration and also entail higher error margins due to the requirement to project growth for smaller areas.
- 10.60 Council has tried to strike a balance between these two factors in its choice of development contribution catchments.
- 10.61 **Cost recovery periods**
- 10.62 The LGA sets out that development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended.
- 10.63 A 30-year maximum cost recovery period has been used. For capital expenditure providing capacity that will be exhausted prior to 30 years, the estimated length of remaining capacity has been used as the recovery period. For each project, the recovery period has been set to start either in 2006 or eight years prior to the commencement of expenditure on the project. This aligns with the typical duration of a subdivision consent, or for greenfield catchments the earliest year of the calculation model, being 2006.
- 10.64 Effects of uncertainty
- 10.65 The option of using a shorter maximum period (e.g. 20 years) was modelled and significantly increased the development contribution charges. Specialist advice is that it would be unusual for assets being recovered through this Policy to have a capacity life (not useful life) of more than 30 years, and in any case using a period longer than 30 years did not significantly reduce the charges, as interest costs and the capital expenditure allocated to development contributions funding were also greater.
- 10.66 The effect of starting the recovery period closer to the commencement of expenditure would be to increase the charge for individual projects because costs will be recovered over a shorter period.
- 10.67 **Allocation of capital costs to growth**
- 10.68 Capital costs have been allocated to development contributions funding only for projects that provide new assets or assets of increased capacity and that are necessitated by growth or will provide benefit to growth.
- 10.69 These project costs have been allocated under the assumptions set out in the Covec Limited methodology paper titled "Cost Allocation Guidelines for Development Contributions", which is published on Council's website.

- 10.70 The underlying rationale for these allocations is set out in the LGA and addressed in this section.
- 10.71 Substantive and comprehensive project-by-project analysis has been undertaken by independent engineers Stantec Limited and Gray Matter Limited for the purpose of allocating project costs to growth in accordance with the LGA and the Covec Limited methodology.
- 10.72 Programmes of work have been split into their component projects to allow for a finer-grained analysis. Costs have been allocated spatially and by activity while considering several factors and circumstances, principally based on growth causation, benefits, renewals, and levels of service.
- 10.73 Standardised bands are used for generating the causation and benefit assessments. These bands are conservatively constructed to preclude very high allocation of costs (over 88%) to development contributions. A high level of rigour has been applied to all project cost allocations.
- 10.74 It is assumed that the two key allocation aspects (being causation and benefits of growth) that are required to be considered under this rationale, should be weighted equally in generating an allocation after excluding growth caused by developments or other factors that should not attract development contributions ("non-DC growth").
- 10.75 Effects of uncertainty
- 10.76 Weighting allocations more heavily towards causation versus benefits would increase the charges. Weighting them more towards benefits would decrease them.
- 10.77 The assumption relating to the amount of non-DC growth has the effect that the development community is not paying for capital expenditure required to meet this demand. Capital expenditure relating to demand caused by development occurring outside the city, asset renewals, certain types of levels of service change, and operations and maintenance costs are netted from allocations, which are funded by ratepayers or third-party funding.
- 10.78 Uncertainty around this assumption lies in projecting the extent of such non-DC growth, and may be significant, but is based on the best information available through specialist assessment and modelling. To the extent that the amount of non-DC growth is overestimated, the ratepayer is most affected.
- 10.79 Allocating growth costs in any different manner than that described in and sections 7.20 and 10.67 would have an impact on the development contribution charges. Council has used best practice methods, internal specialist analysis and external consultants, and is satisfied that the allocations as described are reasonable.
- 10.80 Full details of the methodology for cost allocations, causation and benefit analysis, and other related aspects for each individual project are available on Council's website, and in the Schedule of Assets.
- 10.81 **Limits of Modelling**
- 10.82 The calculation model that generates development contribution charges is a pure mathematical model that produces theoretical charges based on a large number of inputs that in isolation contain significant assumptions as detailed in section 10 above.

- 10.83 Although the model produces numerically precise charges, the nature of cumulative uncertainty means that the greater the number and significance of input assumptions, the greater the potential variation of outputs to changes in these assumptions.
- 10.84 The calculation model used to generate the charges in Schedule 1 includes the best numerical assumptions available to Council, and is the most appropriate tool to guide Council in setting development contribution charges.
- 10.85 Effects of uncertainty
- 10.86 The calculation of development contributions is therefore limited to an extent by the sensitivity of the model to inputs, and the degree of certainty and reliability of those inputs. As a result, modelled demand is likely to be different to actual or realised demand.

11. STAGES AT WHICH DEVELOPMENT CONTRIBUTIONS MAY BE REQUIRED (S198, S202(1)(B) LGA)

- 11.1 In most cases requirement for and the payment of development contributions happen at two separate points in time. This section and section 12 describe in detail how this works.
- 11.2 Council may require a development contribution to be made when any of the following milestones arise:
 - a) a resource consent is granted under the Resource Management Act 1991 for a development within its district; or
 - b) a building consent is granted under the Building Act 2004 for building work situated in its district; or
 - c) an authorisation for a service connection is granted.
- 11.3 Council may also require that a development contribution be made when granting a Certificate of Acceptance under section 98 of the Building Act 2004 if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is granted.
- 11.4 Council, at its sole discretion, will determine at which of the milestones set out in clauses 11.2 and 11.3 it will require development contributions.
- 11.5 If Council elects to not require a development contribution at the earliest of the milestones set out in clauses 11.2 and 11.3, it reserves the right to require a development contribution at any subsequent milestone, regardless of whether the assessed development contribution charge at that subsequent milestone is higher or lower.
- 11.6 It is the granting of the resource consent, building consent, authorisation of service connection or issuing of the certificate of acceptance that gives rise to the requirement for a development contribution payment to be made.
- 11.7 In accordance with Section 198(2A) LGA, and depending on which of the milestones set out in clauses 11.2 and 11.3 are exercised by Council, the development contributions will be calculated under the policy that was in force at the time the corresponding application for that resource consent, building consent, certificate of acceptance, or service connection was submitted, accompanied by all required information.

- 11.8 Please contact Council's Development Contributions Officer (DCO) at any time if you need guidance or clarification.

12. PAYMENT OF DEVELOPMENT CONTRIBUTIONS (S198, S208 LGA)

- 12.1 In accordance with section 11, for contributions required on subdivision consents, payment will be required prior to uplifting RMA section 224(c) certificates, and these will not be released until payment is received.
- 12.2 For staged developments where all other Council planning requirements have been met payment will be required only for the RMA section 224(c) certificates issued at each stage.
- 12.3 For contributions required on land use consents where a building consent is not required, payment will be required prior to commencement of the land use consent, and that consent shall not be put into effect until payment is received.
- 12.4 For contributions required on building consents, payment will be required prior to the issuing of Code Compliance Certificate, and this certificate will not be released until payment is received.
- 12.5 For contributions required on application for service connection, payment will be required prior to the service connection being authorised.
- 12.6 Where sufficient information is not available to determine the residential demand type at the milestone at which a development contribution is required, each residential unit will be assessed at the standard residential rate, being one residential HUE. If, prior to the date when payment is required, Council establishes to its satisfaction that the number of bedrooms differs from the standard residential unit rate, then those residential units will be reassessed at the applicable residential unit rate.
- 12.7 Where a building consent is granted on an existing residential dwelling and is assessed to generate additional demand as a result of those building works, the additional demand will be assessed for development contributions at the applicable residential demand unit rate, except that no further residential development contributions will be required where the original assessment was made under a prior policy that did not calculate development contributions on a per bedroom basis.
- 12.8 For non-residential developments where development contributions are assessed on resource consents and the scale of the development is unknown, the assessment will be based on the type of development that most closely matches the zoning of the land.
- 12.9 The gross-floor area of a non-residential development will be assumed to be a fixed percentage of the site area being 50% for retail developments, 30% for commercial, and 30% for industrial. These figures are conservative estimates of the floor-area to site-area ratio used in Council's growth projections and historical development information.
- 12.10 Such developments will be reassessed at building consent stage, and any additional floor area over and above that assumed and paid for at resource consent stage will be required at building consent stage.

12.11 Invoicing

- 12.12 Invoices relating to subdivision applications will be issued no later than at the time of request for an RMA section 224(c) certificate, unless an earlier milestone occurs which Council, at its discretion, may elect to invoice against.
- 12.13 Invoices relating to land use resource consents that are not linked to building consents will be raised at the time of granting the consent.
- 12.14 Invoices relating to building consents will be raised no later than the time of application for Code Compliance Certificate. Invoices relating to building consents granted by a building consent authority other than Hamilton City Council will be raised no later than 30 days following the issue of a DC notice of requirement.
- 12.15 Invoices relating to a service connection application will be raised no later than application for authorisation of that service connection.
- 12.16 Development contributions for resource consents that are linked to building consents will be assessed at the resource consent stage, and reassessed based on the final plans provided at building consent stage.
- 12.17 Notwithstanding 12.1 to 12.16, Council reserves the right to invoice and require payment of a development contribution at any point after the occurrence of any of the milestones described in 11.2 and 11.3.
- 12.18 If a developer wishes to pay an assessed development contribution prior to the stages set out above, an invoice may be raised at the time of actual payment by the developer.
- 12.19 In accordance with Section 198(2A) LGA, all invoices for required development contributions will be raised at the rates applicable at the time that the application for a resource consent, building consent, or service connection was submitted, accompanied by all required information.
- 12.20 Consideration will not be given to development contribution charges assessed under prior policies in cases where the charges in this Policy (as presented in Schedule 1) are lower.
- 12.21 When development contributions are paid, the HUEs of demand that they provide for will be recorded and will be credited, by activity, against any subsequent consent or service connection application as it relates to the original consent. Accordingly, whilst subsequent applications will enable a reassessment and recalculation to be made, additional contributions will be required only where it is assessed that there will be an increase in HUEs of demand arising from the development.
- 12.22 For reasons of administrative efficiency, where the total amount payable is assessed as being less than \$50, no payment will be required, and no invoice will be raised.

13. LIMITATIONS AND CALCULATION OF CREDITS AND EXEMPTIONS (\$199, \$200(1), \$197AB LGA)

- 13.1 A development contribution will only be required if the effects or cumulative effects of developments will create or have created a requirement for Council to provide or to have provided new or additional assets or assets of increased capacity.

- 13.2 Development contributions are calculated on an activity by activity basis based on increased units of demand (HUEs). Council will provide a credit against a development contribution where it can be demonstrated to Council's satisfaction on an activity by activity basis that:
- a) pre-existing legitimately established units of demand existed on the site and placed actual demand on Council's infrastructure prior to the application for resource consent, building consent, or service connection; or
 - b) development contributions or financial contributions have previously been paid for those increased units of demand generated by the development.
- 13.3 Demand net of credits will be used to calculate a development contribution payable for the development on an activity by activity basis.
- 13.4 Credits for existing HUEs attach to the parent lot and are not transferable, unless all lots within the site are in common ownership, or if authorised by Council at its sole discretion.
- 13.5 Credits for HUEs will not be provided for commercial, retail, or industrial activities undertaken in an area of a site that is not included within the definition of gross floor area.
- 13.6 Any project undertaken by Council will itself not be liable to pay development contributions.
- 13.7 For the avoidance of doubt, development contributions required under this Policy for reserves are not for the specified reserves purposes referred to in Section 201 LGA.

14. REQUESTS FOR RECONSIDERATION (S199A, S199B, 202A LGA)

- 14.1 A person required by Council to make a development contribution may request Council to reconsider the requirement in accordance with Section 199A of the LGA.
- 14.2 A request for reconsideration of a requirement to pay a development contribution ("request") must:
- a) be made within 10 working days after the date of receipt of notice of the development contribution required by Council;
 - b) be made to Council in writing using the [Application for reconsideration of development contributions](#) which can be found on Council's website
 - c) set out the grounds and reasons for the request;
 - d) specify the outcome that is sought; and
 - e) include an email address for delivery of Council's decision.
- 14.3 A request can be withdrawn at any time before delivery of Council's decision on the request.
- 14.4 A person making a request may provide further information at any time before delivery of Council's decision. Further information will re-start the 15 working day period for delivery of Council's decision (S199B LGA).
- 14.5 Council also may require further information in relation to the request. The 15 working-day period for delivery of Council's decision does not begin until Council has received all required relevant information relating to the request (S199B LGA).
- 14.6 Council will consider:
- a) the grounds and reasons set out in the written request;
 - b) the purposes and principles in sections 197AA – 197A LGA; and

- c) the application of this Policy in determining the proposed development contribution.
- 14.7 Council will make decisions on requests without holding a hearing. However, Council may, at its discretion, invite the requester to a meeting to discuss the request.
- 14.8 Council's decisions on requests will:
 - a) be in writing;
 - b) be provided within 15 working days after the date on which Council received all required relevant information relating to the request; and
 - c) state whether the development contribution will be amended and, if so, the new amount.
- 14.9 Council's decision on requests will be delivered by email to the address nominated by the requester. If Council is unable to contact a requester by email, it will deliver the decision by making it available at the Municipal Building reception in Hamilton, to the requester and will attempt to notify the requester by telephone.

15. OBJECTING TO AN ASSESSED CHARGE (S199(C-P) LGA)

- 15.1 This section is intended only to be a summary for guidance. Any development contribution objection should be made with full consideration of all relevant information including Section 199C-P and Schedule 13A of the LGA.
- 15.2 Any person that has been provided a notice by Council (or other formal advice) of a requirement to pay a development contribution may object to the amount in accordance with Section 199C of the LGA.
- 15.3 An objection under Section 199C may be made only on the grounds, as set out under Section 199D, that a territorial authority has:
 - a) failed to properly take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the territorial authority's district or parts of that district; or
 - b) 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
 - c) required a development contribution in breach of Section 200; or
 - d) incorrectly applied its development contributions policy to the objector's development.
- 15.4 Any person lodging an objection must do so in accordance with the timeframes set out in Schedule 13A of the LGA.
- 15.5 For further information relating to lodging a development contributions objection please refer to the LGA and/or the office of the Department of Internal Affairs. It is also recommended that independent legal advice be sought.

16. DEVELOPMENT AGREEMENTS (S207(A-F) LGA)

- 16.1 Council may elect to enter into a development agreement with a developer in accordance with Section 207A of the LGA.
- 16.2 For guidance on requesting to enter into a developer agreement with Council, where applicable please refer to:
- Sections 207(A-F) of the LGA which contains specific “Developer agreements” provisions
 - Section 18.24 of this Policy “Private Developer Agreement (PDA) Remission”
 - Council’s Growth Funding Policy
 - the guidance documents relating to Private Developer Agreement structure which can be found on Council’s website; or
 - contact Council’s City Development Unit for further information.

17. SPECIAL ASSESSMENT

- 17.1 A special assessment of development contributions may be undertaken at the discretion of Council, on an activity by activity basis to determine the amount of development contributions payable.
- 17.2 An application for special assessment must be made to Council in writing using the [Application for special assessment of development contributions](#) which can be found on Council’s website.
- 17.3 A special assessment will be undertaken only where, as a threshold for consideration, the development is of a size greater than 20 HUEs (residential) or 2,000m² GFA (non-residential).
- 17.4 All special assessments will be evaluated consistent with the actual demand remission criteria set out in Section 18.11 of this Policy.
- 17.5 All actual and reasonable costs incurred by Council in determining the special assessment application, including staff time as set out in Council’s schedule of ‘Fees and Charges - Economic Growth and Planning’ published on Council’s website, its consultant and legal costs, and administration costs, shall be paid by the applicant whether or not a remission is ultimately granted in respect of the special assessment. If external costs are to be incurred by Council in its assessment of a special assessment Council may at its discretion require those costs to be met by the applicant in advance.
- 17.6 In support of an application for special assessment, the applicant must supply, for each activity, all relevant evidence of reduced demand on Council’s infrastructure. This information is to be in the form of metrics provided by an appropriately qualified professional, referencing relevant policy provisions.
- 17.7 Special assessment applications are to be lodged with Council’s Development Contributions Officers at the earliest opportunity, and prior to the earliest development contribution milestone as set out in Section 11 of the Policy. Where it is determined by Council that all relevant information has not been provided prior to the applicable development contribution milestone set out in Section 11 of this Policy, development contributions will be required in accordance with Schedule 1 of this Policy.

- 17.8 The amount of any special assessment will be assessed on a case-by-case basis having regard to the extent to which the special assessment criteria is met.
- 17.9 An application for special assessment, regardless of the outcome, will not affect the applicant's right to apply for a remission under Section 18 of this Policy.
- 17.10 Decisions on individual requests will not alter the basis of the Policy itself.
- 17.11 For further details relating to lodging a special assessment please refer to Council's website or contact Council's Development Contributions Officer.

18. REMISSIONS (S201(1)C, S200(2) LGA)

- 18.1 Upon application made by a developer, Council may at its sole discretion remit part or all of a development contribution levied on that developer.
- 18.2 Any application for a remission must be made to Council in writing using the [Application for remission of development contributions](#) which can be found on Council's website, and shall be lodged with Council within 30 working days of the development contribution charge being advised in writing to the developer. This applies to all remissions outlined in Section 18 of this policy.
- 18.3 Remission applications will be considered on an activity by activity basis, with those activities being water, wastewater, stormwater, transport, community infrastructure and reserves.
- 18.4 The amount of any remission will be assessed on a case by case basis having regard to the extent to which the remission criteria is met.
- 18.5 In calculating any remission on a capped or phased charge, the calculation shall be based, as its starting point, on the base charge without modification. A remission will then only be provided if the calculated charge including remission is less than the capped or phased charge, otherwise the capped or phased charge will apply.
- 18.6 Decisions on individual requests will not alter the basis of the Policy itself.
- 18.7 There are four categories of remission, as described in the following paragraphs.
- 18.8 **Actual demand remission**
- 18.9 Development contributions are calculated based on modelled demand, measured in Household Unit Equivalents (HUEs). Council will consider a remission where actual demand is significantly lower than modelled demand.
- 18.10 To be eligible for a remission the applicant must supply, for each activity, all relevant evidence of actual demand reductions on Council's infrastructure in support of the remission application. This information is to be in the form of metrics provided by an appropriately qualified professional, referencing relevant Policy provisions.
- 18.11 Actual Demand Remission Criteria
- 18.12 In applying for a remission based on actual demand, the applicant must demonstrate to Council's satisfaction on an activity by activity basis that:

- a) the actual HUEs of demand generated by the development are materially lower than the HUEs of demand assessed under the methodology set out in this Policy and in any event lower than modelled demand by five or more HUEs of demand, and;
 - b) for an activity, the reduced HUEs create capacity in Council's infrastructure network which Council is satisfied is material having regard to the nature of the development, its location, and implications for Council's infrastructure programme.
- 18.13 All actual and reasonable costs incurred by Council in determining an Actual Demand Remission application, including staff time as set out in Council's schedule of 'Fees and Charges - Economic Growth and Planning' published on Council's website, its consultant and legal costs, and administration costs, shall be paid by the applicant whether or not a remission is ultimately granted. If external costs are to be incurred by Council in its assessment of a remission Council may at its discretion require those costs to be met by the applicant in advance.
- 18.14 **CBD remission**
- 18.15 At Council's sole discretion, applications with a lodgement date between 1 July 2021 and 30 June 2024, for developments in the CBD may be eligible for a 50% remission (being a 50% remission of the standard applicable Infill West charge, as set out in Schedule 1 of this Policy) subject to:
 - a) engagement with the Urban Design Advisory Panel, and
 - b) final Lifemark 4-star certification for the residential components of the development.
- 18.16 Engagement with the Urban Design Advisory Panel, for the purposes of this provision, means that an application in relation to the development has been submitted to and considered by the Urban Design Advisory Panel or its Council representative.
- 18.17 Any residential components of a development which do not achieve Lifemark 4-star certification will be excluded from the remission.
- 18.18 High rise building remission
- 18.19 Subject to the criteria in 18.15 above, developments in the CBD with 6 or more storeys will pay no development contributions (being a 100% remission of the standard applicable Infill West charge, as set out in Schedule 1 of this Policy)
- 18.20 For the purpose of calculating eligibility for the remission, the following do not count as storeys:
 - a) below grade basement levels
 - b) mezzanine floors, rooftop terraces or any other structure with gross floor area less than 60% of the gross floor area of the first floor of the building
 - c) areas not included in the definition of gross floor area as set out in provision 6.25 of this policy.
- 18.21 **Social Housing remission**
- 18.22 Council may, at its sole discretion, grant a remission of up to 100% to social housing developments.
- 18.23 In the exercise of its discretion, Council will consider the following factors:

- a) the development must deliver not-for-profit housing;
- b) the applicant on the building consent or resource consent must be registered as a community housing provider with the Community Housing Regulatory Authority;
- c) the development will provide social and/or affordable rental housing;
- d) an application for remission must be lodged with Council prior to any development contributions being paid. Development contributions paid prior to an application being lodged will not be eligible for a refund;
- e) the crown and crown agents including Kāinga Ora are not eligible for this remission;
- f) any other feature of the development or the developer which Council considers relevant;
- g) the total value of social housing remissions provided by Council under this policy.

18.24 Private Developer Agreement (PDA) remission

18.25 Council may provide for a remission in respect of development contributions levied against development in unfunded areas or associated with unfunded growth projects as set out in Council's Growth Funding Policy where Council and the developer have entered into a binding Private Developer Agreement in accordance with Section 207 LGA and the criteria and principals set out in the Growth Funding Policy.

18.26 Council will set the total remission, if any, in a manner consistent with the Growth Funding Policy and the total remission shall be recorded as a term and condition of the Private Developer Agreement.

18.27 State Integrated Schools' remission

18.28 Council may, at its sole discretion grant a partial remission of development contributions for development undertaken by a state integrated school provided the school enables access to the developed land and facilities to the general public.

18.29 Any approved remission will be calculated having regard to:

- a) the nature and extent of the development that provides formalised general public access rights and community benefits
- b) the hours the facility is available for use by the general public being at least 40 hours per week
- c) the proportion of the floor area of the facility that is available for use by the general public
- d) the overall benefit to the general public and the implications for Council's infrastructure programme; and
- e) Council's requirement that a signed operational use agreement between Council and the school is in place for a period commensurate with the expected life of the relevant land, buildings and facilities.

18.30 Any remission granted under clause 18.27 shall only apply to development contributions calculated and required under this policy.

19. REFUNDS (S209 LGA)

- 19.1 At its sole discretion, Council may provide a refund of development contribution site credits where it can be demonstrated to Council's satisfaction that:
- a) the development contributions were required and paid on subdivision consent ("original payment") and gave rise to the site credits;
 - b) the site credits have never been exercised; and
 - c) Code Compliance Certificate has been issued for the development on the site;
 - d) the gross floor area of the development exceeds 20% of the site area
 - e) the refund applicant is the current land owner.
- 19.2 Any refund will be paid to the person who made the original payment.
- 19.3 Refunds will be calculated by apportioning the original payment, using the remaining site credits in HUEs compared with the total HUEs paid. Refunds will account for any remissions or capped development contribution charges which related to the original payment.
- 19.4 No refund will be paid where site credits arose due to pre-existing legitimately established units of demand as set out in Section 13.2 (a) of this policy.

20. VALUATION OF LAND FOR DEVELOPMENT CONTRIBUTIONS PURPOSES (S201(1)D, 203(1) LGA)

- 20.1 The development contribution charge for reserves will be capped at the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development.
- 20.2 On the basis of the charges expressed in this Policy, such a cap would apply to residential allotments or sections of land value (per unit) less than the values described in Schedule 5.

21. ESTIMATING A DEVELOPMENT CONTRIBUTION CHARGE

- 21.1 This section provides a guide to estimating a development contributions charge.
- 21.2 Please contact the Development Contributions Officer if you have any questions or require assistance to calculate your estimated charge.
- 21.3 **Using the online GIS development contribution estimator tool**
- 21.4 For a quick estimate of a development contribution charge use the "[DC estimator](#)" on Council's website.
- 21.5 Type the address into the search bar and click on the site to generate the catchments and per unit charges for the development.
- 21.6 **Using the Policy**
- 21.7 To estimate a development contribution charge using Schedule 1 follow the steps below:

1. **Identify the development type** using the definitions in section 6. Refer to Table 1 for residential or Table 2 for non-residential development.
 2. **Identify the geographic catchment** in which the development is situated by using the maps in the schedule 7.
 3. **Add up the charges** for each activity (community infrastructure, reserves, stormwater, wastewater, transport, and water) by reading across the row relating to your geographical catchment, or just use the total on the right-hand side. Do not add the citywide charges; they are already included in the charge for each catchment.
 4. **Add the stormwater and wastewater catchment charges** to the above charge by identifying the stormwater catchment, and the wastewater catchments using the maps in schedule 7 below.
 5. **Your total charge** is the sum of the above charges.
- 21.8 The method outlined above is the standard means for estimating development contribution charges.
- 21.9 There may be aspects of a development that require a more complex calculation. Please refer to the notes at the bottom of schedules 1A and 1B, and schedule 4 and the “How to estimate a development contribution charge” information sheet on Council’s website to assist with more complex calculations.

22. REFERENCES

- Local Government Act 2002
- Council’s 2021-31 Long Term Plan
- Council’s Growth Funding Policy
- Council’s 30 Year Infrastructure Strategy

23. SCHEDULE 1A – DEVELOPMENT CONTRIBUTION CHARGES 2022/23

Table 1 – 2022/23 Phased residential development contributions payable in each catchment (excl. GST)

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Large Residential			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	91	429	1,326	5,384	9,465	6,555	23,250
Infill East	SW - City Centre	WW - East	91	429	1,123	5,384	9,465	6,555	23,048
Infill East	SW - Hamilton East	WW - East	91	429	1,331	5,384	9,465	6,555	23,256
Infill East	SW - Kirikiriroa	WW - East	91	429	4,196	5,384	9,465	6,555	26,121
Infill East	SW - Mangaonua	WW - East	91	429	3,471	5,384	9,465	6,555	25,396
Infill East	SW - Waitawhiriwhiri	WW - East	91	429	1,609	5,384	9,465	6,555	23,534
Infill West	SW - City Centre	WW - West	91	429	1,123	5,272	13,974	6,555	27,445
Infill West	SW - Mangakotukutuku	WW - West	91	429	10,776	5,272	13,974	6,555	37,098
Infill West	SW - St Andrews	WW - West	91	429	216	5,272	13,974	6,555	26,538
Infill West	SW - Te Rapa Stream	WW - West	91	429	1,781	5,272	13,974	6,555	28,103
Infill West	SW - Waitawhiriwhiri	WW - West	91	429	1,609	5,272	13,974	6,555	27,931
Infill West	SW - Western Heights	WW - West	91	429	772	5,272	13,974	6,555	27,094
Infill West	SW - Lake Rotokauri	WW - West	91	429	76,660	5,272	13,974	6,555	102,982
Peacocke 1	SW - Mangakotukutuku	WW - West	80	8,260	9,457	16,928	18,469	5,924	59,116
Peacocke 2	SW - Peacocke	WW - East	81	6,926	2,912	21,006	23,142	6,346	60,413
Peacocke 2	SW - Mangakotukutuku	WW - East	80	6,868	9,526	20,829	22,948	6,293	66,544
Rotokauri	SW - Lake Rotokauri	WW - West	82	2,124	69,035	16,237	11,664	9,156	108,298
Rotokauri	SW - Mangaheka	WW - West	85	2,205	8,439	16,857	12,109	9,506	49,200
Rotokauri	SW - Ohote	WW - West	82	2,115	1,061	16,168	11,614	9,117	40,157
Rotokauri	SW - Rotokauri West	WW - West	83	2,164	20	16,547	11,887	9,331	40,032
Rototuna	SW - Kirikiriroa	WW - East	137	424	3,935	18,159	10,589	7,975	41,218
Rototuna	SW - River North	WW - East	137	424	1,236	18,190	10,607	7,988	38,582
Rototuna	SW - Te Awa o Katapaki	WW - East	137	423	13,437	18,139	10,577	7,966	50,680
Rototuna	SW - Otama-ngeke	WW - East	138	427	639	18,298	10,670	8,036	38,208
Ruakura	SW - Hamilton East	WW - East	82	362	1,202	11,871	11,912	5,882	31,311
Ruakura	SW - Kirikiriroa	WW - East	82	361	3,778	11,841	11,882	5,867	33,811
Ruakura	SW - Mangaonua	WW - East	82	361	3,131	11,865	11,906	5,879	33,225
Te Rapa North	SW - Mangaheka	WW - West	91	401	9,027	11,907	11,563	5,747	38,735
Te Rapa North	SW - Te Rapa Stream	WW - West	91	401	1,781	11,907	11,563	5,747	31,489
Te Rapa North	SW - St Andrews	WW - West	91	401	216	11,907	11,563	5,747	29,924
Temple View	SW - Temple View	WW - West	91	401	1,578	5,053	18,017	11,761	36,899
Temple View	SW - Waitawhiriwhiri	WW - West	91	401	1,609	5,053	18,017	11,761	36,930
Standard Residential			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	70	333	1,028	4,174	7,337	5,082	18,023
Infill East	SW - City Centre	WW - East	70	333	871	4,174	7,337	5,082	17,867
Infill East	SW - Hamilton East	WW - East	70	333	1,032	4,174	7,337	5,082	18,028
Infill East	SW - Kirikiriroa	WW - East	70	333	3,253	4,174	7,337	5,082	20,249
Infill East	SW - Mangaonua	WW - East	70	333	2,691	4,174	7,337	5,082	19,686
Infill East	SW - Waitawhiriwhiri	WW - East	70	333	1,247	4,174	7,337	5,082	18,243
Infill West	SW - City Centre	WW - West	70	333	871	4,087	10,833	5,082	21,275
Infill West	SW - Mangakotukutuku	WW - West	70	333	8,354	4,087	10,833	5,082	28,758
Infill West	SW - St Andrews	WW - West	70	333	167	4,087	10,833	5,082	20,572
Infill West	SW - Te Rapa Stream	WW - West	70	333	1,381	4,087	10,833	5,082	21,785
Infill West	SW - Waitawhiriwhiri	WW - West	70	333	1,247	4,087	10,833	5,082	21,652
Infill West	SW - Western Heights	WW - West	70	333	599	4,087	10,833	5,082	21,003
Infill West	SW - Lake Rotokauri	WW - West	70	333	59,427	4,087	10,833	5,082	79,831
Peacocke 1	SW - Mangakotukutuku	WW - West	62	6,403	7,331	13,122	14,317	4,592	45,827
Peacocke 2	SW - Peacocke	WW - East	63	5,369	2,257	16,284	17,940	4,919	46,832
Peacocke 2	SW - Mangakotukutuku	WW - East	62	5,324	7,385	16,147	17,789	4,878	51,585
Rotokauri	SW - Lake Rotokauri	WW - West	63	1,646	53,515	12,587	9,042	7,098	83,952
Rotokauri	SW - Mangaheka	WW - West	66	1,709	6,542	13,067	9,387	7,369	38,140
Rotokauri	SW - Ohote	WW - West	63	1,639	823	12,533	9,003	7,068	31,129
Rotokauri	SW - Rotokauri West	WW - West	65	1,678	15	12,827	9,215	7,233	31,033
Rototuna	SW - Kirikiriroa	WW - East	106	328	3,050	14,077	8,208	6,182	31,952
Rototuna	SW - River North	WW - East	107	329	958	14,100	8,222	6,193	29,909
Rototuna	SW - Te Awa o Katapaki	WW - East	106	328	10,416	14,061	8,200	6,175	39,287
Rototuna	SW - Otama-ngeke	WW - East	107	331	496	14,184	8,271	6,229	29,618
Ruakura	SW - Hamilton East	WW - East	64	280	932	9,202	9,234	4,560	24,272
Ruakura	SW - Kirikiriroa	WW - East	63	280	2,928	9,179	9,211	4,548	26,210
Ruakura	SW - Mangaonua	WW - East	64	280	2,427	9,198	9,230	4,558	25,756
Te Rapa North	SW - Mangaheka	WW - West	70	310	6,997	9,231	8,963	4,455	30,027
Te Rapa North	SW - Te Rapa Stream	WW - West	70	310	1,381	9,231	8,963	4,455	24,410
Te Rapa North	SW - St Andrews	WW - West	70	310	167	9,231	8,963	4,455	23,197
Temple View	SW - Temple View	WW - West	70	310	1,223	3,917	13,967	9,117	28,604
Temple View	SW - Waitawhiriwhiri	WW - West	70	310	1,247	3,917	13,967	9,117	28,628

Table 1– Continued

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Two Bed			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	49	230	708	2,878	5,059	3,504	12,427
Infill East	SW - City Centre	WW - East	49	230	600	2,878	5,059	3,504	12,319
Infill East	SW - Hamilton East	WW - East	49	230	712	2,878	5,059	3,504	12,431
Infill East	SW - Kirikiriroa	WW - East	49	230	2,243	2,878	5,059	3,504	13,962
Infill East	SW - Mangaonua	WW - East	49	230	1,855	2,878	5,059	3,504	13,574
Infill East	SW - Waitawhiriwhiri	WW - East	49	230	860	2,878	5,059	3,504	12,579
Infill West	SW - City Centre	WW - West	49	230	600	2,818	7,469	3,504	14,670
Infill West	SW - Mangakotukutuku	WW - West	49	230	5,760	2,818	7,469	3,504	19,829
Infill West	SW - St Andrews	WW - West	49	230	115	2,818	7,469	3,504	14,185
Infill West	SW - Te Rapa Stream	WW - West	49	230	952	2,818	7,469	3,504	15,021
Infill West	SW - Waitawhiriwhiri	WW - West	49	230	860	2,818	7,469	3,504	14,929
Infill West	SW - Western Heights	WW - West	49	230	413	2,818	7,469	3,504	14,482
Infill West	SW - Lake Rotokauri	WW - West	49	230	40,976	2,818	7,469	3,504	55,045
Peacocke 1	SW - Mangakotukutuku	WW - West	43	4,415	5,055	9,048	9,872	3,166	31,598
Peacocke 2	SW - Peacocke	WW - East	43	3,702	1,556	11,228	12,370	3,392	32,291
Peacocke 2	SW - Mangakotukutuku	WW - East	43	3,671	5,092	11,134	12,266	3,363	35,568
Rotokauri	SW - Lake Rotokauri	WW - West	44	1,135	36,900	8,679	6,235	4,894	57,886
Rotokauri	SW - Mangaheka	WW - West	45	1,179	4,511	9,010	6,473	5,081	26,298
Rotokauri	SW - Ohote	WW - West	44	1,130	567	8,642	6,208	4,873	21,464
Rotokauri	SW - Rotokauri West	WW - West	45	1,157	10	8,845	6,354	4,988	21,398
Rototuna	SW - Kirikiriroa	WW - East	73	226	2,103	9,706	5,660	4,263	22,032
Rototuna	SW - River North	WW - East	73	227	660	9,723	5,669	4,270	20,623
Rototuna	SW - Te Awa o Katapaki	WW - East	73	226	7,182	9,696	5,654	4,258	27,089
Rototuna	SW - Otama-ngeenge	WW - East	74	228	342	9,780	5,703	4,295	20,423
Ruakura	SW - Hamilton East	WW - East	44	193	642	6,345	6,367	3,144	16,736
Ruakura	SW - Kirikiriroa	WW - East	44	193	2,019	6,329	6,351	3,136	18,072
Ruakura	SW - Mangaonua	WW - East	44	193	1,674	6,342	6,364	3,143	17,759
Te Rapa North	SW - Mangaheka	WW - West	49	214	4,825	6,365	6,180	3,072	20,704
Te Rapa North	SW - Te Rapa Stream	WW - West	49	214	952	6,365	6,180	3,072	16,831
Te Rapa North	SW - St Andrews	WW - West	49	214	115	6,365	6,180	3,072	15,995
Temple View	SW - Temple View	WW - West	49	214	843	2,701	9,630	6,286	19,723
Temple View	SW - Waitawhiriwhiri	WW - West	49	214	860	2,701	9,630	6,286	19,740
One Bed			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	34	159	490	1,992	3,501	2,425	8,601
Infill East	SW - City Centre	WW - East	34	159	416	1,992	3,501	2,425	8,527
Infill East	SW - Hamilton East	WW - East	34	159	493	1,992	3,501	2,425	8,604
Infill East	SW - Kirikiriroa	WW - East	34	159	1,552	1,992	3,501	2,425	9,663
Infill East	SW - Mangaonua	WW - East	34	159	1,284	1,992	3,501	2,425	9,395
Infill East	SW - Waitawhiriwhiri	WW - East	34	159	595	1,992	3,501	2,425	8,706
Infill West	SW - City Centre	WW - West	34	159	416	1,950	5,170	2,425	10,153
Infill West	SW - Mangakotukutuku	WW - West	34	159	3,987	1,950	5,170	2,425	13,725
Infill West	SW - St Andrews	WW - West	34	159	80	1,950	5,170	2,425	9,818
Infill West	SW - Te Rapa Stream	WW - West	34	159	659	1,950	5,170	2,425	10,397
Infill West	SW - Waitawhiriwhiri	WW - West	34	159	595	1,950	5,170	2,425	10,333
Infill West	SW - Western Heights	WW - West	34	159	286	1,950	5,170	2,425	10,023
Infill West	SW - Lake Rotokauri	WW - West	34	159	28,361	1,950	5,170	2,425	38,098
Peacocke 1	SW - Mangakotukutuku	WW - West	30	3,056	3,498	6,262	6,833	2,192	21,870
Peacocke 2	SW - Peacocke	WW - East	30	2,562	1,077	7,771	8,561	2,348	22,350
Peacocke 2	SW - Mangakotukutuku	WW - East	30	2,541	3,524	7,706	8,490	2,328	24,618
Rotokauri	SW - Lake Rotokauri	WW - West	30	786	25,539	6,007	4,315	3,387	40,065
Rotokauri	SW - Mangaheka	WW - West	31	816	3,122	6,236	4,480	3,517	18,202
Rotokauri	SW - Ohote	WW - West	30	782	393	5,981	4,297	3,373	14,856
Rotokauri	SW - Rotokauri West	WW - West	31	801	7	6,122	4,397	3,452	14,810
Rototuna	SW - Kirikiriroa	WW - East	51	157	1,456	6,718	3,917	2,950	15,249
Rototuna	SW - River North	WW - East	51	157	457	6,729	3,924	2,955	14,274
Rototuna	SW - Te Awa o Katapaki	WW - East	51	157	4,971	6,711	3,913	2,947	18,749
Rototuna	SW - Otama-ngeenge	WW - East	51	158	237	6,769	3,947	2,973	14,135
Ruakura	SW - Hamilton East	WW - East	30	134	445	4,392	4,407	2,176	11,583
Ruakura	SW - Kirikiriroa	WW - East	30	133	1,398	4,381	4,396	2,171	12,508
Ruakura	SW - Mangaonua	WW - East	30	134	1,158	4,389	4,405	2,175	12,292
Te Rapa North	SW - Mangaheka	WW - West	34	148	3,339	4,405	4,278	2,126	14,330
Te Rapa North	SW - Te Rapa Stream	WW - West	34	148	659	4,405	4,278	2,126	11,650
Te Rapa North	SW - St Andrews	WW - West	34	148	80	4,405	4,278	2,126	11,070
Temple View	SW - Temple View	WW - West	34	148	584	1,869	6,665	4,351	13,651
Temple View	SW - Waitawhiriwhiri	WW - West	34	148	595	1,869	6,665	4,351	13,662

Table 2 – 2022/23 Non-residential development contribution payable in each catchment (excl. GST)

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Industrial			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			289	2,588	2,193	1,063	6,133
Infill East	SW - City Centre	WW - East			245	2,588	2,193	1,063	6,088
Infill East	SW - Hamilton East	WW - East			290	2,588	2,193	1,063	6,134
Infill East	SW - Kirikiriroa	WW - East			914	2,588	2,193	1,063	6,758
Infill East	SW - Mangaonua	WW - East			756	2,588	2,193	1,063	6,600
Infill East	SW - Waitawhiriwhiri	WW - East			351	2,588	2,193	1,063	6,194
Infill West	SW - City Centre	WW - West			245	2,534	3,238	1,063	7,079
Infill West	SW - Mangakotukutuku	WW - West			2,348	2,534	3,238	1,063	9,183
Infill West	SW - St Andrews	WW - West			47	2,534	3,238	1,063	6,882
Infill West	SW - Te Rapa Stream	WW - West			388	2,534	3,238	1,063	7,223
Infill West	SW - Waitawhiriwhiri	WW - West			351	2,534	3,238	1,063	7,185
Infill West	SW - Western Heights	WW - West			168	2,534	3,238	1,063	7,003
Infill West	SW - Lake Rotokauri	WW - West			14,193	2,153	2,751	903	20,000
Peacocke 1	SW - Mangakotukutuku	WW - West			2,348	9,271	4,876	1,095	17,590
Peacocke 2	SW - Peacocke	WW - East			712	11,325	6,014	1,154	19,205
Peacocke 2	SW - Mangakotukutuku	WW - East			2,253	10,867	5,771	1,108	20,000
Rotokauri	SW - Lake Rotokauri	WW - West			11,129	5,773	1,999	1,099	20,000
Rotokauri	SW - Mangaheka	WW - West			1,967	8,666	3,001	1,649	15,283
Rotokauri	SW - Ohote	WW - West			258	8,666	3,001	1,649	13,574
Rotokauri	SW - Rotokauri West	WW - West			5	8,666	3,001	1,649	13,321
Rototuna	SW - Kirikiriroa	WW - East			914	9,306	2,616	1,379	14,216
Rototuna	SW - River North	WW - East			287	9,306	2,616	1,379	13,588
Rototuna	SW - Te Awa o Katapaki	WW - East			3,126	9,306	2,616	1,379	16,427
Rototuna	SW - Otama-ngeenge	WW - East			147	9,306	2,616	1,379	13,449
Ruakura	SW - Hamilton East	WW - East			290	6,321	3,058	1,057	10,726
Ruakura	SW - Kirikiriroa	WW - East			914	6,321	3,058	1,057	11,350
Ruakura	SW - Mangaonua	WW - East			756	6,321	3,058	1,057	11,192
Te Rapa North	SW - Mangaheka	WW - West			1,967	5,723	2,679	932	11,301
Te Rapa North	SW - Te Rapa Stream	WW - West			388	5,723	2,679	932	9,722
Te Rapa North	SW - St Andrews	WW - West			47	5,723	2,679	932	9,381
Temple View	SW - Temple View	WW - West			344	2,428	4,174	1,907	8,854
Temple View	SW - Waitawhiriwhiri	WW - West			351	2,428	4,174	1,907	8,860
Commercial			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			395	7,263	3,720	2,004	13,381
Infill East	SW - City Centre	WW - East			335	7,263	3,720	2,004	13,321
Infill East	SW - Hamilton East	WW - East			397	7,263	3,720	2,004	13,383
Infill East	SW - Kirikiriroa	WW - East			1,251	7,263	3,720	2,004	14,237
Infill East	SW - Mangaonua	WW - East			1,035	7,263	3,720	2,004	14,021
Infill East	SW - Waitawhiriwhiri	WW - East			480	7,263	3,720	2,004	13,466
Infill West	SW - City Centre	WW - West			335	7,111	5,492	2,004	14,942
Infill West	SW - Mangakotukutuku	WW - West			3,213	7,111	5,492	2,004	17,820
Infill West	SW - St Andrews	WW - West			64	7,111	5,492	2,004	14,672
Infill West	SW - Te Rapa Stream	WW - West			531	7,111	5,492	2,004	15,138
Infill West	SW - Waitawhiriwhiri	WW - West			480	7,111	5,492	2,004	15,087
Infill West	SW - Western Heights	WW - West			230	7,111	5,492	2,004	14,837
Infill West	SW - Lake Rotokauri	WW - West			18,303	5,694	4,398	1,605	30,000
Peacocke 1	SW - Mangakotukutuku	WW - West			2,436	19,728	6,272	1,565	30,000
Peacocke 2	SW - Peacocke	WW - East			647	21,125	6,781	1,446	30,000
Peacocke 2	SW - Mangakotukutuku	WW - East			2,035	20,127	6,461	1,378	30,000
Rotokauri	SW - Lake Rotokauri	WW - West			12,382	13,176	2,758	1,684	30,000
Rotokauri	SW - Mangaheka	WW - West			2,293	20,722	4,337	2,648	30,000
Rotokauri	SW - Ohote	WW - West			322	22,196	4,646	2,837	30,000
Rotokauri	SW - Rotokauri West	WW - West			6	22,432	4,695	2,867	30,000
Rototuna	SW - Kirikiriroa	WW - East			1,091	22,773	3,869	2,267	30,000
Rototuna	SW - River North	WW - East			351	23,356	3,968	2,325	30,000
Rototuna	SW - Te Awa o Katapaki	WW - East			3,428	20,932	3,557	2,083	30,000
Rototuna	SW - Otama-ngeenge	WW - East			181	23,490	3,991	2,338	30,000
Ruakura	SW - Hamilton East	WW - East			397	17,740	5,187	1,992	25,317
Ruakura	SW - Kirikiriroa	WW - East			1,251	17,740	5,187	1,992	26,171
Ruakura	SW - Mangaonua	WW - East			1,035	17,740	5,187	1,992	25,954
Te Rapa North	SW - Mangaheka	WW - West			2,691	16,061	4,544	1,757	25,054
Te Rapa North	SW - Te Rapa Stream	WW - West			531	16,061	4,544	1,757	22,893
Te Rapa North	SW - St Andrews	WW - West			64	16,061	4,544	1,757	22,427
Temple View	SW - Temple View	WW - West			470	6,815	7,081	3,595	17,962
Temple View	SW - Waitawhiriwhiri	WW - West			480	6,815	7,081	3,595	17,971

Table 2 – Continued

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Retail			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			395	10,435	3,054	1,645	15,529
Infill East	SW - City Centre	WW - East			335	10,435	3,054	1,645	15,468
Infill East	SW - Hamilton East	WW - East			397	10,435	3,054	1,645	15,531
Infill East	SW - Kirikiriroa	WW - East			1,251	10,435	3,054	1,645	16,385
Infill East	SW - Mangaonua	WW - East			1,035	10,435	3,054	1,645	16,168
Infill East	SW - Waitawhiriwhiri	WW - East			480	10,435	3,054	1,645	15,613
Infill West	SW - City Centre	WW - West			335	10,217	4,509	1,645	16,706
Infill West	SW - Mangakotukutuku	WW - West			3,213	10,217	4,509	1,645	19,584
Infill West	SW - St Andrews	WW - West			64	10,217	4,509	1,645	16,435
Infill West	SW - Te Rapa Stream	WW - West			531	10,217	4,509	1,645	16,902
Infill West	SW - Waitawhiriwhiri	WW - West			480	10,217	4,509	1,645	16,851
Infill West	SW - Western Heights	WW - West			230	10,217	4,509	1,645	16,601
Infill West	SW - Lake Rotokauri	WW - West			22,856	10,217	4,509	1,645	39,227
Peacocke 1	SW - Mangakotukutuku	WW - West			2,618	30,467	5,534	1,381	40,000
Peacocke 2	SW - Peacocke	WW - East			686	32,158	5,898	1,258	40,000
Peacocke 2	SW - Mangakotukutuku	WW - East			2,177	30,938	5,675	1,210	40,000
Rotokauri	SW - Lake Rotokauri	WW - West			14,168	21,660	2,591	1,582	40,000
Rotokauri	SW - Mangaheka	WW - West			2,426	31,505	3,768	2,301	40,000
Rotokauri	SW - Ohote	WW - West			336	33,258	3,978	2,429	40,000
Rotokauri	SW - Rotokauri West	WW - West			6	33,535	4,011	2,449	40,000
Rototuna	SW - Kirikiriroa	WW - East			1,123	33,690	3,271	1,916	40,000
Rototuna	SW - River North	WW - East			359	34,352	3,335	1,954	40,000
Rototuna	SW - Te Awa o Katapaki	WW - East			3,595	31,548	3,063	1,794	40,000
Rototuna	SW - Otama-ngege	WW - East			185	34,503	3,350	1,962	40,000
Ruakura	SW - Hamilton East	WW - East			397	25,489	4,258	1,636	31,780
Ruakura	SW - Kirikiriroa	WW - East			1,251	25,489	4,258	1,636	32,634
Ruakura	SW - Mangaonua	WW - East			1,035	25,489	4,258	1,636	32,418
Te Rapa North	SW - Mangaheka	WW - West			2,691	23,076	3,731	1,442	30,940
Te Rapa North	SW - Te Rapa Stream	WW - West			531	23,076	3,731	1,442	28,780
Te Rapa North	SW - St Andrews	WW - West			64	23,076	3,731	1,442	28,313
Temple View	SW - Temple View	WW - West			470	9,792	5,813	2,951	19,027
Temple View	SW - Waitawhiriwhiri	WW - West			480	9,792	5,813	2,951	19,036

Schedule 1A applies to development where the lodgement date is between 1 July 2022 and 30 June 2023

Please refer to the Schedule 1A and 1B notes under Schedule 1B below.

24. SCHEDULE 1B – DEVELOPMENT CONTRIBUTION BASE CHARGES

Table 3 – Residential base development contribution charges in each catchment (excl. GST)

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Large Residential			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	91	429	1,326	5,384	9,465	6,555	23,250
Infill East	SW - City Centre	WW - East	91	429	1,123	5,384	9,465	6,555	23,048
Infill East	SW - Hamilton East	WW - East	91	429	1,331	5,384	9,465	6,555	23,256
Infill East	SW - Kirikiriroa	WW - East	91	429	4,196	5,384	9,465	6,555	26,121
Infill East	SW - Mangaonua	WW - East	91	429	3,471	5,384	9,465	6,555	25,396
Infill East	SW - Waitawhiriwhiri	WW - East	91	429	1,609	5,384	9,465	6,555	23,534
Infill West	SW - City Centre	WW - West	91	429	1,123	5,272	13,974	6,555	27,445
Infill West	SW - Mangakotukutuku	WW - West	91	429	10,776	5,272	13,974	6,555	37,098
Infill West	SW - St Andrews	WW - West	91	429	216	5,272	13,974	6,555	26,538
Infill West	SW - Te Rapa Stream	WW - West	91	429	1,781	5,272	13,974	6,555	28,103
Infill West	SW - Waitawhiriwhiri	WW - West	91	429	1,609	5,272	13,974	6,555	27,931
Infill West	SW - Western Heights	WW - West	91	429	772	5,272	13,974	6,555	27,094
Infill West	SW - Lake Rotokauri	WW - West	91	429	76,660	5,272	13,974	6,555	102,982
Peacocke 1	SW - Mangakotukutuku	WW - West	91	9,412	10,776	19,290	21,046	6,751	67,367
Peacocke 2	SW - Peacocke	WW - East	91	7,769	3,266	23,563	25,959	7,118	67,767
Peacocke 2	SW - Mangakotukutuku	WW - East	91	7,769	10,776	23,563	25,959	7,118	75,277
Rotokauri	SW - Lake Rotokauri	WW - West	91	2,358	76,660	18,031	12,953	10,168	120,262
Rotokauri	SW - Mangaheka	WW - West	91	2,358	9,027	18,031	12,953	10,168	52,628
Rotokauri	SW - Ohote	WW - West	91	2,358	1,183	18,031	12,953	10,168	44,784
Rotokauri	SW - Rotokauri West	WW - West	91	2,358	21	18,031	12,953	10,168	43,622
Rototuna	SW - Kirikiriroa	WW - East	146	452	4,196	19,363	11,291	8,504	43,952
Rototuna	SW - River North	WW - East	146	452	1,315	19,363	11,291	8,504	41,072
Rototuna	SW - Te Awa o Katapaki	WW - East	146	452	14,344	19,363	11,291	8,504	54,100
Rototuna	SW - Otama-ngeke	WW - East	146	452	677	19,363	11,291	8,504	40,433
Ruakura	SW - Hamilton East	WW - East	91	401	1,331	13,152	13,198	6,517	34,690
Ruakura	SW - Kirikiriroa	WW - East	91	401	4,196	13,152	13,198	6,517	37,555
Ruakura	SW - Mangaonua	WW - East	91	401	3,471	13,152	13,198	6,517	36,830
Te Rapa North	SW - Mangaheka	WW - West	91	401	9,027	11,907	11,563	5,747	38,735
Te Rapa North	SW - Te Rapa Stream	WW - West	91	401	1,781	11,907	11,563	5,747	31,489
Te Rapa North	SW - St Andrews	WW - West	91	401	216	11,907	11,563	5,747	29,924
Temple View	SW - Temple View	WW - West	91	401	1,578	5,053	18,017	11,761	36,899
Temple View	SW - Waitawhiriwhiri	WW - West	91	401	1,609	5,053	18,017	11,761	36,930
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide			91	401	21	5,053	5,478	5,747	16,790
		WW - West					6,085		6,085
		WW - East					2,890		2,890
Standard Residential			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	70	333	1,028	4,174	7,337	5,082	18,023
Infill East	SW - City Centre	WW - East	70	333	871	4,174	7,337	5,082	17,867
Infill East	SW - Hamilton East	WW - East	70	333	1,032	4,174	7,337	5,082	18,028
Infill East	SW - Kirikiriroa	WW - East	70	333	3,253	4,174	7,337	5,082	20,249
Infill East	SW - Mangaonua	WW - East	70	333	2,691	4,174	7,337	5,082	19,686
Infill East	SW - Waitawhiriwhiri	WW - East	70	333	1,247	4,174	7,337	5,082	18,243
Infill West	SW - City Centre	WW - West	70	333	871	4,087	10,833	5,082	21,275
Infill West	SW - Mangakotukutuku	WW - West	70	333	8,354	4,087	10,833	5,082	28,758
Infill West	SW - St Andrews	WW - West	70	333	167	4,087	10,833	5,082	20,572
Infill West	SW - Te Rapa Stream	WW - West	70	333	1,381	4,087	10,833	5,082	21,785
Infill West	SW - Waitawhiriwhiri	WW - West	70	333	1,247	4,087	10,833	5,082	21,652
Infill West	SW - Western Heights	WW - West	70	333	599	4,087	10,833	5,082	21,003
Infill West	SW - Lake Rotokauri	WW - West	70	333	59,427	4,087	10,833	5,082	79,831
Peacocke 1	SW - Mangakotukutuku	WW - West	70	7,296	8,354	14,954	16,315	5,233	52,222
Peacocke 2	SW - Peacocke	WW - East	70	6,023	2,532	18,266	20,123	5,518	52,532
Peacocke 2	SW - Mangakotukutuku	WW - East	70	6,023	8,354	18,266	20,123	5,518	58,354
Rotokauri	SW - Lake Rotokauri	WW - West	70	1,828	59,427	13,978	10,041	7,882	93,226
Rotokauri	SW - Mangaheka	WW - West	70	1,828	6,997	13,978	10,041	7,882	40,797
Rotokauri	SW - Ohote	WW - West	70	1,828	917	13,978	10,041	7,882	34,717
Rotokauri	SW - Rotokauri West	WW - West	70	1,828	17	13,978	10,041	7,882	33,816
Rototuna	SW - Kirikiriroa	WW - East	113	350	3,253	15,010	8,753	6,592	34,072
Rototuna	SW - River North	WW - East	113	350	1,020	15,010	8,753	6,592	31,839
Rototuna	SW - Te Awa o Katapaki	WW - East	113	350	11,119	15,010	8,753	6,592	41,938
Rototuna	SW - Otama-ngeke	WW - East	113	350	524	15,010	8,753	6,592	31,343
Ruakura	SW - Hamilton East	WW - East	70	310	1,032	10,196	10,231	5,052	26,892
Ruakura	SW - Kirikiriroa	WW - East	70	310	3,253	10,196	10,231	5,052	29,112
Ruakura	SW - Mangaonua	WW - East	70	310	2,691	10,196	10,231	5,052	28,550

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Te Rapa North	SW - Mangaheka	WW - West	70	310	6,997	9,231	8,963	4,455	30,027
Te Rapa North	SW - Te Rapa Stream	WW - West	70	310	1,381	9,231	8,963	4,455	24,410
Te Rapa North	SW - St Andrews	WW - West	70	310	167	9,231	8,963	4,455	23,197
Temple View	SW - Temple View	WW - West	70	310	1,223	3,917	13,967	9,117	28,604
Temple View	SW - Waitawhiriwhiri	WW - West	70	310	1,247	3,917	13,967	9,117	28,628
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide			70	310	17	3,917	4,247	4,455	13,016
		WW - West					4,717		4,717
		WW - East					2,241		2,241
Two Bed Charge per lot, dwelling or unit title									
Infill East	SW - Chartwell	WW - East	49	230	708	2,878	5,059	3,504	12,427
Infill East	SW - City Centre	WW - East	49	230	600	2,878	5,059	3,504	12,319
Infill East	SW - Hamilton East	WW - East	49	230	712	2,878	5,059	3,504	12,431
Infill East	SW - Kirikiriroa	WW - East	49	230	2,243	2,878	5,059	3,504	13,962
Infill East	SW - Mangaonua	WW - East	49	230	1,855	2,878	5,059	3,504	13,574
Infill East	SW - Waitawhiriwhiri	WW - East	49	230	860	2,878	5,059	3,504	12,579
Infill West	SW - City Centre	WW - West	49	230	600	2,818	7,469	3,504	14,670
Infill West	SW - Mangakotukutuku	WW - West	49	230	5,760	2,818	7,469	3,504	19,829
Infill West	SW - St Andrews	WW - West	49	230	115	2,818	7,469	3,504	14,185
Infill West	SW - Te Rapa Stream	WW - West	49	230	952	2,818	7,469	3,504	15,021
Infill West	SW - Waitawhiriwhiri	WW - West	49	230	860	2,818	7,469	3,504	14,929
Infill West	SW - Western Heights	WW - West	49	230	413	2,818	7,469	3,504	14,482
Infill West	SW - Lake Rotokauri	WW - West	49	230	40,976	2,818	7,469	3,504	55,045
Peacocke 1	SW - Mangakotukutuku	WW - West	49	5,031	5,760	10,311	11,249	3,608	36,008
Peacocke 2	SW - Peacocke	WW - East	49	4,153	1,746	12,595	13,875	3,805	36,222
Peacocke 2	SW - Mangakotukutuku	WW - East	49	4,153	5,760	12,595	13,875	3,805	40,236
Rotokauri	SW - Lake Rotokauri	WW - West	49	1,261	40,976	9,638	6,923	5,435	64,281
Rotokauri	SW - Mangaheka	WW - West	49	1,261	4,825	9,638	6,923	5,435	28,130
Rotokauri	SW - Ohote	WW - West	49	1,261	633	9,638	6,923	5,435	23,938
Rotokauri	SW - Rotokauri West	WW - West	49	1,261	11	9,638	6,923	5,435	23,317
Rototuna	SW - Kirikiriroa	WW - East	78	241	2,243	10,350	6,035	4,545	23,493
Rototuna	SW - River North	WW - East	78	241	703	10,350	6,035	4,545	21,953
Rototuna	SW - Te Awa o Katapaki	WW - East	78	241	7,667	10,350	6,035	4,545	28,917
Rototuna	SW - Otama-ngeenge	WW - East	78	241	362	10,350	6,035	4,545	21,612
Ruakura	SW - Hamilton East	WW - East	49	214	712	7,030	7,054	3,484	18,542
Ruakura	SW - Kirikiriroa	WW - East	49	214	2,243	7,030	7,054	3,484	20,073
Ruakura	SW - Mangaonua	WW - East	49	214	1,855	7,030	7,054	3,484	19,686
Te Rapa North	SW - Mangaheka	WW - West	49	214	4,825	6,365	6,180	3,072	20,704
Te Rapa North	SW - Te Rapa Stream	WW - West	49	214	952	6,365	6,180	3,072	16,831
Te Rapa North	SW - St Andrews	WW - West	49	214	115	6,365	6,180	3,072	15,995
Temple View	SW - Temple View	WW - West	49	214	843	2,701	9,630	6,286	19,723
Temple View	SW - Waitawhiriwhiri	WW - West	49	214	860	2,701	9,630	6,286	19,740
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide			49	214	11	2,701	2,928	3,072	8,975
		WW - West					3,252		3,252
		WW - East					1,545		1,545
One Bed Charge per lot, dwelling or unit title									
Infill East	SW - Chartwell	WW - East	34	159	490	1,992	3,501	2,425	8,601
Infill East	SW - City Centre	WW - East	34	159	416	1,992	3,501	2,425	8,527
Infill East	SW - Hamilton East	WW - East	34	159	493	1,992	3,501	2,425	8,604
Infill East	SW - Kirikiriroa	WW - East	34	159	1,552	1,992	3,501	2,425	9,663
Infill East	SW - Mangaonua	WW - East	34	159	1,284	1,992	3,501	2,425	9,395
Infill East	SW - Waitawhiriwhiri	WW - East	34	159	595	1,992	3,501	2,425	8,706
Infill West	SW - City Centre	WW - West	34	159	416	1,950	5,170	2,425	10,153
Infill West	SW - Mangakotukutuku	WW - West	34	159	3,987	1,950	5,170	2,425	13,725
Infill West	SW - St Andrews	WW - West	34	159	80	1,950	5,170	2,425	9,818
Infill West	SW - Te Rapa Stream	WW - West	34	159	659	1,950	5,170	2,425	10,397
Infill West	SW - Waitawhiriwhiri	WW - West	34	159	595	1,950	5,170	2,425	10,333
Infill West	SW - Western Heights	WW - West	34	159	286	1,950	5,170	2,425	10,023
Infill West	SW - Lake Rotokauri	WW - West	34	159	28,361	1,950	5,170	2,425	38,098
Peacocke 1	SW - Mangakotukutuku	WW - West	34	3,482	3,987	7,136	7,786	2,497	24,922
Peacocke 2	SW - Peacocke	WW - East	34	2,874	1,208	8,717	9,604	2,633	25,070
Peacocke 2	SW - Mangakotukutuku	WW - East	34	2,874	3,987	8,717	9,604	2,633	27,849
Rotokauri	SW - Lake Rotokauri	WW - West	34	872	28,361	6,671	4,792	3,762	44,491
Rotokauri	SW - Mangaheka	WW - West	34	872	3,339	6,671	4,792	3,762	19,470
Rotokauri	SW - Ohote	WW - West	34	872	438	6,671	4,792	3,762	16,568
Rotokauri	SW - Rotokauri West	WW - West	34	872	8	6,671	4,792	3,762	16,138
Rototuna	SW - Kirikiriroa	WW - East	54	167	1,552	7,163	4,177	3,146	16,260
Rototuna	SW - River North	WW - East	54	167	487	7,163	4,177	3,146	15,194

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Rototuna	SW - Te Awa o Katapaki	WW - East	54	167	5,307	7,163	4,177	3,146	20,014
Rototuna	SW - Otama-ngenge	WW - East	54	167	250	7,163	4,177	3,146	14,958
Ruakura	SW - Hamilton East	WW - East	34	148	493	4,866	4,883	2,411	12,834
Ruakura	SW - Kirikiriroa	WW - East	34	148	1,552	4,866	4,883	2,411	13,893
Ruakura	SW - Mangaonua	WW - East	34	148	1,284	4,866	4,883	2,411	13,625
Te Rapa North	SW - Mangaheka	WW - West	34	148	3,339	4,405	4,278	2,126	14,330
Te Rapa North	SW - Te Rapa Stream	WW - West	34	148	659	4,405	4,278	2,126	11,650
Te Rapa North	SW - St Andrews	WW - West	34	148	80	4,405	4,278	2,126	11,070
Temple View	SW - Temple View	WW - West	34	148	584	1,869	6,665	4,351	13,651
Temple View	SW - Waitawhiriwhiri	WW - West	34	148	595	1,869	6,665	4,351	13,662
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide			34	148	8	1,869	2,027	2,126	6,212
		WW - West					2,251		2,251
		WW - East					1,069		1,069

Table 4 – Non-residential development contribution payable in each catchment (excl. GST)

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Industrial			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			289	2,588	2,193	1,063	6,133
Infill East	SW - City Centre	WW - East			245	2,588	2,193	1,063	6,088
Infill East	SW - Hamilton East	WW - East			290	2,588	2,193	1,063	6,134
Infill East	SW - Kirikiriroa	WW - East			914	2,588	2,193	1,063	6,758
Infill East	SW - Mangaonua	WW - East			756	2,588	2,193	1,063	6,600
Infill East	SW - Waitawhiriwhiri	WW - East			351	2,588	2,193	1,063	6,194
Infill West	SW - City Centre	WW - West			245	2,534	3,238	1,063	7,079
Infill West	SW - Mangakotukutuku	WW - West			2,348	2,534	3,238	1,063	9,183
Infill West	SW - St Andrews	WW - West			47	2,534	3,238	1,063	6,882
Infill West	SW - Te Rapa Stream	WW - West			388	2,534	3,238	1,063	7,223
Infill West	SW - Waitawhiriwhiri	WW - West			351	2,534	3,238	1,063	7,185
Infill West	SW - Western Heights	WW - West			168	2,534	3,238	1,063	7,003
Infill West	SW - Lake Rotokauri	WW - West			16,705	2,534	3,238	1,063	23,540
Peacocke 1	SW - Mangakotukutuku	WW - West			2,348	9,271	4,876	1,095	17,590
Peacocke 2	SW - Peacocke	WW - East			712	11,325	6,014	1,154	19,205
Peacocke 2	SW - Mangakotukutuku	WW - East			2,348	11,325	6,014	1,154	20,842
Rotokauri	SW - Lake Rotokauri	WW - West			16,705	8,666	3,001	1,649	30,021
Rotokauri	SW - Mangaheka	WW - West			1,967	8,666	3,001	1,649	15,283
Rotokauri	SW - Ohote	WW - West			258	8,666	3,001	1,649	13,574
Rotokauri	SW - Rotokauri West	WW - West			5	8,666	3,001	1,649	13,321
Rototuna	SW - Kirikiriroa	WW - East			914	9,306	2,616	1,379	14,216
Rototuna	SW - River North	WW - East			287	9,306	2,616	1,379	13,588
Rototuna	SW - Te Awa o Katapaki	WW - East			3,126	9,306	2,616	1,379	16,427
Rototuna	SW - Otama-ngenge	WW - East			147	9,306	2,616	1,379	13,449
Ruakura	SW - Hamilton East	WW - East			290	6,321	3,058	1,057	10,726
Ruakura	SW - Kirikiriroa	WW - East			914	6,321	3,058	1,057	11,350
Ruakura	SW - Mangaonua	WW - East			756	6,321	3,058	1,057	11,192
Te Rapa North	SW - Mangaheka	WW - West			1,967	5,723	2,679	932	11,301
Te Rapa North	SW - Te Rapa Stream	WW - West			388	5,723	2,679	932	9,722
Te Rapa North	SW - St Andrews	WW - West			47	5,723	2,679	932	9,381
Temple View	SW - Temple View	WW - West			344	2,428	4,174	1,907	8,854
Temple View	SW - Waitawhiriwhiri	WW - West			351	2,428	4,174	1,907	8,860
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide					5	2,428	1,269	932	4,634
		WW - West					1,410		1,410
		WW - East					670		670
Commercial			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			395	7,263	3,720	2,004	13,381
Infill East	SW - City Centre	WW - East			335	7,263	3,720	2,004	13,321
Infill East	SW - Hamilton East	WW - East			397	7,263	3,720	2,004	13,383
Infill East	SW - Kirikiriroa	WW - East			1,251	7,263	3,720	2,004	14,237
Infill East	SW - Mangaonua	WW - East			1,035	7,263	3,720	2,004	14,021
Infill East	SW - Waitawhiriwhiri	WW - East			480	7,263	3,720	2,004	13,466
Infill West	SW - City Centre	WW - West			335	7,111	5,492	2,004	14,942
Infill West	SW - Mangakotukutuku	WW - West			3,213	7,111	5,492	2,004	17,820
Infill West	SW - St Andrews	WW - West			64	7,111	5,492	2,004	14,672
Infill West	SW - Te Rapa Stream	WW - West			531	7,111	5,492	2,004	15,138

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Infill West	SW - Waitawhiriwhiri	WW - West			480	7,111	5,492	2,004	15,087
Infill West	SW - Western Heights	WW - West			230	7,111	5,492	2,004	14,837
Infill West	SW - Lake Rotokauri	WW - West			22,856	7,111	5,492	2,004	37,464
Peacocke 1	SW - Mangakotukutuku	WW - West			3,213	26,019	8,272	2,064	39,568
Peacocke 2	SW - Peacocke	WW - East			974	31,783	10,203	2,176	45,135
Peacocke 2	SW - Mangakotukutuku	WW - East			3,213	31,783	10,203	2,176	47,374
Rotokauri	SW - Lake Rotokauri	WW - West			22,856	24,321	5,091	3,108	55,376
Rotokauri	SW - Mangaheka	WW - West			2,691	24,321	5,091	3,108	35,211
Rotokauri	SW - Ohote	WW - West			353	24,321	5,091	3,108	32,873
Rotokauri	SW - Rotokauri West	WW - West			6	24,321	5,091	3,108	32,526
Rototuna	SW - Kirikiriroa	WW - East			1,251	26,118	4,438	2,599	34,406
Rototuna	SW - River North	WW - East			392	26,118	4,438	2,599	33,547
Rototuna	SW - Te Awa o Katapaki	WW - East			4,277	26,118	4,438	2,599	37,432
Rototuna	SW - Otama-ngege	WW - East			202	26,118	4,438	2,599	33,357
Ruakura	SW - Hamilton East	WW - East			397	17,740	5,187	1,992	25,317
Ruakura	SW - Kirikiriroa	WW - East			1,251	17,740	5,187	1,992	26,171
Ruakura	SW - Mangaonua	WW - East			1,035	17,740	5,187	1,992	25,954
Te Rapa North	SW - Mangaheka	WW - West			2,691	16,061	4,544	1,757	25,054
Te Rapa North	SW - Te Rapa Stream	WW - West			531	16,061	4,544	1,757	22,893
Te Rapa North	SW - St Andrews	WW - West			64	16,061	4,544	1,757	22,427
Temple View	SW - Temple View	WW - West			470	6,815	7,081	3,595	17,962
Temple View	SW - Waitawhiriwhiri	WW - West			480	6,815	7,081	3,595	17,971
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide					6	6,815	2,153	1,757	10,731
		WW - West					2,391		2,391
		WW - East					1,136		1,136
Retail			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			395	10,435	3,054	1,645	15,529
Infill East	SW - City Centre	WW - East			335	10,435	3,054	1,645	15,468
Infill East	SW - Hamilton East	WW - East			397	10,435	3,054	1,645	15,531
Infill East	SW - Kirikiriroa	WW - East			1,251	10,435	3,054	1,645	16,385
Infill East	SW - Mangaonua	WW - East			1,035	10,435	3,054	1,645	16,168
Infill East	SW - Waitawhiriwhiri	WW - East			480	10,435	3,054	1,645	15,613
Infill West	SW - City Centre	WW - West			335	10,217	4,509	1,645	16,706
Infill West	SW - Mangakotukutuku	WW - West			3,213	10,217	4,509	1,645	19,584
Infill West	SW - St Andrews	WW - West			64	10,217	4,509	1,645	16,435
Infill West	SW - Te Rapa Stream	WW - West			531	10,217	4,509	1,645	16,902
Infill West	SW - Waitawhiriwhiri	WW - West			480	10,217	4,509	1,645	16,851
Infill West	SW - Western Heights	WW - West			230	10,217	4,509	1,645	16,601
Infill West	SW - Lake Rotokauri	WW - West			22,856	10,217	4,509	1,645	39,227
Peacocke 1	SW - Mangakotukutuku	WW - West			3,213	37,384	6,791	1,694	49,082
Peacocke 2	SW - Peacocke	WW - East			974	45,665	8,376	1,786	56,800
Peacocke 2	SW - Mangakotukutuku	WW - East			3,213	45,665	8,376	1,786	59,040
Rotokauri	SW - Lake Rotokauri	WW - West			22,856	34,944	4,179	2,552	64,531
Rotokauri	SW - Mangaheka	WW - West			2,691	34,944	4,179	2,552	44,366
Rotokauri	SW - Ohote	WW - West			353	34,944	4,179	2,552	42,028
Rotokauri	SW - Rotokauri West	WW - West			6	34,944	4,179	2,552	41,681
Rototuna	SW - Kirikiriroa	WW - East			1,251	37,526	3,643	2,134	44,554
Rototuna	SW - River North	WW - East			392	37,526	3,643	2,134	43,695
Rototuna	SW - Te Awa o Katapaki	WW - East			4,277	37,526	3,643	2,134	47,580
Rototuna	SW - Otama-ngege	WW - East			202	37,526	3,643	2,134	43,505
Ruakura	SW - Hamilton East	WW - East			397	25,489	4,258	1,636	31,780
Ruakura	SW - Kirikiriroa	WW - East			1,251	25,489	4,258	1,636	32,634
Ruakura	SW - Mangaonua	WW - East			1,035	25,489	4,258	1,636	32,418
Te Rapa North	SW - Mangaheka	WW - West			2,691	23,076	3,731	1,442	30,940
Te Rapa North	SW - Te Rapa Stream	WW - West			531	23,076	3,731	1,442	28,780
Te Rapa North	SW - St Andrews	WW - West			64	23,076	3,731	1,442	28,313
Temple View	SW - Temple View	WW - West			470	9,792	5,813	2,951	19,027
Temple View	SW - Waitawhiriwhiri	WW - West			480	9,792	5,813	2,951	19,036
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide					6	9,792	1,768	1,442	13,008
		WW - West					1,963		1,963
		WW - East					933		933

Notes for schedules 1A and 1B**Note 1 – Charges for non-residential developments**

Non-residential charges are average charges for a typical development per 100m² GFA (Site area for stormwater).

Non-residential developments will be charged in accordance with the average number of household unit equivalents of demand generated by the category into which they fall. These will be calculated by using the factors given in Schedule 4 below.

A retail transport factor is used in determining retail charges, which varies depending on the floor area of the development as set out in Schedule 4. For the purpose of presentation, charges in the schedule above use an average of these factors, so charges for a particular retail development will differ from the charges shown above.

A more precise estimate of the development contributions payable for any development can be provided by Council on request.

In assessing HUEs for mixed-use developments such as a retirement village or a combined industrial and commercial development, a separate assessment will be made for all residential, retail, commercial and industrial components of the development.

Note 2 – Assessment of Reserves component through resource consent applications

At its sole discretion and on a case by case basis Council may take land of dollar value equivalent to the required reserves development contribution rather than money, as a condition of resource consent in accordance with and subject to Council's District Plan.

There is no charge for reserves on non-residential developments.

Note 3 – GST

Development contributions are calculated exclusive of Goods and Services Tax (GST). GST will be added at the rate prevailing at the time of payment after the calculation of any contributions required under this Policy.

Note 4 – Full methodology (s106(3) LGA)

The full methodology demonstrating how the calculations have been made for the contributions in this schedule is available from Council upon request.

Note 5 – The stages at which development contributions are required (s198, 202(1)(b) LGA) are set out in section 11

Note 6 – Producer Price Index adjustments

Council will at its sole discretion and in accordance with s106(2B-2C) LGA, increase development contribution charges annually based at the Producers Price Index Outputs for Construction rate provided by Statistics New Zealand.

Note 7 – Capped non-residential charges

Development contribution charges have been capped for commercial, industrial, and retail developments per section 9.8 above.

Note 8 – Phased residential charges

Development contribution charges for residential development in the Peacocke 1, Peacocke 2, Rotokauri, Rototuna and Ruakura general catchments will be phased in between 1 July 2021 and 30 June 2023 per section 9.11 above.

Note 9 – CBD remission

Council may provide a part or full remission of development contributions for development in the CBD. Refer to clause 18.14 to 18.20, Schedule 7 and Map 7.

Note 10 – High rise remission

Subject to the criteria for the CBD remission (see Note 9 above and 18.15 to 18.17), developments in the CBD with 6 or more storeys may pay no development contributions. Refer to 18.18.

Note 11 – State Integrated Schools' remission

Council may provide a remission of development contributions for State Integrated Schools' subject to the remission criteria set out in 18.29.

Note 12 – Rounding

The final charge may vary slightly from the charges in Schedule 1 of the Policy due to rounding.

25. SCHEDULE 2 – GROWTH-RELATED CAPITAL EXPENDITURE

Table 5 – Growth related capital expenditure by Council Activity Group (\$'000s)

(\$'000s)Growth Related Capital Expenditure (\$'000s)	Total Capex Including Subsidies	Total Subsidies & Operating Revenue	Total Capex Net Subsidies	DC Capex	DC Interest	Total Cost DC Funded Capex	% DC Funded	% Rates Funded	% Other Sources
Total CI	58,744		58,744	9,386	(302)	9,084	16%	84%	0%
Citywide	49,569		49,569	7,551	494	8,046	15%	85%	0%
Historical	43,299		43,299	4,875	189	5,063	11%	89%	0%
10-Year Plan	6,270		6,270	2,677	(28)	2,648	43%	57%	0%
30-Year Strategy					334	334	0%	0%	0%
Rototuna	9,175		9,175	1,835	(797)	1,038	20%	80%	0%
Historical					(808)	(808)	0%	0%	0%
10-Year Plan	9,175		9,175	1,835	(0)	1,835	20%	80%	0%
30-Year Strategy					11	11	0%	0%	0%
Total Reserves	127,541	1,331	126,210	81,511	13,542	95,053	64%	35%	1%
Citywide	45,102	600	44,502	19,245	2,249	21,494	43%	56%	1%
Historical	38,515	100	38,415	17,510	451	17,961	45%	54%	0%
10-Year Plan	6,587	500	6,087	1,735	1,124	2,859	26%	66%	8%
30-Year Strategy					674	674	0%	0%	0%
Infill	5,086	731	4,355	1,493	(293)	1,200	29%	56%	14%
Historical	5,086	731	4,355	1,493	(342)	1,152	29%	56%	14%
10-Year Plan					35	35	0%	0%	0%
30-Year Strategy					13	13	0%	0%	0%
Peacocke	709		709	571	595	1,165	80%	20%	0%
Historical	709		709	571	411	982	80%	20%	0%
10-Year Plan					152		0%	0%	0%
30-Year Strategy					31	31	0%	0%	0%
Peacocke 1	4,598		4,598	3,586	(127)	3,460	78%	22%	0%
Historical	2,830		2,830	2,275	(288)	1,988	80%	20%	0%
10-Year Plan	1,767		1,767	1,311	122	1,433	74%	26%	0%
30-Year Strategy					38	38	0%	0%	0%
Peacocke 2	47,610		47,610	36,100	8,401	44,502	76%	24%	0%
Historical	4,034		4,034	3,440	79	3,520	85%	15%	0%
10-Year Plan	43,576		43,576	32,660	4,216	36,876	75%	25%	0%
30-Year Strategy					4,107	4,107	0%	0%	0%
Rotokauri	2,125		2,125	1,780	1,790	3,570	84%	16%	0%
Historical	2,125		2,125	1,780	1,211	2,991	84%	16%	0%
10-Year Plan					470	470	0%	0%	0%
30-Year Strategy					109	109	0%	0%	0%
Rototuna	22,312		22,312	18,735	927	19,662	84%	16%	0%
Historical	19,497		19,497	16,307	981	17,287	84%	16%	0%
10-Year Plan	2,816		2,816	2,429	(62)	2,366	86%	14%	0%
30-Year Strategy					9	9	0%	0%	0%
Total Stormwater	327,694	4,990	322,705	265,788	61,411	327,199	81%	17%	2%
SW - Chartwell	4,571	9	4,562	2,500	242	2,742	55%	45%	0%
Historical	195	9	185	162	(75)	87	83%	12%	5%
10-Year Plan	4,376		4,376	2,338	43	2,382	53%	47%	0%
30-Year Strategy					273	273	0%	0%	0%
SW - City Centre	1,749	7	1,742	1,355	440	1,795	77%	22%	0%
Historical	656	7	649	571	300	871	87%	12%	1%
10-Year Plan	1,093		1,093	784	92	876	72%	28%	0%
30-Year Strategy					47	47	0%	0%	0%
SW - Citywide	696		696	543	200	743	78%	22%	0%
Historical	696		696	543	76	619	78%	22%	0%
10-Year Plan					86	86	0%	0%	0%
30-Year Strategy					37	37	0%	0%	0%
SW - Hamilton East	4,108	6	4,101	2,145	(101)	2,044	52%	48%	0%
Historical	174	6	168	147	(184)	(38)	84%	12%	4%
10-Year Plan	3,934		3,934	1,998	(82)	1,917	51%	49%	0%
30-Year Strategy					164	164	0%	0%	0%
SW - Kirikiriroa	18,548	88	18,460	11,356	2,797	14,153	61%	38%	0%
Historical	2,745	88	2,657	2,210	1,320	3,530	81%	16%	3%
10-Year Plan	15,803		15,803	9,146	546	9,692	58%	42%	0%
30-Year Strategy					931	931	0%	0%	0%
SW - Lake Rotokauri	184,801	1,684	183,117	162,065	42,775	204,840	88%	11%	1%
Historical	10,848	1,684	9,164	8,080	1,345	9,425	74%	10%	16%
10-Year Plan	57,948		57,948	51,030	3,359	54,389	88%	12%	0%
30-Year Strategy	116,005		116,005	102,955	38,071	141,026	89%	11%	0%
SW - Mangahaka	10,043	7	10,036	8,769	896	9,664	87%	13%	0%
Historical	897	7	891	776	91	867	86%	13%	1%
10-Year Plan	9,145		9,145	7,993	(50)	7,943	87%	13%	0%
30-Year Strategy					854	854	0%	0%	0%
SW - Mangakotukutuku	42,289	28	42,261	34,290	7,899	42,190	81%	19%	0%
Historical	12,418	28	12,390	10,431	150	10,581	84%	16%	0%

(\$000s)Growth Related Capital Expenditure (\$000s)	Total Capex Including Subsidies	Total Subsidies & Operating Revenue	Total Capex Net Subsidies	DC Capex	DC Interest	Total Cost DC Funded Capex	% DC Funded	% Rates Funded	% Other Sources
10-Year Plan	29,871		29,871	23,859	4,509	28,368	80%	20%	0%
30-Year Strategy					3,240	3,240	0%	0%	0%
SW - Mangaonua	6,337	3,002	3,335	1,596	110	1,706	25%	27%	47%
Historical	282	2	280	180	(15)	165	64%	35%	1%
10-Year Plan	6,055	3,000	3,055	1,415	19	1,435	23%	27%	50%
30-Year Strategy					106	106	0%	0%	0%
SW - Ohote	1,404	8	1,396	1,097	519	1,616	78%	21%	1%
Historical	177	8	169	148	15	163	83%	12%	5%
10-Year Plan	1,227		1,227	949	146	1,095	77%	23%	0%
30-Year Strategy					358	358	0%	0%	0%
SW - Otama-ngege	995	2	993	631	(34)	597	63%	36%	0%
Historical	232	2	230	178	(6)	172	77%	22%	1%
10-Year Plan	763		763	453	(45)	408	59%	41%	0%
30-Year Strategy					17	17	0%	0%	0%
SW - Peacocke	4,963	9	4,954	4,242	1,682	5,924	85%	14%	0%
Historical	3,596	9	3,587	3,181	158	3,339	88%	11%	0%
10-Year Plan	1,367		1,367	1,061	890	1,951	78%	22%	0%
30-Year Strategy					633	633	0%	0%	0%
SW - River North	131	0	131	113	19	133	87%	13%	0%
Historical	120	0	120	105	19	124	87%	13%	0%
10-Year Plan	11		11	8	0	8	77%	23%	0%
30-Year Strategy					0	0	0%	0%	0%
SW - St Andrews	2,013	11	2,003	1,474	(504)	970	73%	26%	1%
Historical	217	11	206	181	(436)	(255)	83%	12%	5%
10-Year Plan	1,796		1,796	1,293	(107)	1,186	72%	28%	0%
30-Year Strategy					39	39	0%	0%	0%
SW - Te Awa o Katapaki	31,778	102	31,677	25,651	2,889	28,541	81%	19%	0%
Historical	16,486	102	16,385	14,152	1,891	16,043	86%	14%	1%
10-Year Plan	15,292		15,292	11,499	368	11,867	75%	25%	0%
30-Year Strategy					631	631	0%	0%	0%
SW - Te Rapa Stream	2,226	8	2,218	1,835	977	2,812	82%	17%	0%
Historical	1,093	8	1,085	959	616	1,575	88%	12%	1%
10-Year Plan	1,133		1,133	876	275	1,151	77%	23%	0%
30-Year Strategy					85	85	0%	0%	0%
SW - Temple View	111	0	110	90	3	93	82%	18%	0%
Historical	56	0	56	48	(3)	45	86%	14%	1%
10-Year Plan	54		54	42	1	43	77%	23%	0%
30-Year Strategy					6	6	0%	0%	0%
SW - Waitawhiriwhiri	10,754	18	10,736	5,905	581	6,486	55%	45%	0%
Historical	1,215	18	1,197	963	(118)	845	79%	19%	1%
10-Year Plan	9,539		9,539	4,941	183	5,124	52%	48%	0%
30-Year Strategy					516	516	0%	0%	0%
SW - Western Heights	179	1	178	131	20	151	73%	26%	1%
Historical	15	1	14	13	(3)	9	82%	11%	7%
10-Year Plan	164		164	118	7	125	72%	28%	0%
30-Year Strategy					17	17	0%	0%	0%
Total Stormwater	327,694	4,990	322,705	265,788	61,411	327,199	81%	17%	2%
SW - Chartwell	4,571	9	4,562	2,500	242	2,742	55%	45%	0%
Historical	195	9	185	162	(75)	87	83%	12%	5%
10-Year Plan	4,376		4,376	2,338	43	2,382	53%	47%	0%
Total Transport	1,207,623	410,160	797,463	463,869	86,633	550,502	38%	28%	34%
Citywide	707,316	276,362	430,954	208,465	41,842	250,307	29%	31%	39%
Historical	231,626	78,659	152,967	62,152	12,981	75,133	27%	39%	34%
10-Year Plan	410,092	193,321	216,772	99,062	8,138	107,200	24%	29%	47%
30-Year Strategy	65,598	4,382	61,216	47,251	20,723	67,974	72%	21%	7%
Infill	14,601	4,530	10,071	3,711	1,612	5,323	25%	44%	31%
Historical	14,601	4,530	10,071	3,711	1,279	4,989	25%	44%	31%
10-Year Plan					284	284	0%	0%	0%
30-Year Strategy					49	49	0%	0%	0%
Infill East	14,422	6,986	7,436	1,407	(113)	1,294	10%	42%	48%
Historical	2,046	885	1,161	113	(230)	(117)	6%	51%	43%
10-Year Plan	12,376	6,101	6,275	1,295	32	1,327	10%	40%	49%
30-Year Strategy					84	84	0%	0%	0%
Infill West	2,582	854	1,728	533	(114)	419	21%	46%	33%
Historical					(159)	(159)	0%	0%	0%
10-Year Plan	2,582	854	1,728	533	21	553	21%	46%	33%
30-Year Strategy					25	25	0%	0%	0%
Peacocke	1,349	127	1,222	565	348	913	42%	49%	9%
Historical	1,349	127	1,222	565	147	712	42%	49%	9%
10-Year Plan					154	154	0%	0%	0%
30-Year Strategy					47	47	0%	0%	0%
Peacocke 1	10,224	3,714	6,510	4,969	(84)	4,886	49%	15%	36%
Historical	7,109	3,079	4,030	3,213	(21)	3,192	45%	11%	43%
10-Year Plan	3,115	635	2,480	1,756	(114)	1,642	56%	23%	20%

(\$000s)Growth Related Capital Expenditure (\$000s)	Total Capex Including Subsidies	Total Subsidies & Operating Revenue	Total Capex Net Subsidies	DC Capex	DC Interest	Total Cost DC Funded Capex	% DC Funded	% Rates Funded	% Other Sources
30-Year Strategy					51	51	0%	0%	0%
Peacocke 2	197,433	56,307	141,126	108,046	11,623	119,669	55%	17%	29%
Historical	30,470	14,981	15,489	11,895	126	12,020	39%	12%	49%
10-Year Plan	124,997	41,326	83,672	63,037	2,283	65,320	50%	17%	33%
30-Year Strategy	41,966		41,966	33,114	9,214	42,329	79%	21%	0%
Rotokauri	99,534	15,234	84,300	59,687	18,725	78,412	60%	25%	15%
Historical	35,533	8,382	27,151	19,734	4,390	24,124	56%	21%	24%
10-Year Plan	39,859	280	39,579	25,278	3,463	28,741	63%	36%	1%
30-Year Strategy	24,142	6,573	17,570	14,675	10,872	25,547	61%	12%	27%
Rototuna	87,331	12,758	74,573	47,122	9,658	56,780	54%	31%	15%
Historical	38,944	6,626	32,318	22,306	7,358	29,664	57%	26%	17%
10-Year Plan	48,388	6,133	42,255	24,816	531	25,347	51%	36%	13%
30-Year Strategy					1,769	1,769	0%	0%	0%
Ruakura	59,018	33,286	25,731	19,909	2,033	21,942	34%	10%	56%
Historical	2,026		2,026	1,615	(57)	1,558	80%	20%	0%
10-Year Plan	56,992	33,286	23,706	18,294	(399)	17,895	32%	9%	58%
30-Year Strategy					2,489	2,489	0%	0%	0%
Te Rapa North	13,812		13,812	9,455	1,102	10,558	68%	32%	0%
Historical					(23)	(23)	0%	0%	0%
10-Year Plan	13,812		13,812	9,455	4	9,459	68%	32%	0%
30-Year Strategy					1,121	1,121	0%	0%	0%
Total Wastewater	538,337	1,030	537,307	384,632	91,286	475,917	71%	28%	0%
Citywide	216,396		216,396	145,204	45,180	190,384	67%	33%	0%
Historical	85,188		85,188	55,822	16,640	72,463	66%	34%	0%
10-Year Plan	131,208		131,208	89,381	12,425	101,806	68%	32%	0%
30-Year Strategy					16,115	16,115	0%	0%	0%
Infill	827		827	714	522	1,236	86%	14%	0%
Historical	827		827	714	342	1,056	86%	14%	0%
10-Year Plan					138	138	0%	0%	0%
30-Year Strategy					42	42	0%	0%	0%
Infill East	11,583	491	11,092	5,972	258	6,230	52%	44%	4%
Historical	3,143	116	3,026	1,464	(384)	1,080	47%	50%	4%
10-Year Plan	8,440	375	8,065	4,508	192	4,700	53%	42%	4%
30-Year Strategy					450	450	0%	0%	0%
Infill West	27,602	491	27,111	15,416	2,426	17,842	56%	42%	2%
Historical	24,486	116	24,370	13,210	(610)	12,600	54%	46%	0%
10-Year Plan	3,116	375	2,741	2,205	1,879	4,085	71%	17%	12%
30-Year Strategy					1,156	1,156	0%	0%	0%
Peacocke	10,446		10,446	9,230	2,385	11,615	88%	12%	0%
Historical	2,247		2,247	1,954	1,121	3,074	87%	13%	0%
10-Year Plan	8,199		8,199	7,277	596	7,872	89%	11%	0%
30-Year Strategy					669	669	0%	0%	0%
Peacocke 1	4,083		4,083	3,615	(240)	3,375	89%	11%	0%
Historical	2,212		2,212	1,955	(107)	1,848	88%	12%	0%
10-Year Plan	1,870		1,870	1,660	(155)	1,505	89%	11%	0%
30-Year Strategy					21	21	0%	0%	0%
Peacocke 2	93,279		93,279	82,785	12,398	95,183	89%	11%	0%
Historical	29,659		29,659	26,322	211	26,534	89%	11%	0%
10-Year Plan	63,620		63,620	56,463	4,085	60,548	89%	11%	0%
30-Year Strategy					8,101	8,101	0%	0%	0%
Rotokauri	5,202		5,202	4,604	2,171	6,776	89%	11%	0%
Historical	2,618		2,618	2,311	291	2,602	88%	12%	0%
10-Year Plan	2,584		2,584	2,293	758	3,051	89%	11%	0%
30-Year Strategy					1,123	1,123	0%	0%	0%
Rototuna	11,001	47	10,954	8,181	3,947	12,127	74%	25%	0%
Historical	7,340	47	7,293	6,213	3,571	9,785	85%	15%	1%
10-Year Plan	3,661		3,661	1,967	211	2,178	54%	46%	0%
30-Year Strategy					164	164	0%	0%	0%
Ruakura	9,030		9,030	8,013	1,417	9,430	89%	11%	0%
Historical	5,530		5,530	4,907	151	5,058	89%	11%	0%
10-Year Plan	3,500		3,500	3,106	880	3,987	89%	11%	0%
30-Year Strategy					386	386	0%	0%	0%
Temple View	2,679		2,679	1,082	3,239	4,321	40%	60%	0%
Historical	2,679		2,679	1,082	805	1,887	40%	60%	0%
10-Year Plan					487	487	0%	0%	0%
30-Year Strategy					1,946	1,946	0%	0%	0%
WW - East	67,593		67,593	48,648	5,536	54,184	72%	28%	0%
Historical	7,952		7,952	6,838	1,922	8,760	86%	14%	0%
10-Year Plan	59,641		59,641	41,810	(182)	41,628	70%	30%	0%
30-Year Strategy					3,797	3,797	0%	0%	0%
WW - West	78,617		78,617	51,168	12,047	63,214	65%	35%	0%
Historical	16,181		16,181	14,164	5,276	19,440	88%	12%	0%
10-Year Plan	62,436		62,436	37,003	2,620	39,624	59%	41%	0%
30-Year Strategy					4,150	4,150	0%	0%	0%

(\$000s) Growth Related Capital Expenditure (\$000s)	Total Capex Including Subsidies	Total Subsidies & Operating Revenue	Total Capex Net Subsidies	DC Capex	DC Interest	Total Cost DC Funded Capex	% DC Funded	% Rates Funded	% Other Sources
Total Water Supply	236,289	718	235,571	164,299	57,360	221,659	70%	30%	0%
Citywide	181,725		181,725	120,139	46,147	166,287	66%	34%	0%
Historical	111,657		111,657	67,711	22,041	89,752	61%	39%	0%
10-Year Plan	70,068		70,068	52,428	14,851	67,279	75%	25%	0%
30-Year Strategy					9,256	9,256	0%	0%	0%
Infill	13,560	299	13,261	9,075	1,738	10,812	67%	31%	2%
Historical	5,193	299	4,894	2,569	736	3,305	49%	45%	6%
10-Year Plan	8,367		8,367	6,506	416	6,921	78%	22%	0%
30-Year Strategy					586	586	0%	0%	0%
Peacocke	46		46	41	35	76	89%	11%	0%
Historical	46		46	41	20	60	89%	11%	0%
10-Year Plan					12	12	0%	0%	0%
30-Year Strategy					4	4	0%	0%	0%
Peacocke 1	1,008		1,008	894	(229)	665	89%	11%	0%
Historical	882		882	783	(120)	663	89%	11%	0%
10-Year Plan	125		125	111	(109)	3	89%	11%	0%
Peacocke 2	9,214	384	8,829	7,836	823	8,659	85%	11%	4%
Historical	1,402		1,402	1,244	(6)	1,238	89%	11%	0%
10-Year Plan	7,812	384	7,427	6,592	103	6,695	84%	11%	5%
30-Year Strategy					726	726	0%	0%	0%
Rotokauri	13,783	13	13,770	12,101	6,161	18,261	88%	12%	0%
Historical	8,027	13	8,014	6,993	1,462	8,454	87%	13%	0%
10-Year Plan	5,755		5,755	5,108	1,851	6,959	89%	11%	0%
30-Year Strategy					2,848	2,848	0%	0%	0%
Rototuna	14,303	21	14,282	11,861	77	11,938	83%	17%	0%
Historical	7,393	21	7,371	5,728	38	5,765	77%	22%	0%
10-Year Plan	6,911		6,911	6,133	(246)	5,887	89%	11%	0%
30-Year Strategy					285	285	0%	0%	0%
Ruakura	1,664		1,664	1,477	31	1,508	89%	11%	0%
Historical	535		535	476	(32)	444	89%	11%	0%
10-Year Plan	1,128		1,128	1,002	16	1,018	89%	11%	0%
30-Year Strategy					47	47	0%	0%	0%
Temple View	987		987	876	2,576	3,452	89%	11%	0%
Historical	987		987	876	696	1,572	89%	11%	0%
10-Year Plan					391	391	0%	0%	0%
30-Year Strategy					1,489	1,489	0%	0%	0%
Grand Total	2,496,228	418,228	2,078,000	1,369,486	309,929	1,679,414	55%	28%	17%

Note 1 – Capital expenditure groupings

In the above table, **Historical** means any capex or subsidies spent or received before 30 June 2022; **Long-Term Plan** means any capex or subsidies spent or received between 30 June 2022 and 30 June 2031; and **30-Year Strategy** means any capex or subsidies spent or received after 1 July 2031

26. SCHEDULE 3 – CHARGE CALCULATION WORKED EXAMPLE

- 26.1 The calculation of each charge in Schedule 1 is the aggregation of individual project charges in each catchment for each activity in accordance with the formula in section 8 above. Due to the number of projects, showing the calculations for every project is not practicable.
- 26.2 The following exercise illustrates how the charges are calculated at a project level, prior to being aggregated to a catchment and activity level, with the catchment and activity being Rototuna Transport in this example.
- 26.3 Table 6 below shows the method of calculation for the specified project, where NPV is the net present value of the capital expenditure and growth at the assumed interest rate. NPV calculations are used solely to account for interest incurred on development contributions funded projects. No discount is applied for risk or uncertainty.

Table 6 –Development charge calculation worked example

Project: Road 1328.4 Horsham Downs Road Rototuna						Interest Rate (r)	DC Charge for Future Years
Year	(000's)	(000's)	(000's)	(000's)		2.69%	
t	HR	HC	Cost _t	$(NPV(Cost_t) + HC) - HR$	HUE _t	NPV(HUE _t)	DC _t = DC ₁
NPV:				804		3,090	
2022	505		0		556	556	\$260
2023					417	406	\$260
2024					450	427	\$260
2025					252	233	\$260
2026					180	161	\$260
2027					117	102	\$260
2028					115	98	\$260
2029			582	483	83	69	\$260
2030			336	272	77	62	\$260
2031			703	554	61	48	\$260
2032					72	55	\$260
2033					69	51	\$260
2034					47	34	\$260
2035					50	35	\$260
2036					92	63	\$260
2037					88	59	\$260
2038					88	58	\$260
2039					93	59	\$260
2040					111	69	\$260
2041					83	50	\$260
2042					73	43	\$260
2043					76	44	\$260
2044					65	36	\$260
2045					12	7	\$260
2046					31	16	\$260
2047					44	23	\$260
2048					29	15	\$260
2049					46	22	\$260
2050					85	40	\$260
2051					169	78	\$260
2052					31	14	\$260
2053					22	9	\$260
2054					18	8	\$260
2055					32	13	\$260
2056					16	7	\$260
2057					20	8	\$260
2058					24	9	\$260

27. SCHEDULE 4 –DEMAND CONVERSION FACTORS

Table 7– Types of development and household unit equivalents (HUEs per 100m² GFA)

Non-Residential Conversion Factors		
DC Account	Sector	Factor
Transport	Commercial	1.740
Water	Commercial	0.394
Wastewater	Commercial	0.507
Stormwater*	Commercial	0.385
Transport	Industrial	0.620
Water	Industrial	0.209
Wastewater	Industrial	0.299
Stormwater*	Industrial	0.281
Transport**	Retail	2.500
Water	Retail	0.324
Wastewater	Retail	0.416
Stormwater*	Retail	0.385

* Stormwater is calculated per 100m² of site area.

** Retail Transport operates on a sliding scale ranging from 1.1 to 2.5. Both this table and the schedule of charges uses 2000m² gross floor area. Retail developments are assumed to generate different numbers of trips depending on their size (refer Table 9).

Table 8 – Types of residential development and household unit equivalents

Residential Conversion Factors		
DC Account	Type	Factor
Transport	Large Residential	1.290
Water	Large Residential	1.290
Wastewater	Large Residential	1.290
Stormwater	Large Residential	1.290*
Reserves	Large Residential	1.290
Community infrastructure	Large Residential	1.290
Transport	Standard Residential	1
Water	Standard Residential	1
Wastewater	Standard Residential	1
Stormwater	Standard Residential	1
Reserves	Standard Residential	1
Community infrastructure	Standard Residential	1
Transport	Two Bedroom	0.689
Water	Two Bedroom	0.689
Wastewater	Two Bedroom	0.689
Stormwater	Two Bedroom	0.689
Reserves	Two Bedroom	0.689
Community infrastructure	Two Bedroom	0.689
Transport	One Bedroom	0.477
Water	One Bedroom	0.477
Wastewater	One Bedroom	0.477
Stormwater	One Bedroom	0.477
Reserves	One Bedroom	0.477
Community infrastructure	One Bedroom	0.477

*for large residential dwellings with more than one level, the factor is 1.00

Table 9 – Transport HUEs (per 100m² of non-residential GFA)

Type of development	Vehicle trips	Number of HUEs
Residential (per household unit)	10	1
Commercial (non-retail)	17.4	1.74
Commercial (retail) ≤ 4,000m ² GFA	25	2.5
Commercial (retail) 4,001 to 10,000m ² GFA	25 to 11	2.5 to 1.1
Commercial (retail) > 10,000m ² GFA	11	1.1
Industrial (per 100m ² of GFA)	6.2	0.62

Note 1 – Developments for which floor area cannot be used as a proxy for demand

Developments for which, in the opinion of Council floor area cannot adequately be used as a proxy for demand, development contributions will be charged based upon the ratio of the increased demand that they produce to the demand assumed to be produced by an average household.

Note 2 – Wet industries

At the discretion of Council, the charges for water and wastewater for wet industries may be assessed on a case by case basis in relation to the level of demand produced by the development and the cost of servicing it, and set by agreement with the developer in accordance with section 207(A-F) of the LGA. The factors used for calculating the charges for developments that do not fall into this category are averages that have been calculated by excluding usage by wet industries, but wet industry usage has been included in the overall demand growth projections.

Note 3 – Stormwater HUEs

Stormwater HUEs are derived on the basis of the expected runoff from impermeable surfaces. A typical residential greenfield development on a 650m² section is assumed to have a runoff coefficient of 60% and represents one HUE for a 2-year storm. For non-residential developments, development contributions are assessed on site area, and the HUEs for commercial and industrial developments are calculated on the expected run-off from an average site, relative to the run-off from a residential site in accordance with Council's Infrastructure Technical Specifications.

Note 4 – Water HUEs

HUEs for water are calculated on the basis of the expected usage. A typical household is assumed to use 594 litres of water a day (in accordance with the Infrastructure Technical Specifications). The HUEs for commercial and industrial developments are calculated on the expected water usage per 100m² of gross floor area, relative to the usage of an average household. This figure is derived from an average over several years of Council's water meter readings.

Note 5 – Wastewater HUEs

HUEs for wastewater are based on the HUEs for water with assumed throughput of 70% for residential, 90% for commercial and retail and 100% for industrial developments.

Note 6 – Transport HUEs

HUEs for commercial and industrial transport are calculated on the average daily number of vehicle trips in relation to the ten trips per day assumed to be produced by a typical household. These numbers are based on Institute of Transport Engineers (ITE) Trip Generation Handbook, 3rd Edition, NZTA Research Report 453 and Trips Database Bureau (TDB).

28. SCHEDULE 5 – CAPPING OF RESERVES DEVELOPMENT CONTRIBUTIONS (S203 LGA)

- 28.1 Residential allotments may be eligible to have the Reserves component of their development contribution charge capped at the greater of 7.5% or 20m² of their section value.
- 28.2 To determine if a cap will apply, multiply the section value by 7.5%. Secondly divide 20m² by the area of the section and multiply this by the section value. If the reserves charge is higher than either or both of these, then the higher of these two values is the capped reserves charge that will apply.
- 28.3 It will be the responsibility of the developer to demonstrate to the satisfaction of staff that this cap should be applied by providing evidence of the value of the land from an approved registered valuation.

29. SCHEDULE 6 – GROWTH FORECASTS

Table 10– Forecast annual supply growth (household unit equivalents or “HUE’s”)

Growth Rates (HUEs)	Activity	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Citywide	CI	1,226	1,267	1,334	1,328	1,281	1,272	1,351	1,355	1,298	1,300
	Reserves	1,226	1,267	1,334	1,328	1,281	1,272	1,351	1,355	1,298	1,300
	Transport	1,846	1,874	1,894	1,886	1,812	1,798	1,852	1,860	1,789	1,785
	Wastewater	1,415	1,454	1,515	1,507	1,453	1,442	1,515	1,521	1,461	1,461
	Water	1,367	1,406	1,469	1,461	1,409	1,398	1,473	1,478	1,419	1,420
Infill	CI	514	531	559	557	530	523	566	565	542	539
	Reserves	514	531	559	557	530	523	566	565	542	539
	Transport	831	862	883	900	861	856	889	882	858	854
	Wastewater	611	632	663	663	632	625	667	664	642	639
	Water	586	606	637	636	606	600	641	639	616	614
Infill East	CI	242	251	327	194	283	336	309	272	254	275
	Reserves	242	251	327	194	283	336	309	272	254	275
	Transport	368	362	404	271	315	460	405	351	369	411
	Wastewater	274	276	347	216	293	372	338	296	291	316
	Water	266	271	343	211	290	364	331	290	282	306
Infill West	CI	271	280	232	362	247	187	257	293	288	264
	Reserves	271	280	232	362	247	187	257	293	288	264
	Transport	462	500	478	629	546	396	483	531	488	443
	Wastewater	337	355	316	448	339	253	329	367	351	323
	Water	320	336	294	426	316	236	310	349	335	307
Peacocke	CI	108	190	312	290	424	438	484	353	370	355
	Reserves	108	190	312	290	424	438	484	353	370	355
	Transport	108	192	312	292	427	440	490	375	398	387
	Wastewater	108	191	312	290	425	438	485	359	378	364
	Water	108	191	312	290	425	438	485	358	376	362
Peacocke 1	CI	79	62	72	19	13	11	5	2	7	1
	Reserves	79	62	72	19	13	11	5	2	7	1
	Transport	79	62	72	19	13	11	5	2	7	1
	Wastewater	79	62	72	19	13	11	5	2	7	1
	Water	79	62	72	19	13	11	5	2	7	1
Peacocke 2	CI	29	129	240	270	411	427	479	350	363	354
	Reserves	29	129	240	270	411	427	479	350	363	354
	Transport	29	130	240	273	414	429	485	372	391	386
	Wastewater	29	129	240	271	412	427	480	356	371	363
	Water	29	129	240	271	411	427	480	355	369	361
Rotokauri	CI	12	96	40	52	52	63	52	74	102	217
	Reserves	12	96	40	52	52	63	52	74	102	217
	Transport	146	207	117	106	94	102	95	128	156	267
	Wastewater	61	135	67	71	67	77	68	95	121	235
	Water	47	125	60	66	63	73	64	89	116	230
Rototuna	CI	423	308	372	192	131	70	75	45	48	33
	Reserves	423	308	372	192	131	70	75	45	48	33
	Transport	556	417	450	252	180	117	115	83	77	61
	Wastewater	452	333	392	208	145	84	87	55	56	41
	Water	446	327	387	204	142	81	84	53	55	39
Ruakura	CI	169	142	51	171	57	138	96	205	109	44
	Reserves	169	142	51	171	57	138	96	205	109	44
	Transport	189	177	103	234	124	205	153	253	150	79
	Wastewater	176	154	70	193	81	162	118	224	127	60
	Water	174	151	64	187	74	156	111	219	122	55
Te Rapa North	CI	0	0	0	67	87	40	78	113	127	112
	Reserves	0	0	0	67	87	40	78	113	127	112
	Transport	14	15	27	100	123	77	108	136	149	133
	Wastewater	7	7	11	80	102	55	90	123	137	121
	Water	5	5	8	77	98	51	87	120	134	118
Temple View	CI	0	0	0	0	0	0	0	0	0	0
	Reserves	0	0	0	0	0	0	0	0	0	0
	Transport	2	3	2	2	3	2	2	3	2	3
	Wastewater	1	1	1	1	1	1	1	1	1	1
	Water	0	1	0	0	1	0	0	1	0	1

Growth Rates (HUEs)	Activity	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
SW - Chartwell	Stormwater	70	117	123	66	149	73	175	93	99	134
SW - City Centre	Stormwater	108	124	139	70	51	60	84	120	177	117
SW - Citywide	Stormwater	1,592	1,626	1,685	1,671	1,616	1,599	1,670	1,665	1,600	1,593
SW - Hamilton East	Stormwater	93	70	57	30	62	181	74	68	20	64
SW - Kirikiriroa	Stormwater	275	188	140	281	146	241	102	289	210	132
SW - Lake Rotokauri	Stormwater	12	41	41	43	41	44	39	39	42	150
SW - Mangaheka	Stormwater	96	77	58	44	35	33	41	50	61	59
SW - Mangakotukutuku	Stormwater	112	214	269	292	360	432	470	355	321	311
SW - Mangaonua	Stormwater	19	15	14	31	39	57	92	33	9	11
SW - Ohote	Stormwater	0	56	0	10	12	19	8	29	38	42
SW - Otama-ngenge	Stormwater	87	44	34	27	25	22	19	16	13	12
SW - Peacocke	Stormwater	0	41	89	126	121	68	68	53	70	101
SW - River North	Stormwater	10	0	0	0	0	0	0	0	0	0
SW - Rotokauri West	Stormwater	0	0	0	0	0	0	0	0	0	0
SW - St Andrews	Stormwater	80	108	80	216	103	142	171	130	103	104
SW - Te Awa o Katapaki	Stormwater	315	304	370	192	128	61	75	45	48	31
SW - Te Rapa Stream	Stormwater	24	21	67	91	138	69	82	148	177	143
SW - Temple View	Stormwater	1	2	1	1	2	1	1	2	1	2
SW - Waitawhiriwhiri	Stormwater	290	198	198	99	191	95	163	196	211	171
SW - Western Heights	Stormwater	0	5	5	53	13	0	5	0	0	10
WW - East	Wastewater	931	893	1,049	888	931	1,046	1,023	932	845	780
WW - West	Wastewater	484	561	466	619	522	396	492	588	616	681

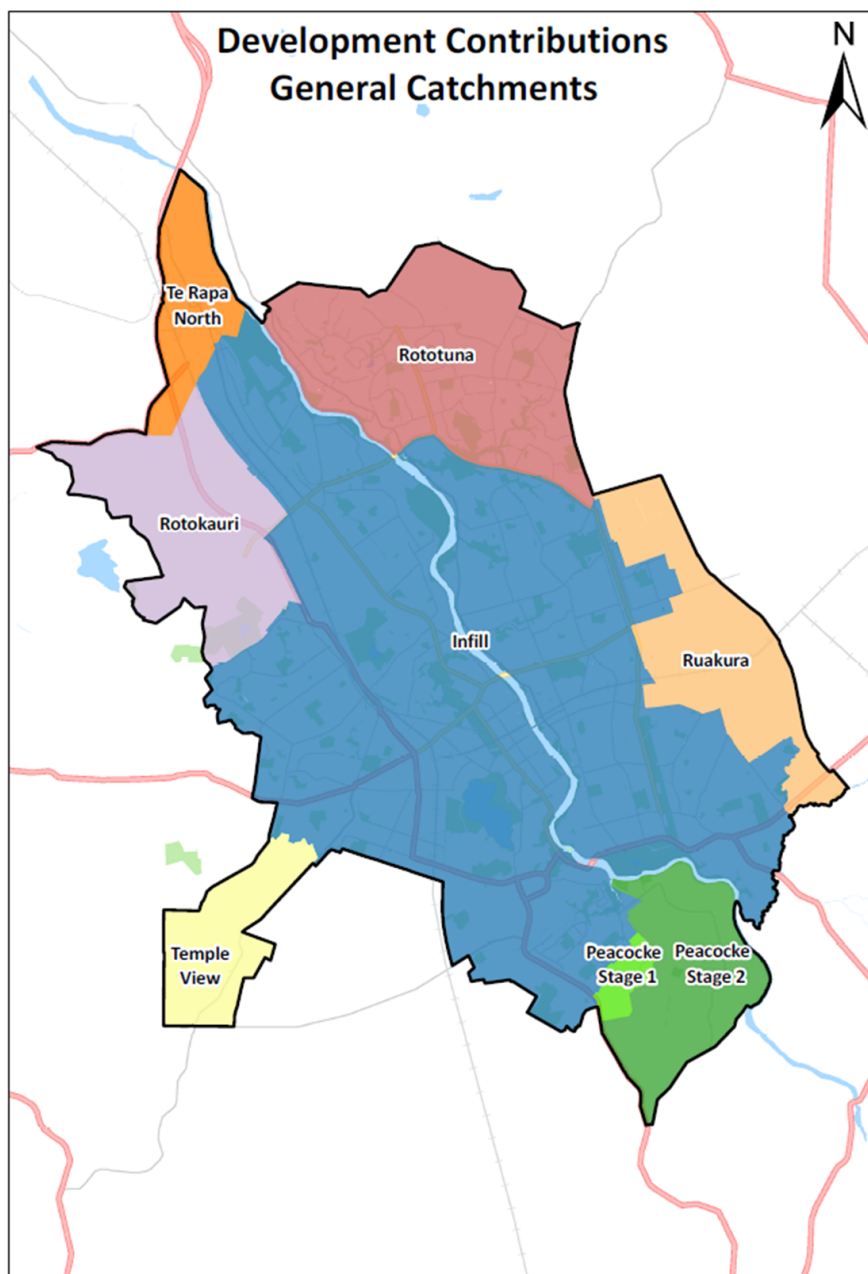
Note 1 - The above forecasts form part of a more complex growth model used in the calculation of charges, and which is available for inspection by request to Council.

30. SCHEDULE 7 – DEVELOPMENT CONTRIBUTIONS CATCHMENT MAPS

Map 1 – General Catchments

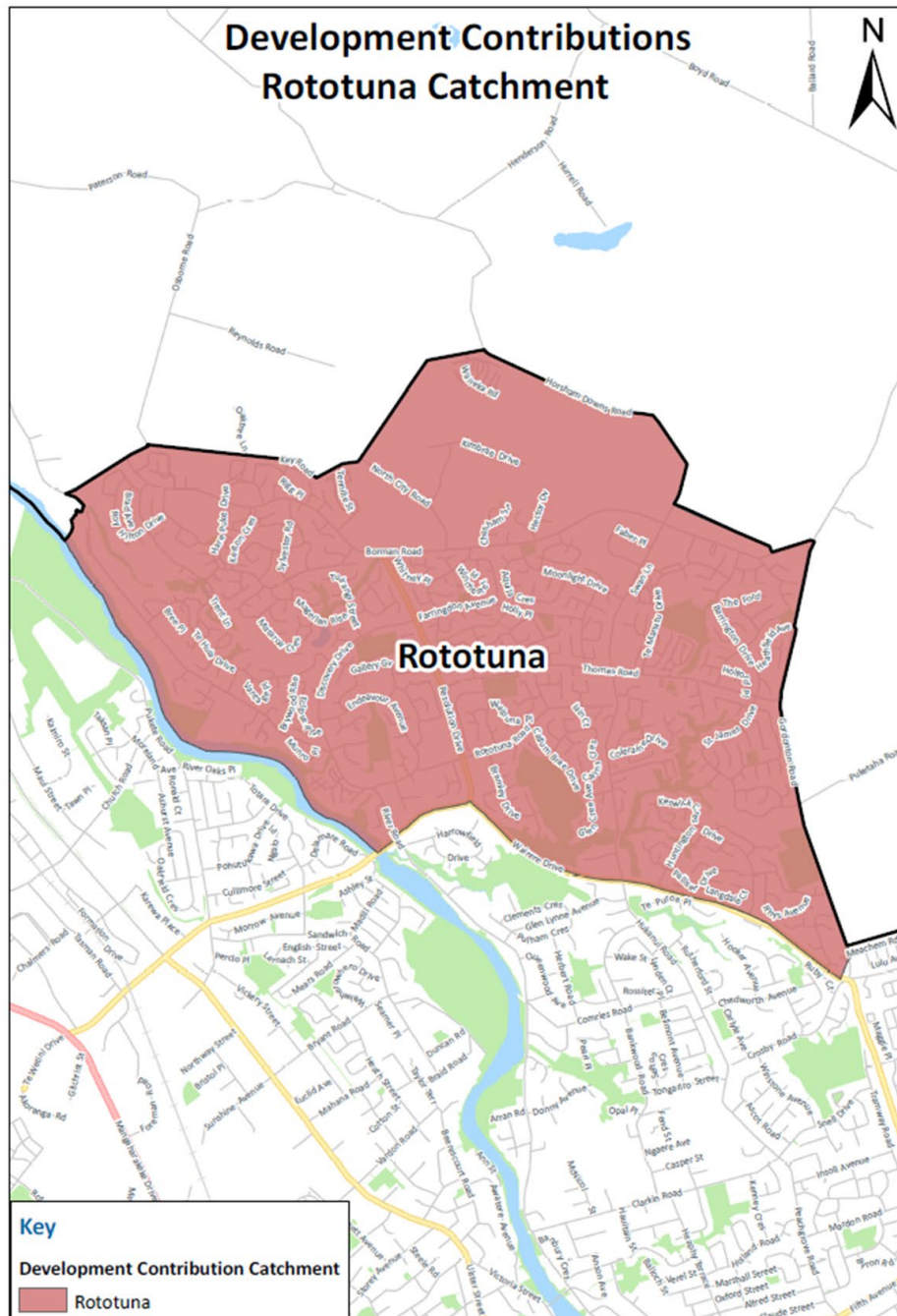
For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).

(shows all activities except stormwater & bulk wastewater (refer to maps 8 & 9 below). An additional "citywide" catchment includes all other catchments).



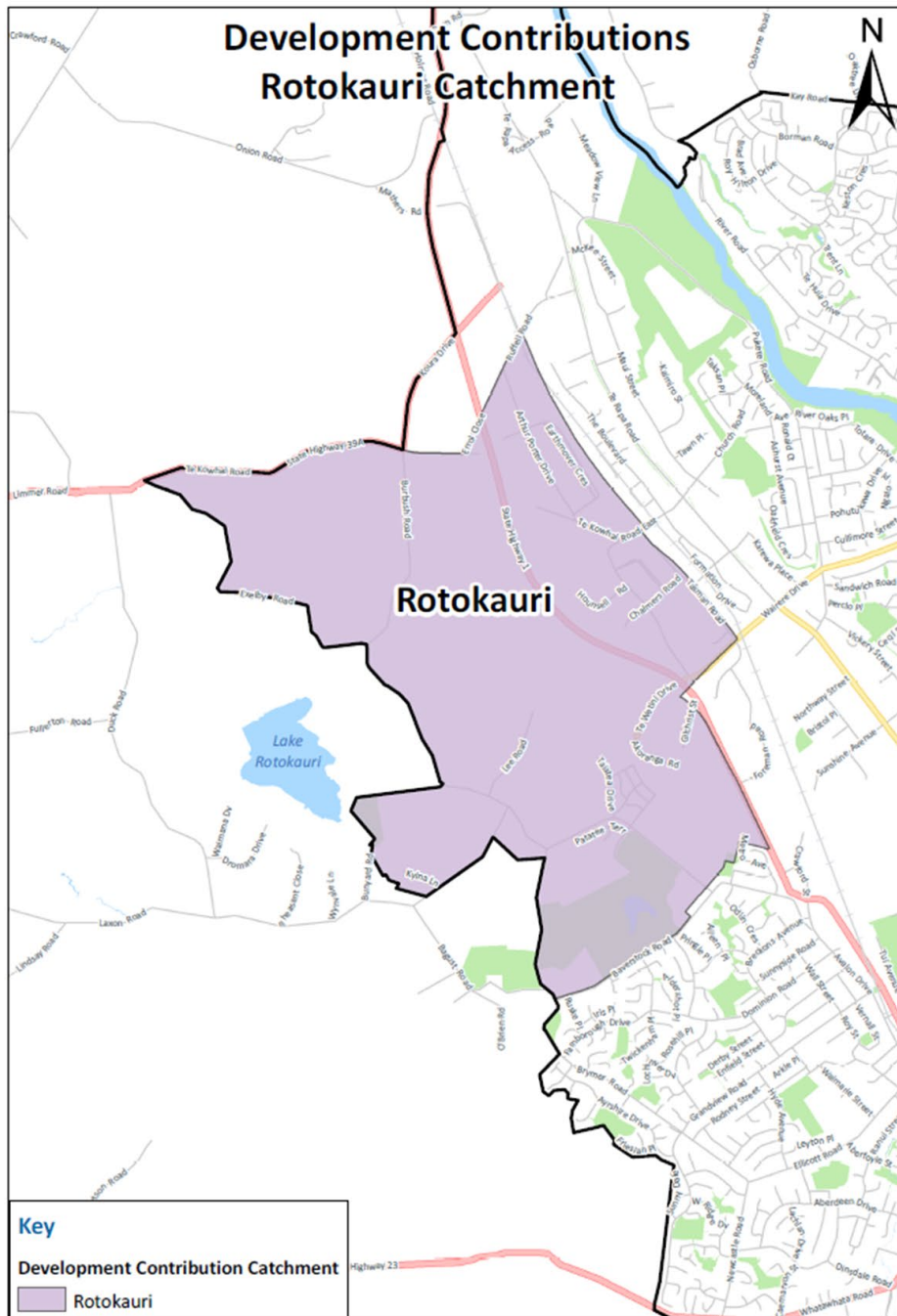
Map 2 – Rototuna catchment

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



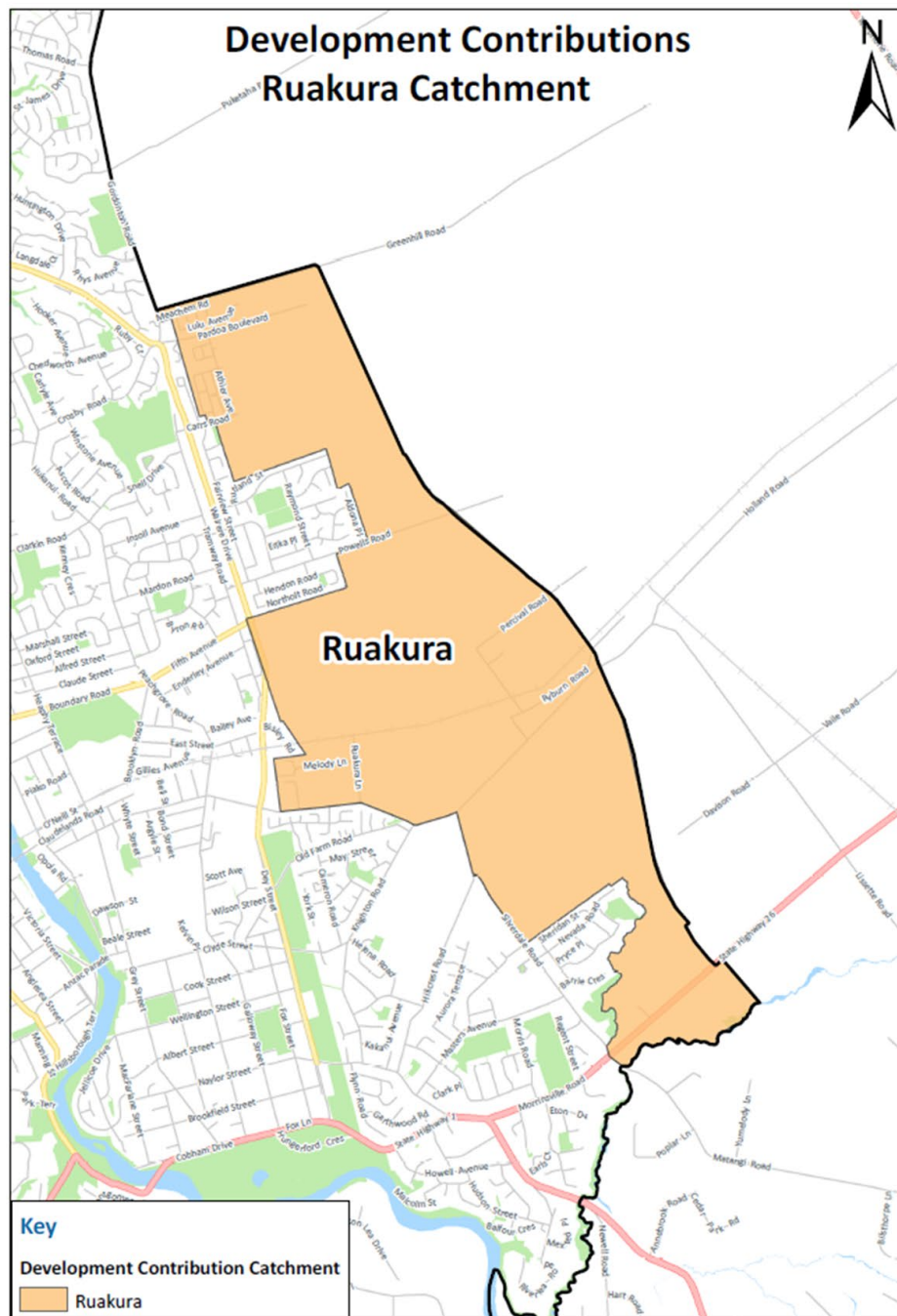
Map 3 – Rotokauri catchment

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



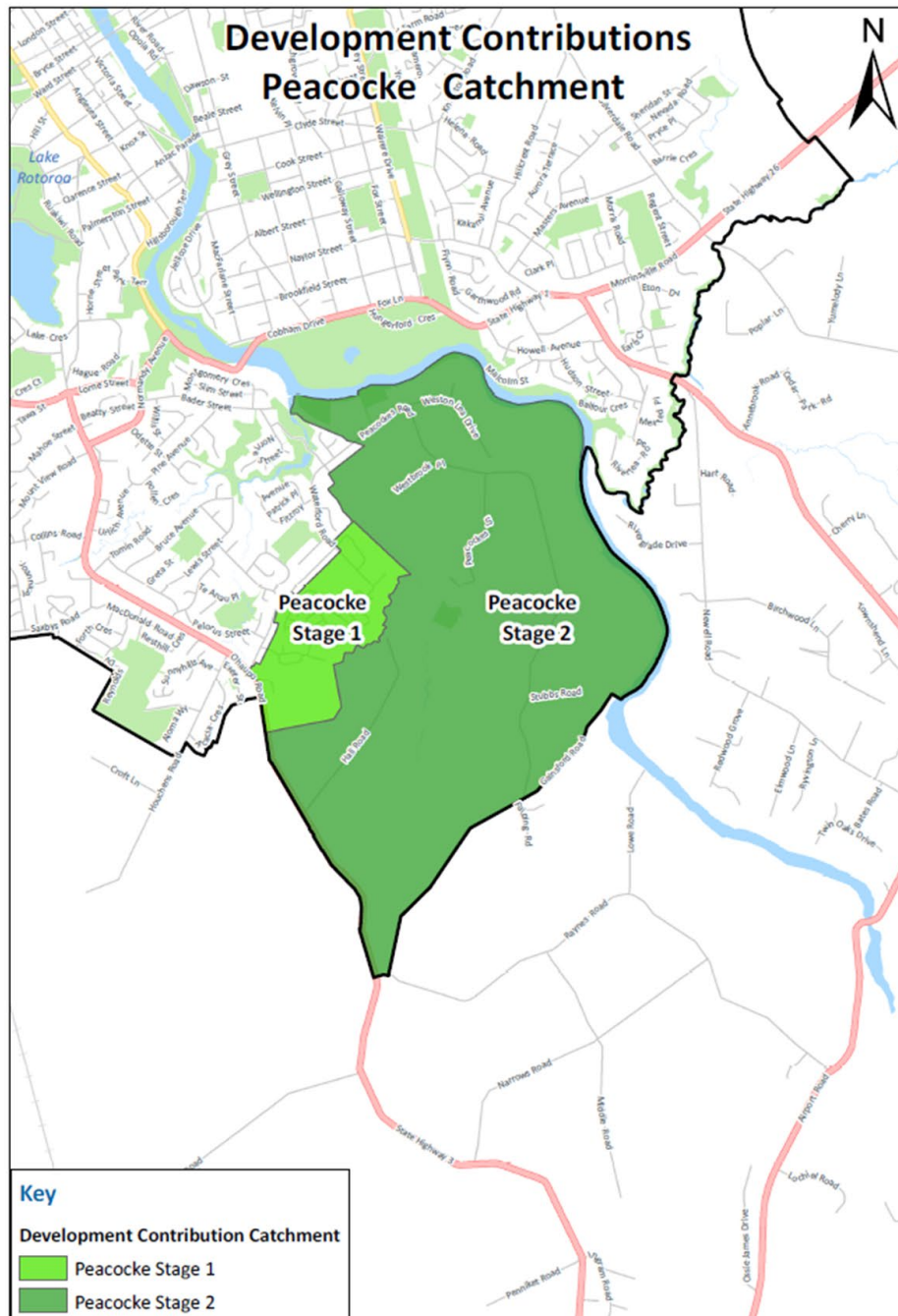
Map 4 – Ruakura Catchment

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



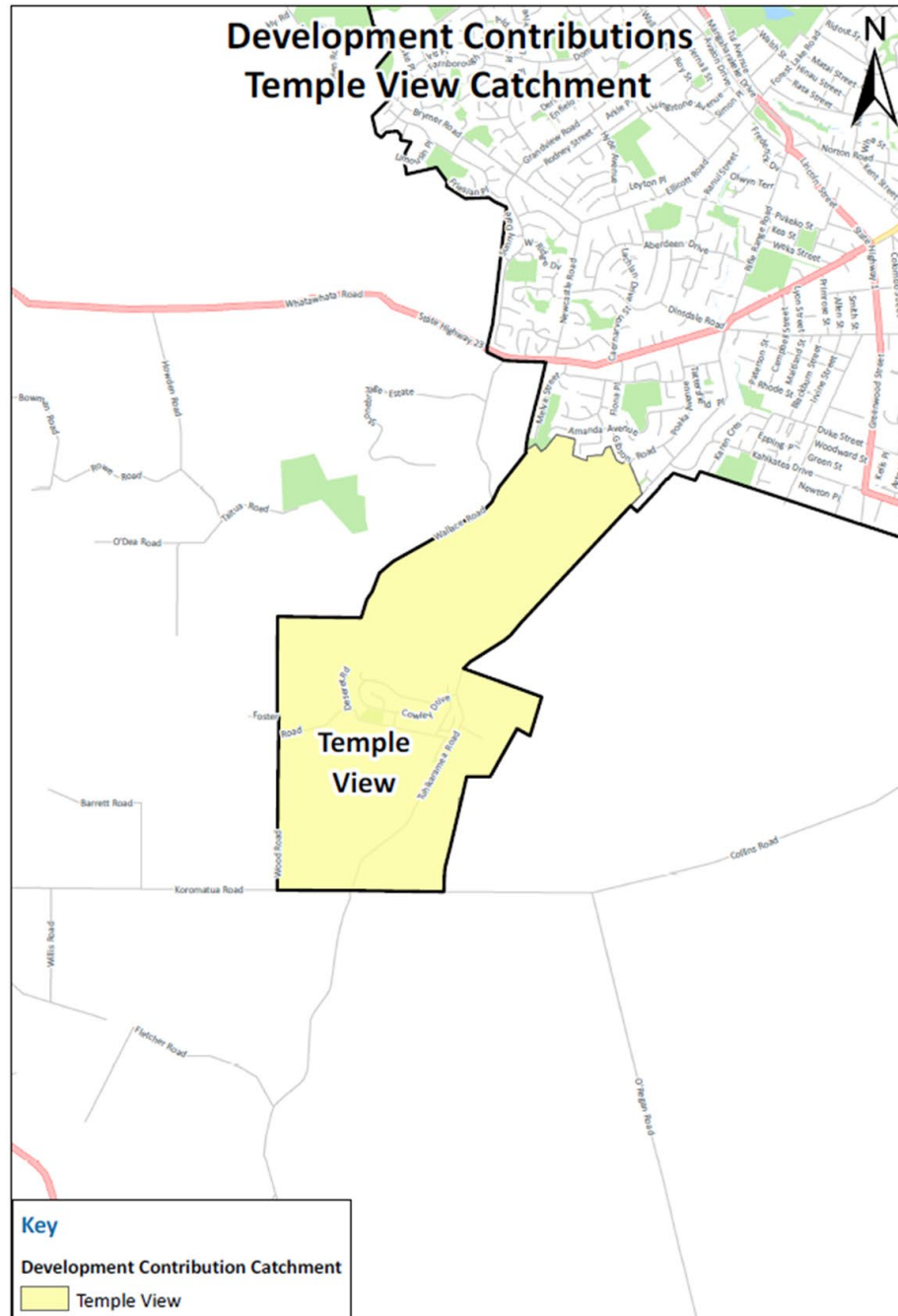
Map 5 – Peacocke Catchments

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



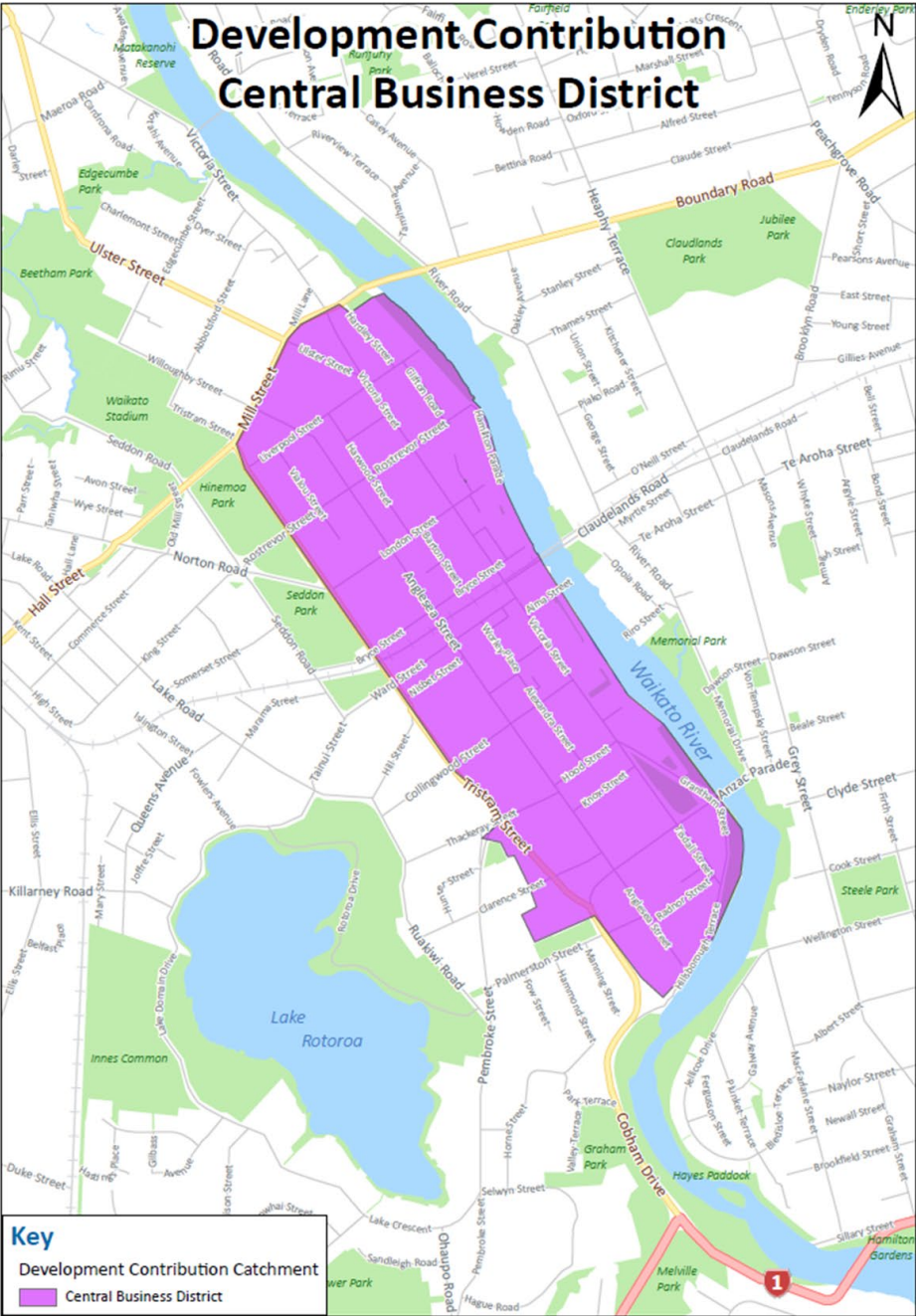
Map 6 – Temple View Catchment

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



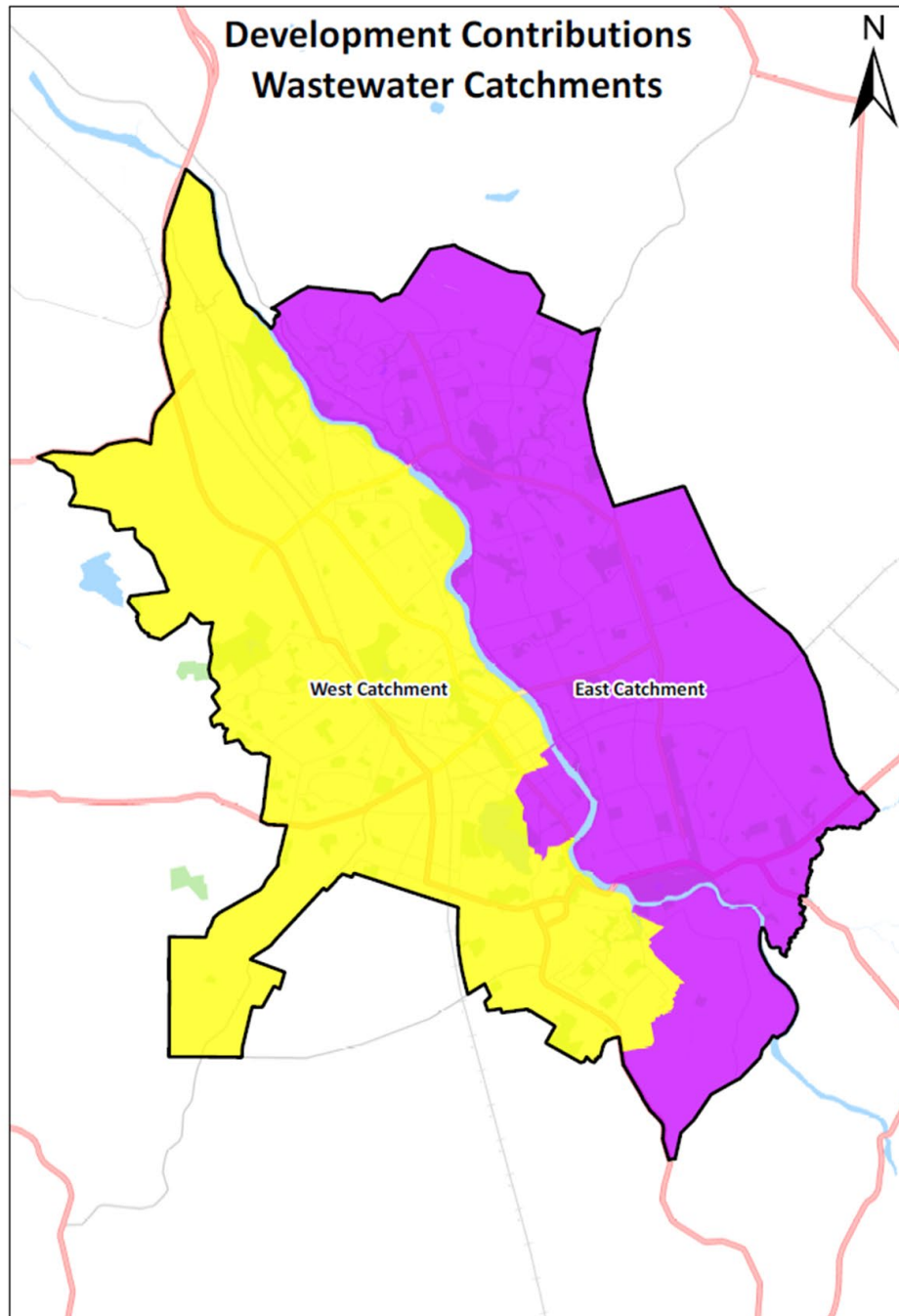
Map 7 – CBD Catchment

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



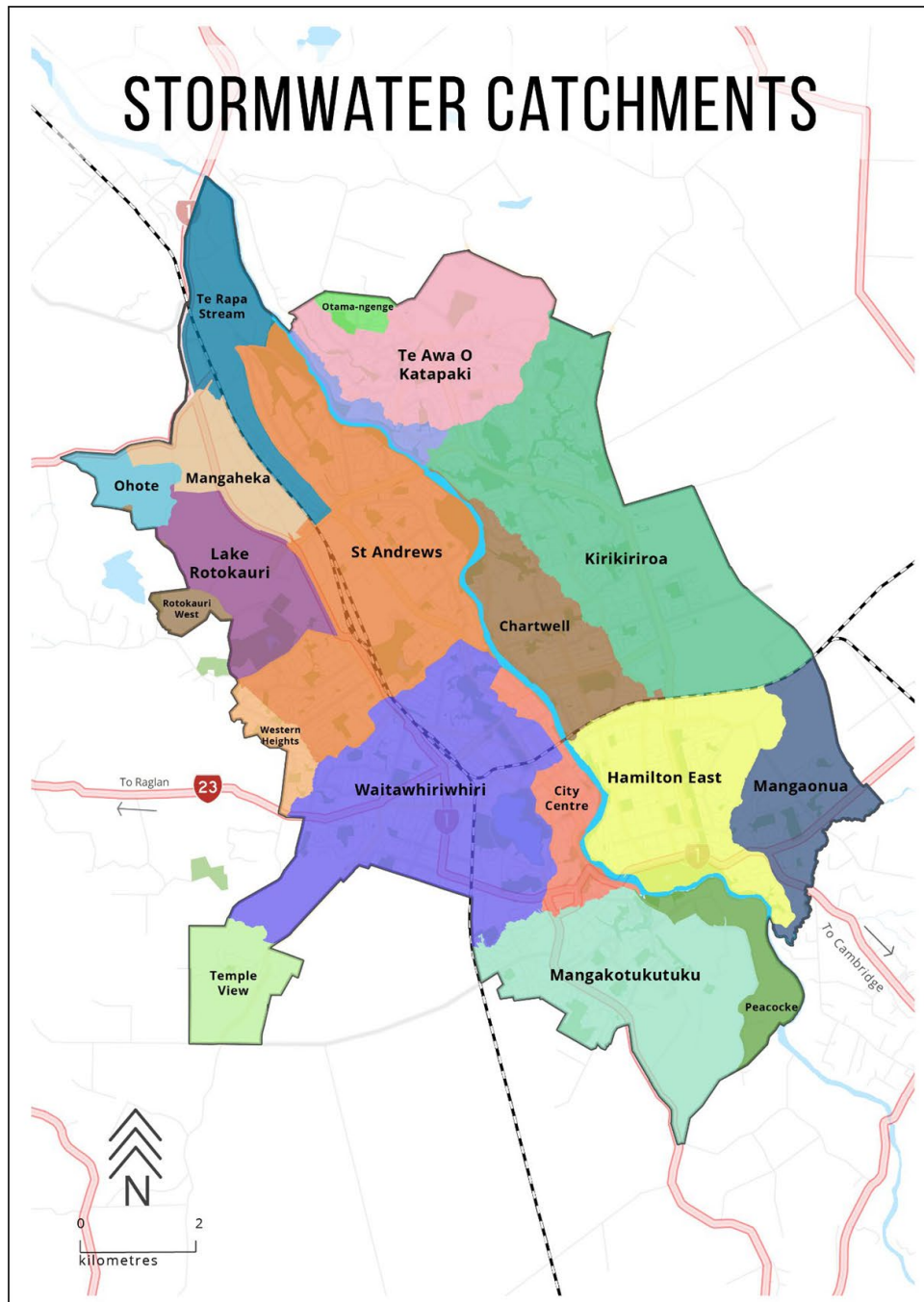
Map 8 – Catchments for Bulk Wastewater Infrastructure

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



Map 9 – Catchments for Stormwater Infrastructure

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



END

First adopted:	1 July 2005
Revision dates/version:	Version 1516 , Adopted TBC 24 June 2021
Date this Policy operative:	1 July 202 1 <u>2</u>
Engagement required:	Sections 82-87 LGA 2002
Document number:	D-3778315D-4098374
Associated documents:	Refer www.hamilton.govt.nz/dc
Sponsor/Group:	City Growth <u>Group</u>

DRAFT DEVELOPMENT CONTRIBUTIONS POLICY

202~~2~~/~~23~~1/~~22~~

1. PURPOSE OF POLICY

- 1.1 The purpose of this Development Contributions Policy ("the Policy") is to:
- Provide predictability and certainty about the role development contributions play in Council's overall funding and financial strategy;
 - Establish a policy framework for the calculation of development contributions and how they are to be applied to Council activities;
 - Enable the development community to understand how and in what proportions it pays for infrastructure which supports growth;
 - Set development contributions at a level which will assist Council in delivering on its role and purpose as defined under the Local Government Act 2002 (LGA).

2. QUICK REFERENCE GUIDE

- 2.1 The following table provides quick references to key sections of the Policy:

Section	Section Name	Page
Section 5	What is a development contribution?	4
Section 6	Definitions	5
Section 9	Capped and Phased Charges	14
Section 11	Stages when development contributions are required	23
Section 12	Payment of development contributions	24
Section 13	Limitations and calculation of credits and exemptions	25 6
Section 14	Requests for reconsideration	26
Section 15	Objecting to an assessed your charge	27
Section 17	Special Assessments	28
Section 18	Remissions	29
Section 21	How to estimate your development contribution charge	32
Schedule 1	Table of Charges	34
Schedule 7	Catchment maps	53

- 2.2 These are suggested as sections for first reference, but the Policy needs to be considered in its entirety. The full methodology and supporting information behind the Policy is also available from Council upon request.
- 2.3 The following summary information can be viewed by clicking the links below. They are for guidance and information only, and do not supersede anything in this Policy.
- [Development contributions information sheet](#)
 - [How to estimate a development contribution charge](#)
 - [When do I need to pay a development contribution?](#)
- 2.4 For further guidance and information please visit [Council's development contributions website](#)

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4. POLICY BACKGROUND

- 4.1 Hamilton has grown rapidly over the past few decades and although the rate of growth slowed down following the global financial crisis, economic activity has been strong for several years and ongoing growth is projected for Hamilton into the foreseeable future.
- 4.2 Council is required to ensure that this growth is efficiently managed and accommodated within the city so that growth benefits the entire community. The primary way that Council performs this function is by delivering infrastructure to support this growth in an efficient and cost-effective manner. That infrastructure includes reserves, community infrastructure, and network infrastructure such as roads, water, wastewater, and stormwater systems.
- 4.3 Council must plan for this future demand for infrastructure that comes from growth and establish a capital expenditure programme which provides for these activities over time. It must also determine how these activities are to be paid using the range of funding sources available to it, including rates, financial contributions under the Resource Management Act 1991, grants, and development contributions.
- 4.4 Council is required to determine how each activity is to be funded, including what activities should be funded wholly, or in part, by development contributions, which are a direct method of targeting the developer community as a funding source. The need for some infrastructure, for example, is brought about solely to meet additional demand created by development, and so it is fair that the developer community contributes significantly to these costs. However, new infrastructure may also benefit the wider community, and so it is appropriate that they also contribute to the costs. An appropriate balance must be struck, depending on the activity.
- 4.5 This Policy establishes a framework for determining what level of funding an activity will receive by way of development contributions, and assists developers in determining the level of development contributions payable by them on a development by development basis.
- 4.6 This Policy takes effect on 1 July 2024 and will apply to applications for consents or service connections submitted on or after that date where accompanied by all required information.
- 4.7 Applications for consents or authorisations submitted to Council prior to 1 July 2024 but not granted until after 1 July 2024 will be considered under the policy that was in force at the time that the application was submitted to Council accompanied by all required information.

5. WHAT IS A DEVELOPMENT CONTRIBUTION (S197AA, AB LGA)

- 5.1 A development contribution is a contribution made by a developer to Council which is provided for in this Policy and calculated in accordance with the methodology set out in this Policy and established by the LGA; it can comprise money, land or a combination of both.
- 5.2 The purpose of the development contribution provisions as stated in the LGA is to enable territorial authorities to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

- 5.3 A development contribution may be required in relation to developments if the effect of the developments is to require new or additional assets or assets of increased capacity, and as a consequence, Council incurs capital expenditure to provide appropriately for community infrastructure, reserves or network infrastructure. Developments are considered in this context to be cumulative with other developments.
- 5.4 Council can require a development contribution to pay for capital expenditure already incurred by it in anticipation of the development.
- 5.5 Before any development contribution can be levied in respect of development, it must be demonstrated that the development, which can be any subdivision or other development, by itself or in combination with other developments, generates a demand for community infrastructure, reserves or network infrastructure. Network infrastructure means the provisions of roads and other transport, water, wastewater, and stormwater collection and management. Council can require a development contribution to be made to it upon the granting of resource consent under the Resource Management Act 1991, the granting of a building consent or certificate of acceptance under the Building Act (2004), or upon authorisation of service connection being granted.
- 5.6 A development contribution cannot be levied if Council has imposed a financial contribution condition under the Resource Management Act 1991 in respect of the same development for the same purpose, or if the developer will fund or otherwise provide for the same community infrastructure, reserve or network infrastructure, or Council has received or will receive funding from another source.

6. DEFINITIONS

~~6.1~~ ~~Long Term Plan~~ means Council's adopted long term plan in accordance with the LGA.

~~6.26.1~~ **activity** means transport, water, wastewater, stormwater, community infrastructure or reserves.

~~6.36.2~~ **allotment** means:

- a) any parcel of land under the Land Transfer Act 1952 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not:
 - i. the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted by Council.
 - ii. a subdivision consent for the subdivision shown on the survey plan has been granted under the Act.
- b) any parcel of land or building or part of a building that is shown or identified separately:
 - i. on a survey plan.
 - ii. on a licence within the meaning of Part 7A of the Land Transfer Act 1952.
- c) any unit on a unit plan.
- d) any parcel of land not subject to the Land Transfer Act 1952.

~~6.46.3~~ **ancillary activity** means any non-residential activity on the same site as another principal non-residential building or activity and whose use is incidental to the principal building or principal activity, and which occupies not more than 25% or 250m² of the activity's gross

floor area on the site and associated premises (including any associated premises on an immediate adjoining site), whichever is the lesser.

6.56.4 base charge means the unmodified development contribution charge generated by the development contributions calculation model.

6.66.5 bedroom means an area of a residential unit that is not:

- a) the kitchen, bathroom(s), laundry and toilet(s),
- b) the dining room or living room (but not both) whether open plan with the kitchen or not,
- c) entrance halls and passageways,
- d) garage, and
- e) any other room smaller than 6m².

6.76.6 capex means capital expenditure.

6.86.7 capped charge means a development contribution charge manually adjusted to a level lower than the base charge (refer section 9: capped charges).

6.96.8 catchment means an area shown in Maps 1-9 (refer Schedule 7) within which a separately calculated and specified set of development contributions charges apply.

6.106.9 CBD means the Central Business District. An area defined as the Business Improvement District (BID) in Council's Rating Policy.

6.116.10 citywide means the catchment that covers the entire city. The citywide charge forms a component of all other development contribution charges.

6.126.11 commercial development means any development involving the use of premises (land and buildings) for administration or professional activities, leisure and recreation activities, community centres, places of worship, mobile accommodation, overnight accommodation, and all other activities not covered by the definitions of residential, retail, and industrial development.

6.136.12 community infrastructure

- a) means land, or development assets on land, owned or controlled by the territorial authority for the purpose of providing public amenities; and
- b) includes land that the territorial authority will acquire for that purpose

6.146.13 Council means the Hamilton City Council and includes any committee, subcommittee or person acting under delegated authority.

6.156.14 Council's website means www.hamilton.govt.nz/dc

6.166.15 DC means development contribution.

6.176.16 developer means any individual entity or group undertaking development.

6.186.17 development means any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for community infrastructure, reserves or network infrastructure; but does not include the pipes or lines of a network utility operator.

6.196.18 one bedroom dwelling means a residential unit with not more than one bedroom in total.

~~6.206.19~~ **two bedroom dwelling** means a residential unit with not more than two bedrooms in total.

~~6.216.20~~ **standard residential dwelling** means a residential unit with not more than three bedrooms in total.

~~6.226.21~~ **large residential dwelling** means a residential unit with more than three bedrooms in total.

~~6.236.22~~ **granted** means the date that an application for a consent or service connection is approved by Council.

~~6.246.23~~ **greenfield** means any catchment other than the citywide and infill catchments.

~~6.256.24~~ **gross floor area (GFA)** means the sum of the area of all floors of all buildings on a site measured from the exterior faces of the exterior walls or from the centrelines of walls separating two buildings.

The measurement of gross floor area shall include:

- ~~a) include~~ elevator shafts, stairwells and lobbies at each floor and mezzanine floors and balconies
- ~~a)b) include the floor area beneath~~ permanent outdoor covered structures and canopies, including where existing floor area is covered for the first time; and
- ~~c) covered and uncovered areas of a site that provide carparking on a commercial basis.~~

The measurement of gross floor area shall exclude:

- ~~d) incidental or temporary loading and servicing areas and access thereto~~
 - ~~e) and~~ building service rooms containing equipment such as lift machinery, tanks, air conditioning and heating plants
 - ~~f) the area that provides for carparking to directly service the development~~
 - ~~b)g) buildings and structures authorised by a relevant building consent or resource consent for the first time, which have a duration of two years or less; and~~
 - ~~h) exclude buildings and structures where defined as temporary in a relevant consent, building eaves and overhangs when extend up to 1.0m from exterior walls.~~
- for the purposes of this Policy, include car parking provided on a commercial basis, and
- in cases where there is no constructed floor or in which existing floor area is covered for the first time by a roof or other covered structure, include the area under the roof or the covered structure.

~~6.266.25~~ **household unit equivalent (HUE)** means demand for Council services, equivalent to that produced by an average household.

~~6.276.26~~ **industrial development** means any development involving the use of premises (land and buildings) for manufacturing, processing, bulk storage, warehousing, servicing and repair activities, or if the use of premises is unknown, any development permitted or authorised by resource consent in an industrial zone.

~~6.28~~6.27 **infrastructure** means network infrastructure, community infrastructure or reserves.

~~6.29~~6.28 **Infrastructure Strategy** means the 30-Year Infrastructure Strategy adopted with Council's Long-Term Plan.

~~6.30~~6.29 **lodgement date** means, in accordance with S 198 (2A) LGA 02, the date at which an application for building consent, resource consent or authorisation of service connection was submitted, accompanied by all required information.

6.30 **Long-Term Plan** means Council's adopted long term plan in accordance with the LGA.

6.31 **lot** means allotment.

6.32 **LGA** means the Local Government Act 2002.

6.33 **network infrastructure** means the provision of roads and other transport, water, wastewater, and stormwater collection and management as defined by the LGA.

6.34 **residential activities** means the use of land and buildings on a site by people for living accommodation either alone, in families or groups.

6.35 **residential development** means new buildings or parts of buildings designed to be used as residential units. This includes but is not limited to apartments, semi-detached and detached houses, ancillary residential units, units, town-houses, private units within a retirement village, show homes, self-contained accommodation, and new allotments on land that is zoned residential.

6.36 **residential unit** means a building or group of buildings, or part of a building or group of buildings that are used, or intended to be used, only or mainly for residential activities.

6.37 **retail development** means any development involving the use of land or buildings where goods and services are offered or exposed to the general public for sale, hire or utilisation. For the purposes of this Policy, this definition shall include restaurants, licensed premises and food and refreshment facilities.

6.38 **Schedule of Assets** means the S201 LGA schedule available on Council's website.

6.39 **sector** means residential, industrial, commercial, retail, or wet industries

6.40 **self-contained accommodation** means a residential unit which has kitchen, toilet and bathroom facilities.

6.41 **site** means an area of land which is:

- a) Comprised in a single certificate of title or in respect of which a single certificate of title could be issued without further consent from the Council.
- b) Composed of two or more lots held together in one (or more) certificate(s) of title and where no single lot can be dealt with separately without the prior consent of the Council.
- c) An area of land which has been defined for the purpose of transferring it from one certificate of title to another.
- d) An area of land which is, or is to be, used or developed as one property whether or not that use, or development covers the whole or a part(s) of one or more lots.

6.42 **wet industries** means industrial developments that are assessed to or will utilise more than 15,000 litres of water per day.

7. GROWTH-RELATED CAPITAL EXPENDITURE (S101(3), S106(2), S197AB, S199(1), S201(1) LGA)

- 7.1 **Summary and explanation of growth-related capital expenditure (s106(2), (2)(a) s201A LGA)**
- 7.2 Based on demographic and economic data it is projected that Hamilton will continue to grow over the next few decades. Some of this growth can be supported by existing Council infrastructure, but Council has identified that there will also be a need for several new assets and an increase in the capacity of a number of existing assets.
- 7.3 Major growth-related infrastructure projects in Council's 30 Year Infrastructure Strategy include further extensions of the Hamilton Ring Road including a four-lane bridge into Peacocke, capacity increases relating to water and wastewater headworks, completion of existing and the provision of new sports parks, a stormwater floodway in Rotokauri, and extensions to water, wastewater, transport and stormwater infrastructure in Rototuna, Ruakura, Rotokauri, and Peacocke.
- 7.4 Not all growth-related projects can be funded from development contributions. A development contribution can only be levied where it can be demonstrated that the effect of the development, either alone or in combination with other developments, is to require new or additional assets or assets of increased capacity, and as a consequence, Council incurs capital expenditure to provide that infrastructure.
- 7.5 Where this criterion can be met, Council has chosen to recover some of the costs for these infrastructure projects from development contributions.
- 7.6 The Schedule of Assets sets out in detail information for each new asset or programme of works, including the estimated capital costs and the proportion proposed to be recovered through development contributions and through other funding sources.
- 7.7 **Development contribution components and proportion of growth-related capital expenditure funded by development contributions (s199(1), 106(2)(b) LGA)**
- 7.8 The growth-related capital expenditure that Council has incurred, and will incur over the Long-Term Plan period and for selected projects the 30 Year Infrastructure Strategy period, is allocated across a number of groups of activities that are impacted by increased demand, and will be funded from a mix of development contributions, rates, financial reserves, and NZTA subsidies as set out in the Schedule of Assets.
- 7.9 The development contribution charges for these groups of activities correspond to six development contribution charge accounts maintained by Council. The six development contribution accounts cover the three types of infrastructure for which Council takes development contributions, these being community infrastructure, reserves and network infrastructure. The latter is further divided for charging purposes into transport, water, wastewater and stormwater.
- 7.10 **Rationale for using development contributions as a funding source (s106(2)(c), 101(3) LGA)**
- 7.11 The proportion of costs that will be funded by development contributions has been determined using the following rationale.
- 7.12 Community outcomes

- 7.13 Council's growth-related capital expenditure primarily contributes to the following community outcome identified to guide city strategic planning: *"a city that embraces growth - our city has infrastructure that meets our current demands, supports growth and helps build a strong economy."*
- 7.14 Council considers that this community outcome is best promoted by:
- the timely provision of infrastructure to support growth in Hamilton, while protecting ratepayers from unacceptable annual rates increases by taking development contributions to fund an appropriate portion of growth-related capital expenditure;
 - using conservative assumptions to forecast growth or project development contribution revenue; and
 - allocating costs of growth-related expenditure to reflect the causes and benefits of growth infrastructure provision and hence encouraging sustainable development activity by ensuring that developers meet their fair and equitable share of the costs related to the infrastructure provided.
- 7.15 Additionally, in the process of allocating costs to development contributions, Council's outcomes and goals specific to each major project were identified and taken into consideration.
- 7.16 Causes and benefits
- 7.17 The LGA provides that cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the growth-related assets to be provided (including the community as a whole) as well as those who create the need for those assets.
- 7.18 It is Council's view that development is a major cause of the costs identified in the Schedule of Assets, and that this growth-related expenditure is necessary to enable the growth of the city to continue without reducing the current levels of service provided.
- 7.19 Developers will also derive benefit from this expenditure on infrastructure by Council, so it is fair and equitable that developers should pay for a reasonable portion of these costs through development contributions.
- 7.20 Extent to which development causes expenditure
- 7.21 In evaluating the extent to which development causes expenditure, some components of the total cost of growth-related capital projects will be excluded from charging, including growth caused from outside the city, growth that is caused and benefits only the general rating community, and level of service improvements. This portion will be funded separately from other sources including central government subsidies and general rates loans – recognising that some of the benefits derived from these assets accrue both to the existing community and to future ratepayers, and those outside the city.
- 7.22 Cost allocations are evaluated on a project-by-project basis or for groups of projects, and include consideration of:
- the project description and relevant information
 - the purpose and key outcomes of the project
 - related projects and project dependencies

- rationale for the choice of catchment
 - multiple Levels of Service considerations
 - growth benefits and growth causation rationale
 - the duration of those benefits
 - the exclusion of non-DC growth.
- 7.23 Projects considered to be of the greatest significance in terms of quantum of cost, complexity, or other matters, including community considerations, have been assessed in substantially more detail. Individual substantive engineering reports have been compiled and referred to for the purposes of allocating costs, including disaggregation of projects into component projects for finer grained analysis, and detailed project and asset metrics under guidance from an external asset management specialist.
- 7.24 These reports and the wider analysis intend to rigorously capture what is meant by level of service deficiencies and its different dimensions and significance, and to assess capital projects on the extent to which they are driven by these level of service deficiencies.
- 7.25 Costs by project have been allocated to development contributions by deriving a percentage figure to reflect both the extent to which the development community causes the need for the expenditure, and the extent to which developers benefit from the expenditure. The average of the two percentages is used as the final percentage of growth-related project costs for development contributions funding.
- 7.26 The percentage figure for developer causation has been derived by considering the extent to which the project would be needed if there was no development, by excluding the portion of each project that contributes to renewals, demand caused by development outside the city, and remedying existing level of service deficiencies (backlog).
- 7.27 Level of service assessments are derived by considering the breadth of level of service improvements addressed by provision of each project, and by the significance of the level of service improvements of each project in the context of the wider project or projects.
- 7.28 For transport projects for which NZTA subsidies are available, the amount of these subsidies is removed from the total cost prior to applying the development contributions allocation.
- 7.29 Significant assumptions in the cost allocation process are described under 10.71 below. Full details of methodology for cost allocations, causation and benefit analysis, and other related aspects for each individual project cost allocation are available on request.
- 7.30 The distribution and timing of benefits
- 7.31 The timing of profits accruing to developers and the need for the capital expenditure both align more closely with the timing of the consents required by developers than they do with the annual rates payments made by residents, so it is appropriate that a portion of the costs be imposed as development contributions through the consenting process.
- 7.32 For each project, consideration has also been given to the period over which the benefits are expected to occur or over which the capacity provided by the project will endure. Recovery of costs from development contributions has been timed to align with this period. The cost allocation percentage figure for growth benefits has been derived on the basis of assessed growth benefits accruing to new residents compared to existing residents, and by considering the rate of expected growth over the recovery period.

- 7.33 Housing Infrastructure Fund (HIF)
- 7.34 HIF is a government initiative to provide alternative funding sources for high growth councils that have financial challenges in providing growth infrastructure necessary to enable adequate housing supply is maintained.
- 7.35 HIF comprises two main funding elements for growth infrastructure being a 10 year interest free loan, and for applicable transport projects, a capital subsidy from NZ Transport Agency.
- 7.36 Council ~~has~~ successfully applied to the Government for HIF funding of growth infrastructure projects that will enable stage two of the Peacocke area to be developed. The Government ~~have~~ approved the HIF subject to final Council acceptance of loan agreement terms and on Council approving its 2018-28 Long-Term Plan (with the Peacocke growth infrastructure included) following the public engagement process.
- 7.37 Interest costs not incurred by Council on account of HIF interest free borrowing terms, which the calculation model would otherwise have included in its development contribution charge calculation, have been offset in the model. The effect of this is to prevent developers paying development contributions for interest that would never actually be incurred by Council. Likewise, NZTA subsidies have been excluded from recovery through development contributions.
- 7.38 If Council ceased to rely on the HIF facility then the interest free offset would not be used in the development contribution charge calculation.
- 7.39 Transparency and accountability
- 7.40 Growth costs and their funding source are identified separately and on a project-by-project basis which imposes significant administrative costs on Council, but these are outweighed by the benefits in terms of greater equity (user pays), transparency and accountability.
- 7.41 The full methodology and rationale that demonstrates how the calculations for the contributions were made, is available on Council's website.
- 7.42 Overall impact of allocation
- 7.43 In some catchments, and for some types of development, Council has taken the view that the development contribution charge resulting from the above allocations would have an adverse effect on the development community to an extent that it would hinder growth and development, with negative consequences for the community as a whole. In these cases, Council, with consideration to s101(3)b of the LGA, has opted to cap the charge and fund any resulting revenue impacts from rates. This approach is consistent with that described in Council's Revenue and Financing Policy in the section titled Funding Sources for Capital Costs.
- 7.44 Council considers that overall, the allocation of growth-related capital costs to development contributions set out in the Schedule of Assets and the resulting development contribution charges as specified in Schedule 1 of this Policy to be reasonable and consistent with the statutory framework.
- 7.45 Total amount of development contributions funding sought (s106(2)(d), s201(1), s197AB LGA)

- 7.46 The total amount sought from development contributions funding, including financing costs, is set out in Schedule 2 of this Policy.

8. EXPLANATION AND JUSTIFICATION FOR CALCULATION OF CHARGES (S201(1)(A) LGA S197AB)

8.1 Development contribution catchments

- 8.2 Different areas of the city ("catchments") have been allocated different amounts of growth-related capital expenditure as set out in the Schedule of Assets and are forecast to have different amounts of growth (see Schedule 6). Financing costs have been allocated to them in proportion to the balance of expenditure and growth within each area over time (see Schedule 2).
- 8.3 It is not practical to define catchments that precisely fit each individual growth project that Council undertakes. Taking this into account, Council considers that it is most equitable to divide the city into catchments as is shown in the maps displayed in Schedule 7.
- 8.4 Within each of these catchments, unless a remission, specific agreement or where credits apply, all developments will pay the same development contribution, regardless of their location within the catchment and regardless of their proximity to any particular projects that Council has undertaken or will undertake in that catchment.
- 8.5 This will ensure that the historical and future costs of growth-related capital works in that catchment are shared amongst all developments that benefit from them to the best practicable extent, whether directly or indirectly.
- 8.6 Some growth-related capital expenditure cannot adequately be confined to individual areas, and where appropriate will be recovered on an equal basis from all developments in the city, regardless of location.
- 8.7 Council's approach is supported by s197AB(1)(g) of the LGA which provides that when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that—
- a) the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
 - b) grouping by geographic area avoids grouping across an entire district wherever practical.
- 8.8 **Producer Price Index adjustments**
- 8.9 Council will at its sole discretion and in accordance with s106(2B-2C) LGA, will increase the capital component of development contribution charges annually based on the Producers Price Index Outputs for Construction rate provided by Statistics New Zealand.
- 8.10 **Calculation of charges (s203(2), Schedule 13 LGA)**
- 8.11 The formula used in Council's calculation model to calculate project-level charges is derived from the following equilibrium condition. It states that the net present value of money coming in from development contributions must equal the present value of money going out for growth-related project costs.

$$\sum_{t=1}^N \frac{HEU_t \times DC_t}{(1+r)^{t-1}} = Growth \times \left(\sum_{t=1}^k \frac{Cost_t}{(1+r)^{t-1}} + HC \right) - HR$$

8.12 It follows that the development contribution charge is as follows:

$$DC_1 = \frac{Growth \times \left(\sum_{t=1}^k \frac{Cost_t}{(1+r)^{t-1}} + HC \right) - HR}{\sum_{t=1}^N HEU_t \times \left(\frac{1}{1+r} \right)^{t-1}}$$

8.13 Where:

- t = time indicator
- Cost_t = LTP Project Cost in year t
- HEU_t = HUE_t = Household equivalent units of demand in year t
- DC_t = DC₁ = Development contribution per HUE in year t
- r = annual interest rate
- N = length of the cost recovery period in years.
- k = time over which future project costs will be recovered in years
- Σ = summation operator
- HC = Historic costs incurred prior to the LTP
- HR = Historic development contribution revenues allocated to this project
- Growth = share of project cost to be recovered from growth via development contributions

8.14 Capital expenditure and growth (which is proportional to revenue) for the purposes of generating the charge are expressed in present value terms in order to match planned costs with forecast growth for the purpose of determining revenue across the life of the model, consistent with accepted financial modelling practices.

8.15 For each development contributions account within each catchment, the charge is the sum of the charges for the individual expenditure items.

8.16 A worked example is provided in Schedule 3, illustrating the calculation of a specific charge in accordance with this formula.

8.17 More detail on the mathematics in the model is available from Council on request.

9. CAPPED AND PHASED CHARGES (S101(3)B, S198(2A) LGA)

9.1 Some development contribution charges calculated by the calculation model have been capped at a specific level, or phased in, to take account of considerations outside the scope of the development contribution model parameters.

9.2 The calculation model produces mathematically and legally justifiable development contribution charges “base charges” but whether these base charges are to be levied is

required to be tested in accordance with s101(3)b of the LGA, which is a critical filter through which all proposed development contributions must pass.

- 9.3 Council has considered the base charges in light of the critical filter set out in s101(3)b and concluded that if the base charges were adopted, in some cases this would represent an allocation of liability for revenue needs which would not deliver the most advantageous impacts on the community. Accordingly, Council has decided to reduce certain base charges as set out below.
- 9.4 Capped and phased development contribution charges in this section represent a manual adjustment to a base charge. Capped and phased charges are a discretion of Council and should not be considered charges in their own right.
- 9.5 For the purposes of disclosure on fees advice letters, capped individual activity charges are generated by scaling the base activity charges by the ratio of the total capped charge and the total base charge. Phased charges are an incremental annual increase to the 2019/20 Policy charges as set out in section 9.11 below.
- 9.6 **Council's decision to modify charges under S101(3)b**
- 9.7 Council considers that its decision to cap or phase charges represents a proper exercise of its discretion under s101(3). Council's decision in respect of these capped and phased charges has not impacted on its decision making in respect of the balance of this Policy. To that extent, Council would have adopted the balance of this Policy regardless of whether it capped or phased these charges.
- 9.8 **Capped non-residential charges**
- 9.9 Development contribution charges for industrial, commercial, or retail development (or part of a development) will pay no more than \$20,000, \$30,000, or \$40,000 respectively (exclusive of GST) per 100m² of gross floor area for the total of water, wastewater and transport activities, and correspondingly for stormwater on a site area basis.
- 9.10 Where the base charge is less than that amount, the base charge will apply.
- 9.11 **Phased residential charges**
- 9.12 Development contribution charges for residential development in the Peacocke 1, Peacocke 2, Rotokauri, Rototuna and Ruakura general catchments will be phased in annually between 1 July 2021 and 30 June 2023.
- 9.13 The incremental phased increases in development contributions ~~are~~ as follows:
 - (i) where the lodgement date is between 1 July 2021 and 30 June 2022, residential developments in the above catchments pay the 2019/20 Policy charges plus 1/3rd of the difference between the 2019/20 Policy and the 2021/22 Policy charges.
 - (ii) where the lodgement date is between 1 July 2022 and 30 June 2023, residential developments in the above catchments pay the 2019/20 Policy charges plus 2/3rd of the difference between the 2019/20 Policy and the 2021/22 Policy charges.

- (iii) Where the lodgement date is between 1 July 2023 and 30 June 2024, residential developments in the above catchments pay the full 2021/22 Policy charges set out in Schedule 1B (base charges).

- 9.14 Phased charges are calculated using aggregated 2019/20 Policy and base charges, and apportioned using the activity proportions of the base charges.
- 9.15 See Schedule 1A for a table of these phased charges and Schedule 1B for the base charges.
- 9.16 Schedule 1A will be updated annually to reflect the next phase of charges as outlined in 9.14 above.
- 9.17 These phased charges are intended to provide greater certainty of the level of development contributions charges payable by developers, but Council reserves the right to review its policy and corresponding charges at any time.
- 9.18 **Rationale**
- 9.19 Base non-residential charges in some catchments are significantly higher than comparable areas in other parts of the city, largely due to higher investment by Council in its strategic growth capital programme in those areas.
- 9.20 Due to increasing costs of providing growth infrastructure and the scale of infrastructure required, development contribution charges are materially higher in this policy than in previous policies, which creates financial planning difficulties for developers and those purchasing property. To address this, residential development in the Peacocke 1, Peacocke 2, Rotokauri, Rototuna and Ruakura general catchments are phased in by one third each year over three years.
- 9.21 Council has made substantial infrastructure investments based on long-term city growth planning and land use strategies, which, if materially compromised due to low uptake, could reduce the realisation of expected benefits from Council's investment in infrastructure, and lead to lower levels of development and loss of jobs and industry to other regions.
- 9.22 Under those circumstances, allocation of liability for revenue needs according to the base charges may have an adverse impact on the community and to avoid this impact, the base charges for some non-residential charges has been capped and some residential charges have been phased in, as described above.

10. SIGNIFICANT ASSUMPTIONS AND POTENTIAL EFFECTS OF UNCERTAINTY (S201(1)(B), S197AB LGA)

- 10.1 The Development Contributions Policy incorporates a number of assumptions underlying the calculation of development contributions, principally around city growth, the demands placed on infrastructure by different types of developments, the allocation of costs and ultimately how these costs will be recovered from different types of development.
- 10.2 These assumptions, and an assessment or estimate of the effects of the uncertainty surrounding them, are detailed in this section.
- 10.3 **Growth projections**

- 10.4 Residential growth projections are based upon the National Institute of Demographic and Economic Analysis (NIDEA) population projection methodologies and data from Council's databases.
- 10.5 Non-residential floor area projections are based on economic projections for Hamilton and the Waikato Region by Market Economics Ltd.
- 10.6 Summary growth projection tables for the Long-Term Plan period are presented in Schedule 6.
- 10.7 Effects of uncertainty
- 10.8 Projecting or forecasting growth over the long term across the city and for individual areas and types of development within the city naturally involves a significant amount of uncertainty, and this will become more pronounced as time progresses. Growth inputs are a core component of the charge calculations, and there is a real likelihood that even a robust growth model would generate outputs that vary significantly from realised growth.
- 10.9 Projections that are lower than 'actual' growth would retrospectively have returned charges set at a level that is too high, and vice versa.
- 10.10 The divergence may also vary according to catchment and industry sector, resulting in charges that are weighted too heavily to some areas or some types of development. The effect of citywide growth variations would be expected to be less because projecting across a city has a lower error margin than by individual catchment, and historical data will inform projections better across a city compared with catchments or growth cells.
- 10.11 In order to minimise the effects of uncertainty, growth demand projections and assumptions will be monitored and regularly reviewed in light of new information.
- 10.12 **Conservative revenue assumptions**
- 10.13 The theoretical revenue generated by the development contribution model assumes that all HUEs return full revenue in accordance with the applicable charges.
- 10.14 Forecasts for development contribution revenue for the purposes of the Long-Term Plan are conservative estimates including allowances made for future remissions, and historical consents issued at lower charge rates as per the applicable policy at the time a consent is granted.
- 10.15 Effects of uncertainty
- 10.16 Revenue forecasting has a high margin of error due to substantial underlying assumptions including economic outlook and projections, growth projections, undeterminable developer and market behaviour, the property market volatility and unpredictability, and other wider considerations including government policy changes.
- 10.17 This uncertainty impacts Council's debt to revenue calculations and consequent capacity for borrowing to finance growth. Council has attempted to strike a balance in its forecasts, based on historical levels of revenue and the best information that it has available about likely future revenues, but with a view to conservatism.
- 10.18 If Council had included an allowance for reduced development due to high charges, it would have reduced revenue in the model and increased charges to an extent.
- 10.19 **Methodology for relating costs of community facilities to units of demand.**

- 10.20 The purpose of Council's methodology is to enable it to recover from those persons undertaking development a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.
- 10.21 It achieves this outcome by first identifying the total cost of the capital expenditure that it expects to incur in respect of these community assets to meet increased demand resulting from growth.
- 10.22 Next it identifies the share of that expenditure attributable to each unit of demand. It does this by using the units of demand by which the impact of growth has been assessed. To identify those units of demand Council takes account of a wide data set of information which informs it on the estimated rates of development in the City.
- 10.23 **Supply of land**
- 10.24 The supply and capacity of development land is assumed to be constrained by the current and future availability of infrastructure – whether planned to be provided by Council or likely to be able to be provided by developers.
- 10.25 The land supply assumptions are well informed from the perspective that Council is providing much of the growth infrastructure and has good information on yield and land availability. Private land owners however will bring sections to market using rationale that is not entirely predictable from Council's perspective, and as a result there will inevitably be variance between projected and actual future land supply.
- 10.26 Effects of uncertainty
- 10.27 If the actual supply of land for development is higher than was projected, then more development could potentially go ahead, spreading capex costs over more growth which would have retrospectively reduced the development contribution charge.
- 10.28 The supply assumptions that have been made are based on information provided by Market Economics Limited and the best knowledge of Council's Growth Funding & Analytics Team at the current time.
- 10.29 **Types of development (sectors)**
- 10.30 Developments are assumed to be of five basic types (sectors):
1. Residential, which includes:
 - one bedroom dwelling
 - two bedroom dwelling
 - standard residential dwelling
 - large residential dwelling
 2. Retail
 3. Commercial
 4. Industrial, and
 5. Wet industries.
- 10.31 Within these sectors, there will be a range in the amount of benefit derived from Council's growth-related capital expenditure.
- 10.32 With the exception of wet industries, where demand will be assessed on a case by case basis, all developments within a sector will be charged development contributions at the rate applicable to that sector as a whole.

- 10.33 Effects of uncertainty
- 10.34 Using a wider range of sectors would theoretically allow a closer fit between the assumed demand generated and the actual demand produced by different types of development. However, although it might seem to be more equitable, this is not necessarily practical, as growth would need to be projected separately for each sector and insufficient data is available for this task. The range of sectors will, however, be reviewed periodically and will be expanded when appropriate and feasible as more sophisticated ways of modelling development emerge.
- 10.35 **Residential dwellings**
- 10.36 Council charges development contributions on a per bedroom basis using four categories, being large residential, standard residential, two bedroom, and one bedroom dwelling. Census 2013 data through statistical analysis shows that the greater the number of bedrooms in a dwelling the more people are likely living in it (distributed normally). The more people in a dwelling the greater level of Council services that dwelling demands. Accordingly, development contributions for larger dwellings are higher compared to smaller dwellings, noting that except for the stormwater charges, all dwellings with four or more bedrooms pay the large residential rate. Stormwater is treated differently because some multi-storey dwellings with four or more bedrooms will not necessarily give rise to increased impervious surfaces beyond those expected from a standard residential dwelling. Accordingly, large residential dwellings with more than one level are assumed to generate 1 HUE of stormwater demand.
- 10.37 Council made this decision in order to better reflect true infrastructure demands and improve the equitable spread of the development contributions burden across the residential sector. This approach better achieves the purpose of development contributions as set out in section 197AA of the LGA.
- 10.38 The total recovered over the long term is no greater or less than if Council had retained the approach taken in the prior policy.
- 10.39 Effects of uncertainty
- 10.40 A direct correlation is assumed between demand for Council services and the number of people in a dwelling. If the correlation was inaccurately estimated, development contributions would be distributed differently within the four residential categories, although a house with more bedrooms would always pay a higher development contribution than a dwelling with fewer bedrooms.
- 10.41 Council could have chosen more or less than four categories but elected to use four. It was deemed that choosing more than four categories would introduce undue complexity for both developers and the Council in its administration of the Policy. In any case, data shows that the more bedrooms a dwelling has, the slower the marginal increase in demand for services becomes for each of those additional bedrooms.
- 10.42 Council used its rating database to correlate the number of bedrooms per new dwelling with the Census 2013 data, to calculate demand factors for each of the bedroom categories. Census 2013 data shows that there were 2.7 people per household. This figure is used as the basis for determining the final demand factors for each dwelling size which is the basis of Council's household unit equivalent (HUE).

- 10.43 The stated assumptions are broad and general in construction and hence from one residential unit to another the assumptions may not correlate exactly with the actual demand placed on Council infrastructure, however these types of development constitute only a small proportion of total demand and revenue, and this mitigates the effects of uncertainty.
- 10.44 **Non-residential demand conversion factors**
- 10.45 To provide a common denominator calculating development contribution charges using the equations given in section 8, conversion factors have been used to equate non-residential demand to the residential demand. Conversion factors estimate the number of HUEs of demand that non-residential sectors produce per 100m² of gross floor area (GFA). Data from various sources (e.g. Census, water-metering, traffic studies) has been used to estimate the average demand placed on Council infrastructure (site area for stormwater) or per non-standard residential dwelling. Details of these are set out and described in Schedule 4.
- 10.46 Effects of uncertainty
- 10.47 A higher conversion factor for an activity will result in a higher development contribution charge, and vice versa.
- 10.48 The effect on the development contribution charges of variances due to the choice of conversion factors can be significant, but the current figures reflect the best information that Council has available at this time. Using a wider range of sectors would allow charges to be more closely tailored to individual types of development but would also require individual forecasting of each of these types, with a resulting increase in forecasting error.
- 10.49 An assumption is that HUEs can be used as a proxy for non-residential demand based on floor area (or site area for stormwater) by way of a set of metric based conversion factors. This is a typical approach for council development contribution policies to take, and no ready alternative is available.
- 10.50 **Catchments**
- 10.51 The Peacocke, Rototuna, Ruakura, and Rotokauri greenfield catchments (refer Schedule 7) are based on Council's District Plan structure plan areas. The Temple View and Te Rapa North greenfield catchments are areas that have been added to the city through recent boundary changes.
- 10.52 The infill catchment is defined as all areas in the city that are not greenfield areas, typically referred to as the built-up area or brownfields.
- 10.53 The stormwater catchments are based on monitored and modelled stormwater flows in hydrological catchments, and the wastewater catchments reflect the gravity-fed network, the natural boundary of the Waikato River, and the relative network impact of the eastern and western wastewater interceptors.
- 10.54 An all-of-city or "citywide" catchment is used where it is impractical or inequitable to use only the catchments described above. Any allocation of costs to the citywide catchment has been made in accordance with the following principles:
- a) Causation:

- There is a causal link between the demand generated by development in the city, regardless of location, and the need to undertake the project or expand the capacity of a network via a group of related projects.
- b) Open access:
- There are no significant barriers to the use of the infrastructure by all the community.
 - The infrastructure is available and accessible to the community at large.
 - The costs of using the infrastructure are fair and equitable, and no particular locality of the wider community is disadvantaged by higher user cost.
- c) Integrated network:
- The project contributes to an interconnected infrastructure network within the city.
 - The project benefits are closely aligned with the benefits of the related wider infrastructure network.
- 10.55 A number of the larger projects set out in the Schedule of Assets have been split into citywide and catchment components and allocated separately, to reflect causes and benefits of expenditure more equitably and accurately.
- 10.56 It is assumed that all developments within a catchment contribute to the need for and benefit equally from Council's growth-related expenditure having the effect that similar developments in the same catchment attract the same charge.
- 10.57 Effects of uncertainty
- 10.58 Where there are developments in close proximity but in different catchments, significantly different charges may be payable when the demand they place on infrastructure may be very similar. Conversely, not all developments within the same catchment will benefit equally from the infrastructure provided in that catchment.
- 10.59 Using a greater number of catchments would lessen the effect of the first of these issues, and strengthen the causal link between developments and the infrastructure that they require, but would heighten the effect of the second consideration and also entail higher error margins due to the requirement to project growth for smaller areas.
- 10.60 Council has tried to strike a balance between these two factors in its choice of development contribution catchments.
- 10.61 **Cost recovery periods**
- 10.62 The LGA sets out that development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended.
- 10.63 A 30-year maximum cost recovery period has been used. For capital expenditure providing capacity that will be exhausted prior to 30 years, the estimated length of remaining capacity has been used as the recovery period. For each project, the recovery period has been set to start either in 2006 or eight years prior to the commencement of expenditure on the project. This aligns with the typical duration of a subdivision consent, or for greenfield catchments the earliest year of the calculation model, being 2006.

10.64 Effects of uncertainty

10.65 The option of using a shorter maximum period (e.g. 20 years) was modelled and significantly increased the development contribution charges. Specialist advice is that it would be unusual for assets being recovered through this Policy to have a capacity life (not useful life) of more than 30 years, and in any case using a period longer than 30 years did not significantly reduce the charges, as interest costs and the capital expenditure allocated to development contributions funding were also greater.

10.66 The effect of starting the recovery period closer to the commencement of expenditure would be to increase the charge for individual projects because costs will be recovered over a shorter period.

10.67 **Allocation of capital costs to growth**

10.68 Capital costs have been allocated to development contributions funding only for projects that provide new assets or assets of increased capacity and that are necessitated by growth or will provide benefit to growth.

10.69 These project costs have been allocated under the assumptions set out in the Covec Limited methodology paper titled "Cost Allocation Guidelines for Development Contributions", which is published on Council's website.

10.70 The underlying rationale for these allocations is set out in the LGA and addressed in this section.

10.71 Substantive and comprehensive project-by-project analysis has been undertaken by independent engineers Stantec Limited and Gray Matter Limited for the purpose of allocating project costs to growth in accordance with the LGA and the Covec Limited methodology.

10.72 Programmes of work have been split into their component projects to allow for a finer-grained analysis. Costs have been allocated spatially and by activity while considering several factors and circumstances, principally based on growth causation, benefits, renewals, and levels of service.

10.73 Standardised bands are used for generating the causation and benefit assessments. These bands are conservatively constructed to preclude very high allocation of costs (over 88%) to development contributions. A high level of rigour has been applied to all project cost allocations.

10.74 It is assumed that the two key allocation aspects (being causation and benefits of growth) that are required to be considered under this rationale, should be weighted equally in generating an allocation after excluding growth caused by developments or other factors that should not attract development contributions ("non-DC growth").

10.75 Effects of uncertainty

10.76 Weighting allocations more heavily towards causation versus benefits would increase the charges. Weighting them more towards benefits would decrease them.

10.77 The assumption relating to the amount of non-DC growth has the effect that the development community is not paying for capital expenditure required to meet this demand. Capital expenditure relating to demand caused by development occurring outside

the city, asset renewals, certain types of levels of service change, and operations and maintenance costs are netted from allocations, which are funded by ratepayers or third-party funding.

- 10.78 Uncertainty around this assumption lies in projecting the extent of such non-DC growth, and may be significant, but is based on the best information available through specialist assessment and modelling. To the extent that the amount of non-DC growth is overestimated, the ratepayer is most affected.
- 10.79 Allocating growth costs in any different manner than that described in and sections 7.20 and 10.67 would have an impact on the development contribution charges. Council has used best practice methods, internal specialist analysis and external consultants, and is satisfied that the allocations as described are reasonable.
- 10.80 Full details of the methodology for cost allocations, causation and benefit analysis, and other related aspects for each individual project are available on Council's website, and in the Schedule of Assets.
- 10.81 **Limits of Modelling**
- 10.82 The calculation model that generates development contribution charges is a pure mathematical model that produces theoretical charges based on a large number of inputs that in isolation contain significant assumptions as detailed in section 10 above.
- 10.83 Although the model produces numerically precise charges, the nature of cumulative uncertainty means that the greater the number and significance of input assumptions, the greater the potential variation of outputs to changes in these assumptions.
- 10.84 The calculation model used to generate the charges in Schedule 1 includes the best numerical assumptions available to Council, and is the most appropriate tool to guide Council in setting development contribution charges.
- 10.85 Effects of uncertainty
- 10.86 The calculation of development contributions is therefore limited to an extent by the sensitivity of the model to inputs, and the degree of certainty and reliability of those inputs. As a result, modelled demand is likely to be different to actual or realised demand.

11. STAGES AT WHICH DEVELOPMENT CONTRIBUTIONS MAY BE REQUIRED (S198, S202(1)(B) LGA)

- 11.1 In most cases requirement for and the payment of development contributions happen at two separate points in time. This section and section 12 describe in detail how this works.
- 11.2 Council may require a development contribution to be made when any of the following milestones arise:
 - a) a resource consent is granted under the Resource Management Act 1991 for a development within its district; or
 - b) a building consent is granted under the Building Act 2004 for building work situated in its district; or
 - c) an authorisation for a service connection is granted.

- 11.3 Council may also require that a development contribution be made when granting a Certificate of Acceptance under section 98 of the Building Act 2004 if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is granted.
- 11.4 Council, at its sole discretion, will determine at which of the milestones set out in clauses 11.2 and 11.3 it will require development contributions.
- 11.5 If Council elects to not require a development contribution at the earliest of the milestones set out in clauses 11.2 and 11.3, it reserves the right to require a development contribution at any subsequent milestone, regardless of whether the assessed development contribution charge at that subsequent milestone is higher or lower.
- 11.6 It is the granting of the resource consent, building consent, authorisation of service connection or issuing of the certificate of acceptance that gives rise to the requirement for a development contribution payment to be made.
- 11.7 In accordance with Section 198(2A) LGA, and depending on which of the milestones set out in clauses 11.2 and 11.3 are exercised by Council, the development contributions will be calculated under the policy that was in force at the time the corresponding application for that resource consent, building consent, certificate of acceptance, or service connection was submitted, accompanied by all required information.
- 11.8 Please contact Council's Development Contributions Officer (DCO) at any time if you need guidance or clarification.

12. PAYMENT OF DEVELOPMENT CONTRIBUTIONS (\$198, \$208 LGA)

- 12.1 In accordance with section 11, for contributions required on subdivision consents, payment will be required prior to uplifting RMA section 224(c) certificates, and these will not be released until payment is received.
- 12.2 For staged developments where all other Council planning requirements have been met payment will be required only for the RMA section 224(c) certificates issued at each stage.
- 12.3 For contributions required on land use consents where a building consent is not required, payment will be required prior to commencement of the land use consent, and that consent shall not be put into effect until payment is received.
- 12.4 For contributions required on building consents, payment will be required prior to the issuing of Code Compliance Certificate, and this certificate will not be released until payment is received.
- 12.5 For contributions required on application for service connection, payment will be required prior to the service connection being authorised.
- 12.6 Where sufficient information is not available to determine the residential demand type at the milestone at which a development contribution is required, each residential unit will be assessed at the standard residential rate, being one residential HUE. If, prior to the date when payment is required, Council establishes to its satisfaction that the number of bedrooms differs from the standard residential unit rate, then those residential units will be reassessed at the applicable residential unit rate.

- 12.7 Where a building consent is granted on an existing residential dwelling and is assessed to generate additional demand as a result of those building works, the additional demand will be assessed for development contributions at the applicable residential demand unit rate, except that no further residential development contributions will be required where the original assessment was made under a prior policy that did not calculate development contributions on a per bedroom basis.
- 12.8 For non-residential developments where development contributions are assessed on resource consents and the scale of the development is unknown, the assessment will be based on the type of development that most closely matches the zoning of the land.
- 12.9 The gross-floor area of a non-residential development will be assumed to be a fixed percentage of the site area being 50% for retail developments, 30% for commercial, and 30% for industrial. These figures are conservative estimates of the floor-area to site-area ratio used in Council's growth projections and historical development information.
- 12.10 Such developments will be reassessed at building consent stage, and any additional floor area over and above that assumed and paid for at resource consent stage will be required at building consent stage.
- 12.11 **Invoicing**
- 12.12 Invoices relating to subdivision applications will be issued no later than at the time of request for an RMA section 224(c) certificate, unless an earlier milestone occurs which Council, at its discretion, may elect to invoice against.
- 12.13 Invoices relating to land use resource consents that are not linked to building consents will be raised at the time of granting the consent.
- 12.14 Invoices relating to building consents will be raised no later than the time of application for Code Compliance Certificate. Invoices relating to building consents granted by a building consent authority other than Hamilton City Council will be raised no later than 30 days following the issue of a DC notice of requirement.
- 12.15 Invoices relating to a service connection application will be raised no later than application for authorisation of that service connection.
- 12.16 Development contributions for resource consents that are linked to building consents will be assessed at the resource consent stage, and reassessed based on the final plans provided at building consent stage.
- 12.17 Notwithstanding 12.1 to 12.16, Council reserves the right to invoice and require payment of a development contribution at any point after the occurrence of any of the milestones described in 11.2 and 11.3.
- 12.18 If a developer wishes to pay an assessed development contribution prior to the stages set out above, an invoice may be raised at the time of actual payment by the developer.
- 12.19 In accordance with Section 198(2A) LGA, all invoices for required development contributions will be raised at the rates applicable at the time that the application for a resource consent,

building consent, or service connection was submitted, accompanied by all required information.

- 12.20 Consideration will not be given to development contribution charges assessed under prior policies in cases where the charges in this Policy (as presented in Schedule 1) are lower.
- 12.21 When development contributions are paid, the HUEs of demand that they provide for will be recorded and will be credited, by activity, against any subsequent consent or service connection application as it relates to the original consent. Accordingly, whilst subsequent applications will enable a reassessment and recalculation to be made, additional contributions will be required only where it is assessed that there will be an increase in HUEs of demand arising from the development.
- 12.22 For reasons of administrative efficiency, where the total amount payable is assessed as being less than \$50, no payment will be required, and no invoice will be raised.

13. LIMITATIONS AND CALCULATION OF CREDITS AND EXEMPTIONS (S199, S200(1), S197AB LGA)

- 13.1 A development contribution will only be required if the effects or cumulative effects of developments will create or have created a requirement for Council to provide or to have provided new or additional assets or assets of increased capacity.
- 13.2 Development contributions are calculated on an activity by activity basis based on increased units of demand (HUEs). Council will provide a credit against a development contribution where it can be demonstrated to Council's satisfaction on an activity by activity basis that:
 - a) pre-existing legitimately established units of demand existed on the site and placed actual demand on Council's infrastructure prior to the application for resource consent, building consent, or service connection; or
 - b) development contributions or financial contributions have previously been paid for those increased units of demand generated by the development.
- 13.3 Demand net of credits will be used to calculate a development contribution payable for the development on an activity by activity basis.
- 13.4 Credits for existing HUEs attach to the parent lot and are not transferable, unless all lots within the site are in common ownership, or if authorised by Council at its sole discretion.
- 13.5 Credits for HUEs will not be provided for commercial, retail, or industrial activities undertaken in an area of a site that is not included within the definition of gross floor area.
- 13.6 Any project undertaken by Council will itself not be liable to pay development contributions.
- 13.7 For the avoidance of doubt, development contributions required under this Policy for reserves are not for the specified reserves purposes referred to in Section 201 LGA.

14. REQUESTS FOR RECONSIDERATION (S199A, S199B, 202A LGA)

- 14.1 A person required by Council to make a development contribution may request Council to reconsider the requirement in accordance with Section 199A of the LGA.

- 14.2 A request for reconsideration of a requirement to pay a development contribution ("request") must:
- a) be made within 10 working days after the date of receipt of notice of the development contribution required by Council;
 - b) be made to Council in writing using the [Application for reconsideration of development contributions](#) which can be found on Council's website
 - c) set out the grounds and reasons for the request;
 - d) specify the outcome that is sought; and
 - e) include an email address for delivery of Council's decision.
- 14.3 A request can be withdrawn at any time before delivery of Council's decision on the request.
- 14.4 A person making a request may provide further information at any time before delivery of Council's decision. Further information will re-start the 15 working day period for delivery of Council's decision (S199B LGA).
- 14.5 Council also may require further information in relation to the request. The 15 working-day period for delivery of Council's decision does not begin until Council has received all required relevant information relating to the request (S199B LGA).
- 14.6 Council will consider:
- a) the grounds and reasons set out in the written request;
 - b) the purposes and principles in sections 197AA – 197A LGA; and
 - c) the application of this Policy in determining the proposed development contribution.
- 14.7 Council will make decisions on requests without holding a hearing. However, Council may, at its discretion, invite the requester to a meeting to discuss the request.
- 14.8 Council's decisions on requests will:
- a) be in writing;
 - b) be provided within 15 working days after the date on which Council received all required relevant information relating to the request; and
 - c) state whether the development contribution will be amended and, if so, the new amount.
- 14.9 Council's decision on requests will be delivered by email to the address nominated by the requester. If Council is unable to contact a requester by email, it will deliver the decision by making it available at the Municipal Building reception in Hamilton, to the requester and will attempt to notify the requester by telephone.

15. OBJECTING TO AN ASSESSED CHARGE (S199(C-P) LGA)

- 15.1 This section is intended only to be a summary for guidance. Any development contribution objection should be made with full consideration of all relevant information including Section 199C-P and Schedule 13A of the LGA.
- 15.2 Any person that has been provided a notice by Council (or other formal advice) of a requirement to pay a development contribution may object to the amount in accordance with Section 199C of the LGA.

- 15.3 An objection under Section 199C may be made only on the grounds, as set out under Section 199D, that a territorial authority has:
- failed to properly take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the territorial authority's 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; or
 - incorrectly applied its development contributions policy to the objector's development.
- 15.4 Any person lodging an objection must do so in accordance with the timeframes set out in Schedule 13A of the LGA.
- 15.5 For further information relating to lodging a development contributions objection please refer to the LGA and/or the office of the Department of Internal Affairs. It is also recommended that independent legal advice be sought.

16. DEVELOPMENT AGREEMENTS (S207(A-F) LGA)

- 16.1 Council may elect to enter into a development agreement with a developer in accordance with Section 207A of the LGA.
- 16.2 For guidance on requesting to enter into a developer agreement with Council, where applicable please refer to:
- Sections 207(A-F) of the LGA which contains specific "Developer agreements" provisions
 - Section 18.24 of this Policy "Private Developer Agreement (PDA) Remission"
 - Council's Growth Funding Policy
 - the guidance documents relating to Private Developer Agreement structure which can be found on Council's website; or
 - contact Council's City Development Unit for further information.

17. SPECIAL ASSESSMENT

- 17.1 A special assessment of development contributions may be undertaken at the discretion of Council, on an activity by activity basis to determine the amount of development contributions payable.
- 17.2 An application for special assessment must be made to Council in writing using the [Application for special assessment of development contributions](#) which can be found on Council's website.
- 17.3 A special assessment will be undertaken only where, as a threshold for consideration, the development is of a size greater than 20 HUEs (residential) or 2,000m² GFA (non-residential).

- 17.4 All special assessments will be evaluated consistent with the actual demand remission criteria set out in Section 18.11 of this Policy.
- 17.5 All actual and reasonable costs incurred by Council in determining the special assessment application, including staff time as set out in Council's schedule of 'Fees and Charges - Economic Growth and Planning' published on Council's website, its consultant and legal costs, and administration costs, shall be paid by the applicant whether or not a remission is ultimately granted in respect of the special assessment. If external costs are to be incurred by Council in its assessment of a special assessment Council may at its discretion require those costs to be met by the applicant in advance.
- 17.6 In support of an application for special assessment, the applicant must supply, for each activity, all relevant evidence of reduced demand on Council's infrastructure. This information is to be in the form of metrics provided by an appropriately qualified professional, referencing relevant policy provisions.
- 17.7 Special assessment applications are to be lodged with Council's Development Contributions Officers at the earliest opportunity, and prior to the earliest development contribution milestone as set out in Section 11 of the Policy. Where it is determined by Council that all relevant information has not been provided prior to the applicable development contribution milestone set out in Section 11 of this Policy, development contributions will be required in accordance with Schedule 1 of this Policy.
- 17.8 The amount of any special assessment will be assessed on a case-by-case basis having regard to the extent to which the special assessment criteria is met.
- 17.9 An application for special assessment, regardless of the outcome, will not affect the applicant's right to apply for a remission under Section 18 of this Policy.
- 17.10 Decisions on individual requests will not alter the basis of the Policy itself.
- 17.11 For further details relating to lodging a special assessment please refer to Council's website or contact Council's Development Contributions Officer.

18. REMISSIONS (S201(1)C, S200(2) LGA)

- 18.1 Upon application made by a developer, Council may at its sole discretion remit part or all of a development contribution levied on that developer.
- 18.2 Any application for a remission must be made to Council in writing using the [Application for remission of development contributions](#) which can be found on Council's website, and shall be lodged with Council within 30 working days of the development contribution charge being advised in writing to the developer. This applies to all remissions outlined in Section 18 of this policy.
- 18.3 Remission applications will be considered on an activity by activity basis, with those activities being water, wastewater, stormwater, transport, community infrastructure and reserves.
- 18.4 The amount of any remission will be assessed on a case by case basis having regard to the extent to which the remission criteria is met.
- 18.5 In calculating any remission on a capped or phased charge, the calculation shall be based, as its starting point, on the base charge without modification. A remission will then only be

provided if the calculated charge including remission is less than the capped or phased charge, otherwise the capped or phased charge will apply.

- 18.6 Decisions on individual requests will not alter the basis of the Policy itself.
- 18.7 There are four categories of remission, as described in the following paragraphs.
- 18.8 **Actual demand remission**
- 18.9 Development contributions are calculated based on modelled demand, measured in Household Unit Equivalents (HUEs). Council will consider a remission where actual demand is significantly lower than modelled demand.
- 18.10 To be eligible for a remission the applicant must supply, for each activity, all relevant evidence of actual demand reductions on Council's infrastructure in support of the remission application. This information is to be in the form of metrics provided by an appropriately qualified professional, referencing relevant Policy provisions.
- 18.11 Actual Demand Remission Criteria
- 18.12 In applying for a remission based on actual demand, the applicant must demonstrate to Council's satisfaction on an activity by activity basis that:
 - a) the actual HUEs of demand generated by the development are materially lower than the HUEs of demand assessed under the methodology set out in this Policy and in any event lower than modelled demand by five or more HUEs of demand, and;
 - b) for an activity, the reduced HUEs create capacity in Council's infrastructure network which Council is satisfied is material having regard to the nature of the development, its location, and implications for Council's infrastructure programme.
- 18.13 All actual and reasonable costs incurred by Council in determining an Actual Demand Remission application, including staff time as set out in Council's schedule of 'Fees and Charges - Economic Growth and Planning' published on Council's website, its consultant and legal costs, and administration costs, shall be paid by the applicant whether or not a remission is ultimately granted. If external costs are to be incurred by Council in its assessment of a remission Council may at its discretion require those costs to be met by the applicant in advance.
- 18.14 **CBD remission**
- 18.15 At Council's sole discretion, applications with a lodgement date between 1 July 2021 and 30 June 2024, for developments in the CBD may be eligible for a 50% remission (being a 50% remission of the standard applicable Infill West charge, as set out in Schedule 1 of this Policy) subject to:
 - a) ~~E~~engagement with the Urban Design Advisory Panel, and
 - b) ~~F~~final Lifemark 4-star certification for the residential components of the development.
- 18.16 Engagement with the Urban Design Advisory Panel, for the purposes of this provision, means that an application in relation to the development has been submitted to and considered by the Urban Design Advisory Panel or its Council representative.
- 18.17 Any residential components of a development which do not achieve Lifemark 4-star certification will be excluded from the remission.

18.18 High rise building remission

18.19 Subject to the criteria in 18.15 above, developments in the CBD with 6 or more storeys will pay no development contributions (being a 100% remission of the standard applicable Infill West charge, as set out in Schedule 1 of this Policy)

18.20 For the purpose of calculating eligibility for the remission, the following do not count as storeys:

- a) below grade basement levels
- b) mezzanine floors, rooftop terraces or any other structure with gross floor area less than 60% of the gross floor area of the first floor of the building;
- c) areas not included in the definition of gross floor area as set out in provision 6.25 of this policy.

18.21 Social Housing remission

18.22 Council may, at its sole discretion, grant a remission of up to 100% to social housing developments.

18.23 In the exercise of its discretion, Council will consider the following factors:

- a) the development must deliver not-for-profit housing;
- b) ~~the~~ The applicant on the building consent or resource consent must be registered as a community housing provider with the Community Housing Regulatory Authority;
- c) ~~the~~ The development will provide social and/or affordable rental housing;
- d) ~~a~~ An application for remission must be lodged with Council prior to any development contributions being paid. Development contributions paid prior to an application being lodged will not be eligible for a refund;
- e) ~~the~~ The crown and crown agents including Kāinga Ora are not eligible for this remission;
- f) ~~a~~ Any other feature of the development or the developer which Council considers relevant;
- g) ~~the~~ The total value of social housing remissions provided by Council under this policy.

18.24 Private Developer Agreement (PDA) remission

18.25 Council may provide for a remission in respect of development contributions levied against development in unfunded areas or associated with unfunded growth projects as set out in Council's Growth Funding Policy where Council and the developer have entered into a binding Private Developer Agreement in accordance with Section 207 LGA and the criteria and principals set out in the Growth Funding Policy.

18.26 Council will set the total remission, if any, in a manner consistent with the Growth Funding Policy and the total remission shall be recorded as a term and condition of the Private Developer Agreement.

18.27 State Integrated Schools' remission

18.28 Council may, at its sole discretion grant a partial remission of development contributions for development undertaken by a state integrated school provided the school enables access to the developed land and facilities to the general public.

18.29 Any approved remission will be calculated having regard to:

- a) the nature and extent of the development that provides formalised general public access rights and community benefits
- b) the hours the facility is available for use by the general public being at least 40 hours per week
- c) the proportion of the floor area of the facility that is available for use by the general public
- d) the overall benefit to the general public and the implications for Council's infrastructure programme; and
- e) Council's requirement that a signed operational use agreement between Council and the school is in place for a period commensurate with the expected life of the relevant land, buildings and facilities.

18.30 Any remission granted under clause 18.28 shall only apply to development contributions calculated and required under this policy.**19. REFUNDS (S209 LGA)**

- 19.1 At its sole discretion, Council may provide a refund of development contribution site credits where it can be demonstrated to Council's satisfaction that:
- a) the development contributions were required and paid on subdivision consent ("original payment") and gave rise to the site credits;
 - b) the site credits have never been exercised; and
 - c) Code Compliance Certificate has been issued for the development on the site;
 - d) the gross floor area of the development exceeds 20% of the site area
 - e) the refund applicant is the current land owner.
- 19.2 Any refund will be paid to the person who made the original payment.
- 19.3 Refunds will be calculated by apportioning the original payment, using the remaining site credits in HUEs compared with the total HUEs paid. Refunds will account for any remissions or capped development contribution charges which related to the original payment.
- 19.4 No refund will be paid where site credits arose due to pre-existing legitimately established units of demand as set out in Section 13.2 (a) of this policy.

20. VALUATION OF LAND FOR DEVELOPMENT CONTRIBUTIONS PURPOSES (S201(1)D, 203(1) LGA)

- 20.1 The development contribution charge for reserves will be capped at the greater of 7.5% of the value of the additional allotments created by a subdivision or the value equivalent of 20 square metres of land for each additional household unit created by the development.
- 20.2 On the basis of the charges expressed in this Policy, such a cap would apply to residential allotments or sections of land value (per unit) less than the values described in Schedule 5.

21. ESTIMATING A DEVELOPMENT CONTRIBUTION CHARGE

- 21.1 This section provides a guide to estimating a development contributions charge.
- 21.2 Please contact the Development Contributions Officer if you have any questions or require assistance to calculate your estimated charge.
- 21.3 **Using the online GIS development contribution estimator tool**
- 21.4 For a quick estimate of a development contribution charge use the [“DC estimator”](#) on Council’s website.
- 21.5 Type the address into the search bar and click on the site to generate the catchments and per unit charges for the development.
- 21.6 **Using the Policy**
- 21.7 To estimate a development contribution charge using Schedule 1 follow the steps below:
1. **Identify the development type** using the definitions in section 6. Refer to Table 1 for residential or Table 2 for non-residential development.
 2. **Identify the geographic catchment** in which the development is situated by using the maps in the schedule 7.
 3. **Add up the charges** for each activity (community infrastructure, reserves, stormwater, wastewater, transport, and water) by reading across the row relating to your geographical catchment, or just use the total on the right-hand side. Do not add the citywide charges; they are already included in the charge for each catchment.
 4. **Add the stormwater and wastewater catchment charges** to the above charge by identifying the stormwater catchment, and the wastewater catchments using the maps in schedule 7 below.
 5. **Your total charge** is the sum of the above charges.
- 21.8 The method outlined above is the standard means for estimating development contribution charges.
- 21.9 There may be aspects of a development that require a more complex calculation. Please refer to the notes at the bottom of schedules 1A and 1B, and schedule 4 and the “How to estimate a development contribution charge” information sheet on Council’s website to assist with more complex calculations.

22. REFERENCES

- Local Government Act 2002
- Council’s 2021-31 Long Term Plan
- Council’s Growth Funding Policy
- Council’s 30 Year Infrastructure Strategy

23. SCHEDULE 1A – DEVELOPMENT CONTRIBUTION CHARGES 2024/25

Table 1 – 2022/23/24 Phased residential development contributions payable in each catchment (excl. GST)

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Large Residential			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	91	429	1,326	5,384	9,465	6,555	23,250
Infill East	SW - City Centre	WW - East	91	429	1,123	5,384	9,465	6,555	23,048
Infill East	SW - Hamilton East	WW - East	91	429	1,331	5,384	9,465	6,555	23,256
Infill East	SW - Kirikiriroa	WW - East	91	429	4,196	5,384	9,465	6,555	26,121
Infill East	SW - Mangaonua	WW - East	91	429	3,471	5,384	9,465	6,555	25,396
Infill East	SW - Waitawhiriwhiri	WW - East	91	429	1,609	5,384	9,465	6,555	23,534
Infill West	SW - City Centre	WW - West	91	429	1,123	5,272	13,974	6,555	27,445
Infill West	SW - Mangakotukutuku	WW - West	91	429	10,776	5,272	13,974	6,555	37,098
Infill West	SW - St Andrews	WW - West	91	429	216	5,272	13,974	6,555	26,538
Infill West	SW - Te Rapa Stream	WW - West	91	429	1,781	5,272	13,974	6,555	28,103
Infill West	SW - Waitawhiriwhiri	WW - West	91	429	1,609	5,272	13,974	6,555	27,931
Infill West	SW - Western Heights	WW - West	91	429	772	5,272	13,974	6,555	27,094
Infill West	SW - Lake Rotokauri	WW - West	91	429	76,660	5,272	13,974	6,555	102,982
Peacocke 1	SW - Mangakotukutuku	WW - West	80	8,260	9,457	16,928	18,469	5,924	59,116
Peacocke 2	SW - Peacocke	WW - East	81	6,926	2,912	21,006	23,142	6,346	60,413
Peacocke 2	SW - Mangakotukutuku	WW - East	80	6,868	9,526	20,829	22,948	6,293	66,544
Rotokauri	SW - Lake Rotokauri	WW - West	82	2,124	69,035	16,237	11,664	9,156	108,298
Rotokauri	SW - Mangaheka	WW - West	85	2,205	8,439	16,857	12,109	9,506	49,200
Rotokauri	SW - Ohote	WW - West	82	2,115	1,061	16,168	11,614	9,117	40,157
Rotokauri	SW - Rotokauri West	WW - West	83	2,164	20	16,547	11,887	9,331	40,032
Rototuna	SW - Kirikiriroa	WW - East	137	424	3,935	18,159	10,589	7,975	41,218
Rototuna	SW - River North	WW - East	137	424	1,236	18,190	10,607	7,988	38,582
Rototuna	SW - Te Awa o Katapaki	WW - East	137	423	13,437	18,139	10,577	7,966	50,680
Rototuna	SW - Otama-ngeenge	WW - East	138	427	639	18,298	10,670	8,036	38,208
Ruakura	SW - Hamilton East	WW - East	82	362	1,202	11,871	11,912	5,882	31,311
Ruakura	SW - Kirikiriroa	WW - East	82	361	3,778	11,841	11,882	5,867	33,811
Ruakura	SW - Mangaonua	WW - East	82	361	3,131	11,865	11,906	5,879	33,225
Te Rapa North	SW - Mangaheka	WW - West	91	401	9,027	11,907	11,563	5,747	38,735
Te Rapa North	SW - Te Rapa Stream	WW - West	91	401	1,781	11,907	11,563	5,747	31,489
Te Rapa North	SW - St Andrews	WW - West	91	401	216	11,907	11,563	5,747	29,924
Temple View	SW - Temple View	WW - West	91	401	1,578	5,053	18,017	11,761	36,899
Temple View	SW - Waitawhiriwhiri	WW - West	91	401	1,609	5,053	18,017	11,761	36,930
Standard Residential			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	70	333	1,028	4,174	7,337	5,082	18,023
Infill East	SW - City Centre	WW - East	70	333	871	4,174	7,337	5,082	17,867
Infill East	SW - Hamilton East	WW - East	70	333	1,032	4,174	7,337	5,082	18,028
Infill East	SW - Kirikiriroa	WW - East	70	333	3,253	4,174	7,337	5,082	20,249
Infill East	SW - Mangaonua	WW - East	70	333	2,691	4,174	7,337	5,082	19,686
Infill East	SW - Waitawhiriwhiri	WW - East	70	333	1,247	4,174	7,337	5,082	18,243
Infill West	SW - City Centre	WW - West	70	333	871	4,087	10,833	5,082	21,275
Infill West	SW - Mangakotukutuku	WW - West	70	333	8,354	4,087	10,833	5,082	28,758
Infill West	SW - St Andrews	WW - West	70	333	167	4,087	10,833	5,082	20,572
Infill West	SW - Te Rapa Stream	WW - West	70	333	1,381	4,087	10,833	5,082	21,785
Infill West	SW - Waitawhiriwhiri	WW - West	70	333	1,247	4,087	10,833	5,082	21,652
Infill West	SW - Western Heights	WW - West	70	333	599	4,087	10,833	5,082	21,003
Infill West	SW - Lake Rotokauri	WW - West	70	333	59,427	4,087	10,833	5,082	79,831
Peacocke 1	SW - Mangakotukutuku	WW - West	62	6,403	7,331	13,122	14,317	4,592	45,827
Peacocke 2	SW - Peacocke	WW - East	63	5,369	2,257	16,284	17,940	4,919	46,832
Peacocke 2	SW - Mangakotukutuku	WW - East	62	5,324	7,385	16,147	17,789	4,878	51,585
Rotokauri	SW - Lake Rotokauri	WW - West	63	1,646	53,515	12,587	9,042	7,098	83,952
Rotokauri	SW - Mangaheka	WW - West	66	1,709	6,542	13,067	9,387	7,369	38,140
Rotokauri	SW - Ohote	WW - West	63	1,639	823	12,533	9,003	7,068	31,129
Rotokauri	SW - Rotokauri West	WW - West	65	1,678	15	12,827	9,215	7,233	31,033
Rototuna	SW - Kirikiriroa	WW - East	106	328	3,050	14,077	8,208	6,182	31,952
Rototuna	SW - River North	WW - East	107	329	958	14,100	8,222	6,193	29,909
Rototuna	SW - Te Awa o Katapaki	WW - East	106	328	10,416	14,061	8,200	6,175	39,287
Rototuna	SW - Otama-ngeenge	WW - East	107	331	496	14,184	8,271	6,229	29,618
Ruakura	SW - Hamilton East	WW - East	64	280	932	9,202	9,234	4,560	24,272
Ruakura	SW - Kirikiriroa	WW - East	63	280	2,928	9,179	9,211	4,548	26,210
Ruakura	SW - Mangaonua	WW - East	64	280	2,427	9,198	9,230	4,558	25,756
Te Rapa North	SW - Mangaheka	WW - West	70	310	6,997	9,231	8,963	4,455	30,027
Te Rapa North	SW - Te Rapa Stream	WW - West	70	310	1,381	9,231	8,963	4,455	24,410
Te Rapa North	SW - St Andrews	WW - West	70	310	167	9,231	8,963	4,455	23,197

Temple View	SW - Temple View	WW - West	70	310	1,223	3,917	13,967	9,117	28,604
Temple View	SW - Waitawhiriwhiri	WW - West	70	310	1,247	3,917	13,967	9,117	28,628

Table 1– Continued

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Two Bed			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	49	230	708	2,878	5,059	3,504	12,427
Infill East	SW - City Centre	WW - East	49	230	600	2,878	5,059	3,504	12,319
Infill East	SW - Hamilton East	WW - East	49	230	712	2,878	5,059	3,504	12,431
Infill East	SW - Kirikiriroa	WW - East	49	230	2,243	2,878	5,059	3,504	13,962
Infill East	SW - Mangaonua	WW - East	49	230	1,855	2,878	5,059	3,504	13,574
Infill East	SW - Waitawhiriwhiri	WW - East	49	230	860	2,878	5,059	3,504	12,579
Infill West	SW - City Centre	WW - West	49	230	600	2,818	7,469	3,504	14,670
Infill West	SW - Mangakotukutuku	WW - West	49	230	5,760	2,818	7,469	3,504	19,829
Infill West	SW - St Andrews	WW - West	49	230	115	2,818	7,469	3,504	14,185
Infill West	SW - Te Rapa Stream	WW - West	49	230	952	2,818	7,469	3,504	15,021
Infill West	SW - Waitawhiriwhiri	WW - West	49	230	860	2,818	7,469	3,504	14,929
Infill West	SW - Western Heights	WW - West	49	230	413	2,818	7,469	3,504	14,482
Infill West	SW - Lake Rotokauri	WW - West	49	230	40,976	2,818	7,469	3,504	55,045
Peacocke 1	SW - Mangakotukutuku	WW - West	43	4,415	5,055	9,048	9,872	3,166	31,598
Peacocke 2	SW - Peacocke	WW - East	43	3,702	1,556	11,228	12,370	3,392	32,291
Peacocke 2	SW - Mangakotukutuku	WW - East	43	3,671	5,092	11,134	12,266	3,363	35,568
Rotokauri	SW - Lake Rotokauri	WW - West	44	1,135	36,900	8,679	6,235	4,894	57,886
Rotokauri	SW - Mangaheka	WW - West	45	1,179	4,511	9,010	6,473	5,081	26,298
Rotokauri	SW - Ohote	WW - West	44	1,130	567	8,642	6,208	4,873	21,464
Rotokauri	SW - Rotokauri West	WW - West	45	1,157	10	8,845	6,354	4,988	21,398
Rototuna	SW - Kirikiriroa	WW - East	73	226	2,103	9,706	5,660	4,263	22,032
Rototuna	SW - River North	WW - East	73	227	660	9,723	5,669	4,270	20,623
Rototuna	SW - Te Awa o Katapaki	WW - East	73	226	7,182	9,696	5,654	4,258	27,089
Rototuna	SW - Otama-ngeke	WW - East	74	228	342	9,780	5,703	4,295	20,423
Ruakura	SW - Hamilton East	WW - East	44	193	642	6,345	6,367	3,144	16,736
Ruakura	SW - Kirikiriroa	WW - East	44	193	2,019	6,329	6,351	3,136	18,072
Ruakura	SW - Mangaonua	WW - East	44	193	1,674	6,342	6,364	3,143	17,759
Te Rapa North	SW - Mangaheka	WW - West	49	214	4,825	6,365	6,180	3,072	20,704
Te Rapa North	SW - Te Rapa Stream	WW - West	49	214	952	6,365	6,180	3,072	16,831
Te Rapa North	SW - St Andrews	WW - West	49	214	115	6,365	6,180	3,072	15,995
Temple View	SW - Temple View	WW - West	49	214	843	2,701	9,630	6,286	19,723
Temple View	SW - Waitawhiriwhiri	WW - West	49	214	860	2,701	9,630	6,286	19,740
One Bed			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	34	159	490	1,992	3,501	2,425	8,601
Infill East	SW - City Centre	WW - East	34	159	416	1,992	3,501	2,425	8,527
Infill East	SW - Hamilton East	WW - East	34	159	493	1,992	3,501	2,425	8,604
Infill East	SW - Kirikiriroa	WW - East	34	159	1,552	1,992	3,501	2,425	9,663
Infill East	SW - Mangaonua	WW - East	34	159	1,284	1,992	3,501	2,425	9,395
Infill East	SW - Waitawhiriwhiri	WW - East	34	159	595	1,992	3,501	2,425	8,706
Infill West	SW - City Centre	WW - West	34	159	416	1,950	5,170	2,425	10,153
Infill West	SW - Mangakotukutuku	WW - West	34	159	3,987	1,950	5,170	2,425	13,725
Infill West	SW - St Andrews	WW - West	34	159	80	1,950	5,170	2,425	9,818
Infill West	SW - Te Rapa Stream	WW - West	34	159	659	1,950	5,170	2,425	10,397
Infill West	SW - Waitawhiriwhiri	WW - West	34	159	595	1,950	5,170	2,425	10,333
Infill West	SW - Western Heights	WW - West	34	159	286	1,950	5,170	2,425	10,023
Infill West	SW - Lake Rotokauri	WW - West	34	159	28,361	1,950	5,170	2,425	38,098
Peacocke 1	SW - Mangakotukutuku	WW - West	30	3,056	3,498	6,262	6,833	2,192	21,870
Peacocke 2	SW - Peacocke	WW - East	30	2,562	1,077	7,771	8,561	2,348	22,350
Peacocke 2	SW - Mangakotukutuku	WW - East	30	2,541	3,524	7,706	8,490	2,328	24,618
Rotokauri	SW - Lake Rotokauri	WW - West	30	786	25,539	6,007	4,315	3,387	40,065
Rotokauri	SW - Mangaheka	WW - West	31	816	3,122	6,236	4,480	3,517	18,202
Rotokauri	SW - Ohote	WW - West	30	782	393	5,981	4,297	3,373	14,856
Rotokauri	SW - Rotokauri West	WW - West	31	801	7	6,122	4,397	3,452	14,810
Rototuna	SW - Kirikiriroa	WW - East	51	157	1,456	6,718	3,917	2,950	15,249
Rototuna	SW - River North	WW - East	51	157	457	6,729	3,924	2,955	14,274
Rototuna	SW - Te Awa o Katapaki	WW - East	51	157	4,971	6,711	3,913	2,947	18,749
Rototuna	SW - Otama-ngeke	WW - East	51	158	237	6,769	3,947	2,973	14,135
Ruakura	SW - Hamilton East	WW - East	30	134	445	4,392	4,407	2,176	11,583
Ruakura	SW - Kirikiriroa	WW - East	30	133	1,398	4,381	4,396	2,171	12,508
Ruakura	SW - Mangaonua	WW - East	30	134	1,158	4,389	4,405	2,175	12,292
Te Rapa North	SW - Mangaheka	WW - West	34	148	3,339	4,405	4,278	2,126	14,330
Te Rapa North	SW - Te Rapa Stream	WW - West	34	148	659	4,405	4,278	2,126	11,650
Te Rapa North	SW - St Andrews	WW - West	34	148	80	4,405	4,278	2,126	11,070
Temple View	SW - Temple View	WW - West	34	148	584	1,869	6,665	4,351	13,651

Temple View	SW - Waitawhiriwhiri	WW - West	34	148	595	1,869	6,665	4,351	13,662
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Table 2 – 2022/234/22 Non-residential development contribution payable in each catchment (excl. GST)

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Industrial			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			289	2,588	2,193	1,063	6,133
Infill East	SW - City Centre	WW - East			245	2,588	2,193	1,063	6,088
Infill East	SW - Hamilton East	WW - East			290	2,588	2,193	1,063	6,134
Infill East	SW - Kirikiriroa	WW - East			914	2,588	2,193	1,063	6,758
Infill East	SW - Mangaonua	WW - East			756	2,588	2,193	1,063	6,600
Infill East	SW - Waitawhiriwhiri	WW - East			351	2,588	2,193	1,063	6,194
Infill West	SW - City Centre	WW - West			245	2,534	3,238	1,063	7,079
Infill West	SW - Mangakotukutuku	WW - West			2,348	2,534	3,238	1,063	9,183
Infill West	SW - St Andrews	WW - West			47	2,534	3,238	1,063	6,882
Infill West	SW - Te Rapa Stream	WW - West			388	2,534	3,238	1,063	7,223
Infill West	SW - Waitawhiriwhiri	WW - West			351	2,534	3,238	1,063	7,185
Infill West	SW - Western Heights	WW - West			168	2,534	3,238	1,063	7,003
Infill West	SW - Lake Rotokauri	WW - West			14,193	2,153	2,751	903	20,000
Peacocke 1	SW - Mangakotukutuku	WW - West			2,348	9,271	4,876	1,095	17,590
Peacocke 2	SW - Peacocke	WW - East			712	11,325	6,014	1,154	19,205
Peacocke 2	SW - Mangakotukutuku	WW - East			2,253	10,867	5,771	1,108	20,000
Rotokauri	SW - Lake Rotokauri	WW - West			11,129	5,773	1,999	1,099	20,000
Rotokauri	SW - Mangaheka	WW - West			1,967	8,666	3,001	1,649	15,283
Rotokauri	SW - Ohote	WW - West			258	8,666	3,001	1,649	13,574
Rotokauri	SW - Rotokauri West	WW - West			5	8,666	3,001	1,649	13,321
Rototuna	SW - Kirikiriroa	WW - East			914	9,306	2,616	1,379	14,216
Rototuna	SW - River North	WW - East			287	9,306	2,616	1,379	13,588
Rototuna	SW - Te Awa o Katapaki	WW - East			3,126	9,306	2,616	1,379	16,427
Rototuna	SW - Otama-ngege	WW - East			147	9,306	2,616	1,379	13,449
Ruakura	SW - Hamilton East	WW - East			290	6,321	3,058	1,057	10,726
Ruakura	SW - Kirikiriroa	WW - East			914	6,321	3,058	1,057	11,350
Ruakura	SW - Mangaonua	WW - East			756	6,321	3,058	1,057	11,192
Te Rapa North	SW - Mangaheka	WW - West			1,967	5,723	2,679	932	11,301
Te Rapa North	SW - Te Rapa Stream	WW - West			388	5,723	2,679	932	9,722
Te Rapa North	SW - St Andrews	WW - West			47	5,723	2,679	932	9,381
Temple View	SW - Temple View	WW - West			344	2,428	4,174	1,907	8,854
Temple View	SW - Waitawhiriwhiri	WW - West			351	2,428	4,174	1,907	8,860
Commercial			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			395	7,263	3,720	2,004	13,381
Infill East	SW - City Centre	WW - East			335	7,263	3,720	2,004	13,321
Infill East	SW - Hamilton East	WW - East			397	7,263	3,720	2,004	13,383
Infill East	SW - Kirikiriroa	WW - East			1,251	7,263	3,720	2,004	14,237
Infill East	SW - Mangaonua	WW - East			1,035	7,263	3,720	2,004	14,021
Infill East	SW - Waitawhiriwhiri	WW - East			480	7,263	3,720	2,004	13,466
Infill West	SW - City Centre	WW - West			335	7,111	5,492	2,004	14,942
Infill West	SW - Mangakotukutuku	WW - West			3,213	7,111	5,492	2,004	17,820
Infill West	SW - St Andrews	WW - West			64	7,111	5,492	2,004	14,672
Infill West	SW - Te Rapa Stream	WW - West			531	7,111	5,492	2,004	15,138
Infill West	SW - Waitawhiriwhiri	WW - West			480	7,111	5,492	2,004	15,087
Infill West	SW - Western Heights	WW - West			230	7,111	5,492	2,004	14,837
Infill West	SW - Lake Rotokauri	WW - West			18,303	5,694	4,398	1,605	30,000
Peacocke 1	SW - Mangakotukutuku	WW - West			2,436	19,728	6,272	1,565	30,000
Peacocke 2	SW - Peacocke	WW - East			647	21,125	6,781	1,446	30,000
Peacocke 2	SW - Mangakotukutuku	WW - East			2,035	20,127	6,461	1,378	30,000
Rotokauri	SW - Lake Rotokauri	WW - West			12,382	13,176	2,758	1,684	30,000
Rotokauri	SW - Mangaheka	WW - West			2,293	20,722	4,337	2,648	30,000
Rotokauri	SW - Ohote	WW - West			322	22,196	4,646	2,837	30,000
Rotokauri	SW - Rotokauri West	WW - West			6	22,432	4,695	2,867	30,000
Rototuna	SW - Kirikiriroa	WW - East			1,091	22,773	3,869	2,267	30,000
Rototuna	SW - River North	WW - East			351	23,356	3,968	2,325	30,000
Rototuna	SW - Te Awa o Katapaki	WW - East			3,428	20,932	3,557	2,083	30,000
Rototuna	SW - Otama-ngege	WW - East			181	23,490	3,991	2,338	30,000
Ruakura	SW - Hamilton East	WW - East			397	17,740	5,187	1,992	25,317
Ruakura	SW - Kirikiriroa	WW - East			1,251	17,740	5,187	1,992	26,171
Ruakura	SW - Mangaonua	WW - East			1,035	17,740	5,187	1,992	25,954
Te Rapa North	SW - Mangaheka	WW - West			2,691	16,061	4,544	1,757	25,054
Te Rapa North	SW - Te Rapa Stream	WW - West			531	16,061	4,544	1,757	22,893

Te Rapa North	SW - St Andrews	WW - West			64	16,061	4,544	1,757	22,427
Temple View	SW - Temple View	WW - West			470	6,815	7,081	3,595	17,962
Temple View	SW - Waitawhiriwhiri	WW - West			480	6,815	7,081	3,595	17,971

Table 2 – Continued

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Retail			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			395	10,435	3,054	1,645	15,529
Infill East	SW - City Centre	WW - East			335	10,435	3,054	1,645	15,468
Infill East	SW - Hamilton East	WW - East			397	10,435	3,054	1,645	15,531
Infill East	SW - Kirikiriroa	WW - East			1,251	10,435	3,054	1,645	16,385
Infill East	SW - Mangaonua	WW - East			1,035	10,435	3,054	1,645	16,168
Infill East	SW - Waitawhiriwhiri	WW - East			480	10,435	3,054	1,645	15,613
Infill West	SW - City Centre	WW - West			335	10,217	4,509	1,645	16,706
Infill West	SW - Mangakotukutuku	WW - West			3,213	10,217	4,509	1,645	19,584
Infill West	SW - St Andrews	WW - West			64	10,217	4,509	1,645	16,435
Infill West	SW - Te Rapa Stream	WW - West			531	10,217	4,509	1,645	16,902
Infill West	SW - Waitawhiriwhiri	WW - West			480	10,217	4,509	1,645	16,851
Infill West	SW - Western Heights	WW - West			230	10,217	4,509	1,645	16,601
Infill West	SW - Lake Rotokauri	WW - West			22,856	10,217	4,509	1,645	39,227
Peacocke 1	SW - Mangakotukutuku	WW - West			2,618	30,467	5,534	1,381	40,000
Peacocke 2	SW - Peacocke	WW - East			686	32,158	5,898	1,258	40,000
Peacocke 2	SW - Mangakotukutuku	WW - East			2,177	30,938	5,675	1,210	40,000
Rotokauri	SW - Lake Rotokauri	WW - West			14,168	21,660	2,591	1,582	40,000
Rotokauri	SW - Mangaheka	WW - West			2,426	31,505	3,768	2,301	40,000
Rotokauri	SW - Ohote	WW - West			336	33,258	3,978	2,429	40,000
Rotokauri	SW - Rotokauri West	WW - West			6	33,535	4,011	2,449	40,000
Rototuna	SW - Kirikiriroa	WW - East			1,123	33,690	3,271	1,916	40,000
Rototuna	SW - River North	WW - East			359	34,352	3,335	1,954	40,000
Rototuna	SW - Te Awa o Katapaki	WW - East			3,595	31,548	3,063	1,794	40,000
Rototuna	SW - Otama-nge	WW - East			185	34,503	3,350	1,962	40,000
Ruakura	SW - Hamilton East	WW - East			397	25,489	4,258	1,636	31,780
Ruakura	SW - Kirikiriroa	WW - East			1,251	25,489	4,258	1,636	32,634
Ruakura	SW - Mangaonua	WW - East			1,035	25,489	4,258	1,636	32,418
Te Rapa North	SW - Mangaheka	WW - West			2,691	23,076	3,731	1,442	30,940
Te Rapa North	SW - Te Rapa Stream	WW - West			531	23,076	3,731	1,442	28,780
Te Rapa North	SW - St Andrews	WW - West			64	23,076	3,731	1,442	28,313
Temple View	SW - Temple View	WW - West			470	9,792	5,813	2,951	19,027
Temple View	SW - Waitawhiriwhiri	WW - West			480	9,792	5,813	2,951	19,036

Schedule 1A applies to development where the lodgement date is between 1 July 2024 and 30 June 2032

Please refer to the Schedule 1A and 1B notes under Schedule 1B below.

24. SCHEDULE 1B – DEVELOPMENT CONTRIBUTION BASE CHARGES

Table 3 – Residential base development contribution charges in each catchment (excl. GST)

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Large Residential			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	91	429	1,326	5,384	9,465	6,555	23,250
Infill East	SW - City Centre	WW - East	91	429	1,123	5,384	9,465	6,555	23,048
Infill East	SW - Hamilton East	WW - East	91	429	1,331	5,384	9,465	6,555	23,256
Infill East	SW - Kirikiriroa	WW - East	91	429	4,196	5,384	9,465	6,555	26,121
Infill East	SW - Mangaonua	WW - East	91	429	3,471	5,384	9,465	6,555	25,396
Infill East	SW - Waitawhiriwhiri	WW - East	91	429	1,609	5,384	9,465	6,555	23,534
Infill West	SW - City Centre	WW - West	91	429	1,123	5,272	13,974	6,555	27,445
Infill West	SW - Mangakotukutuku	WW - West	91	429	10,776	5,272	13,974	6,555	37,098
Infill West	SW - St Andrews	WW - West	91	429	216	5,272	13,974	6,555	26,538
Infill West	SW - Te Rapa Stream	WW - West	91	429	1,781	5,272	13,974	6,555	28,103
Infill West	SW - Waitawhiriwhiri	WW - West	91	429	1,609	5,272	13,974	6,555	27,931
Infill West	SW - Western Heights	WW - West	91	429	772	5,272	13,974	6,555	27,094
Infill West	SW - Lake Rotokauri	WW - West	91	429	76,660	5,272	13,974	6,555	102,982
Peacocke 1	SW - Mangakotukutuku	WW - West	91	9,412	10,776	19,290	21,046	6,751	67,367
Peacocke 2	SW - Peacocke	WW - East	91	7,769	3,266	23,563	25,959	7,118	67,767
Peacocke 2	SW - Mangakotukutuku	WW - East	91	7,769	10,776	23,563	25,959	7,118	75,277
Rotokauri	SW - Lake Rotokauri	WW - West	91	2,358	76,660	18,031	12,953	10,168	120,262
Rotokauri	SW - Mangaheka	WW - West	91	2,358	9,027	18,031	12,953	10,168	52,628
Rotokauri	SW - Ohote	WW - West	91	2,358	1,183	18,031	12,953	10,168	44,784
Rotokauri	SW - Rotokauri West	WW - West	91	2,358	21	18,031	12,953	10,168	43,622
Rototuna	SW - Kirikiriroa	WW - East	146	452	4,196	19,363	11,291	8,504	43,952
Rototuna	SW - River North	WW - East	146	452	1,315	19,363	11,291	8,504	41,072
Rototuna	SW - Te Awa o Katapaki	WW - East	146	452	14,344	19,363	11,291	8,504	54,100
Rototuna	SW - Otama-ngeenge	WW - East	146	452	677	19,363	11,291	8,504	40,433
Ruakura	SW - Hamilton East	WW - East	91	401	1,331	13,152	13,198	6,517	34,690
Ruakura	SW - Kirikiriroa	WW - East	91	401	4,196	13,152	13,198	6,517	37,555
Ruakura	SW - Mangaonua	WW - East	91	401	3,471	13,152	13,198	6,517	36,830
Te Rapa North	SW - Mangaheka	WW - West	91	401	9,027	11,907	11,563	5,747	38,735
Te Rapa North	SW - Te Rapa Stream	WW - West	91	401	1,781	11,907	11,563	5,747	31,489
Te Rapa North	SW - St Andrews	WW - West	91	401	216	11,907	11,563	5,747	29,924
Temple View	SW - Temple View	WW - West	91	401	1,578	5,053	18,017	11,761	36,899
Temple View	SW - Waitawhiriwhiri	WW - West	91	401	1,609	5,053	18,017	11,761	36,930
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide			91	401	21	5,053	5,478	5,747	16,790
		WW - West					6,085		6,085
		WW - East					2,890		2,890
Standard Residential			Charge per lot, dwelling or unit title						
Infill East	SW - Chartwell	WW - East	70	333	1,028	4,174	7,337	5,082	18,023
Infill East	SW - City Centre	WW - East	70	333	871	4,174	7,337	5,082	17,867
Infill East	SW - Hamilton East	WW - East	70	333	1,032	4,174	7,337	5,082	18,028
Infill East	SW - Kirikiriroa	WW - East	70	333	3,253	4,174	7,337	5,082	20,249
Infill East	SW - Mangaonua	WW - East	70	333	2,691	4,174	7,337	5,082	19,686
Infill East	SW - Waitawhiriwhiri	WW - East	70	333	1,247	4,174	7,337	5,082	18,243
Infill West	SW - City Centre	WW - West	70	333	871	4,087	10,833	5,082	21,275
Infill West	SW - Mangakotukutuku	WW - West	70	333	8,354	4,087	10,833	5,082	28,758
Infill West	SW - St Andrews	WW - West	70	333	167	4,087	10,833	5,082	20,572
Infill West	SW - Te Rapa Stream	WW - West	70	333	1,381	4,087	10,833	5,082	21,785
Infill West	SW - Waitawhiriwhiri	WW - West	70	333	1,247	4,087	10,833	5,082	21,652
Infill West	SW - Western Heights	WW - West	70	333	599	4,087	10,833	5,082	21,003
Infill West	SW - Lake Rotokauri	WW - West	70	333	59,427	4,087	10,833	5,082	79,831
Peacocke 1	SW - Mangakotukutuku	WW - West	70	7,296	8,354	14,954	16,315	5,233	52,222
Peacocke 2	SW - Peacocke	WW - East	70	6,023	2,532	18,266	20,123	5,518	52,532
Peacocke 2	SW - Mangakotukutuku	WW - East	70	6,023	8,354	18,266	20,123	5,518	58,354
Rotokauri	SW - Lake Rotokauri	WW - West	70	1,828	59,427	13,978	10,041	7,882	93,226
Rotokauri	SW - Mangaheka	WW - West	70	1,828	6,997	13,978	10,041	7,882	40,797
Rotokauri	SW - Ohote	WW - West	70	1,828	917	13,978	10,041	7,882	34,717
Rotokauri	SW - Rotokauri West	WW - West	70	1,828	17	13,978	10,041	7,882	33,816
Rototuna	SW - Kirikiriroa	WW - East	113	350	3,253	15,010	8,753	6,592	34,072
Rototuna	SW - River North	WW - East	113	350	1,020	15,010	8,753	6,592	31,839
Rototuna	SW - Te Awa o Katapaki	WW - East	113	350	11,119	15,010	8,753	6,592	41,938
Rototuna	SW - Otama-ngeenge	WW - East	113	350	524	15,010	8,753	6,592	31,343
Ruakura	SW - Hamilton East	WW - East	70	310	1,032	10,196	10,231	5,052	26,892
Ruakura	SW - Kirikiriroa	WW - East	70	310	3,253	10,196	10,231	5,052	29,112
Ruakura	SW - Mangaonua	WW - East	70	310	2,691	10,196	10,231	5,052	28,550

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Te Rapa North	SW - Mangaheka	WW - West	70	310	6,997	9,231	8,963	4,455	30,027
Te Rapa North	SW - Te Rapa Stream	WW - West	70	310	1,381	9,231	8,963	4,455	24,410
Te Rapa North	SW - St Andrews	WW - West	70	310	167	9,231	8,963	4,455	23,197
Temple View	SW - Temple View	WW - West	70	310	1,223	3,917	13,967	9,117	28,604
Temple View	SW - Waitawhiriwhiri	WW - West	70	310	1,247	3,917	13,967	9,117	28,628
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide			70	310	17	3,917	4,247	4,455	13,016
		WW - West					4,717		4,717
		WW - East					2,241		2,241
Two Bed Charge per lot, dwelling or unit title									
Infill East	SW - Chartwell	WW - East	49	230	708	2,878	5,059	3,504	12,427
Infill East	SW - City Centre	WW - East	49	230	600	2,878	5,059	3,504	12,319
Infill East	SW - Hamilton East	WW - East	49	230	712	2,878	5,059	3,504	12,431
Infill East	SW - Kirikiriroa	WW - East	49	230	2,243	2,878	5,059	3,504	13,962
Infill East	SW - Mangaonua	WW - East	49	230	1,855	2,878	5,059	3,504	13,574
Infill East	SW - Waitawhiriwhiri	WW - East	49	230	860	2,878	5,059	3,504	12,579
Infill West	SW - City Centre	WW - West	49	230	600	2,818	7,469	3,504	14,670
Infill West	SW - Mangakotukutuku	WW - West	49	230	5,760	2,818	7,469	3,504	19,829
Infill West	SW - St Andrews	WW - West	49	230	115	2,818	7,469	3,504	14,185
Infill West	SW - Te Rapa Stream	WW - West	49	230	952	2,818	7,469	3,504	15,021
Infill West	SW - Waitawhiriwhiri	WW - West	49	230	860	2,818	7,469	3,504	14,929
Infill West	SW - Western Heights	WW - West	49	230	413	2,818	7,469	3,504	14,482
Infill West	SW - Lake Rotokauri	WW - West	49	230	40,976	2,818	7,469	3,504	55,045
Peacocke 1	SW - Mangakotukutuku	WW - West	49	5,031	5,760	10,311	11,249	3,608	36,008
Peacocke 2	SW - Peacocke	WW - East	49	4,153	1,746	12,595	13,875	3,805	36,222
Peacocke 2	SW - Mangakotukutuku	WW - East	49	4,153	5,760	12,595	13,875	3,805	40,236
Rotokauri	SW - Lake Rotokauri	WW - West	49	1,261	40,976	9,638	6,923	5,435	64,281
Rotokauri	SW - Mangaheka	WW - West	49	1,261	4,825	9,638	6,923	5,435	28,130
Rotokauri	SW - Ohote	WW - West	49	1,261	633	9,638	6,923	5,435	23,938
Rotokauri	SW - Rotokauri West	WW - West	49	1,261	11	9,638	6,923	5,435	23,317
Rototuna	SW - Kirikiriroa	WW - East	78	241	2,243	10,350	6,035	4,545	23,493
Rototuna	SW - River North	WW - East	78	241	703	10,350	6,035	4,545	21,953
Rototuna	SW - Te Awa o Katapaki	WW - East	78	241	7,667	10,350	6,035	4,545	28,917
Rototuna	SW - Otama-ngeenge	WW - East	78	241	362	10,350	6,035	4,545	21,612
Ruakura	SW - Hamilton East	WW - East	49	214	712	7,030	7,054	3,484	18,542
Ruakura	SW - Kirikiriroa	WW - East	49	214	2,243	7,030	7,054	3,484	20,073
Ruakura	SW - Mangaonua	WW - East	49	214	1,855	7,030	7,054	3,484	19,686
Te Rapa North	SW - Mangaheka	WW - West	49	214	4,825	6,365	6,180	3,072	20,704
Te Rapa North	SW - Te Rapa Stream	WW - West	49	214	952	6,365	6,180	3,072	16,831
Te Rapa North	SW - St Andrews	WW - West	49	214	115	6,365	6,180	3,072	15,995
Temple View	SW - Temple View	WW - West	49	214	843	2,701	9,630	6,286	19,723
Temple View	SW - Waitawhiriwhiri	WW - West	49	214	860	2,701	9,630	6,286	19,740
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide			49	214	11	2,701	2,928	3,072	8,975
		WW - West					3,252		3,252
		WW - East					1,545		1,545
One Bed Charge per lot, dwelling or unit title									
Infill East	SW - Chartwell	WW - East	34	159	490	1,992	3,501	2,425	8,601
Infill East	SW - City Centre	WW - East	34	159	416	1,992	3,501	2,425	8,527
Infill East	SW - Hamilton East	WW - East	34	159	493	1,992	3,501	2,425	8,604
Infill East	SW - Kirikiriroa	WW - East	34	159	1,552	1,992	3,501	2,425	9,663
Infill East	SW - Mangaonua	WW - East	34	159	1,284	1,992	3,501	2,425	9,395
Infill East	SW - Waitawhiriwhiri	WW - East	34	159	595	1,992	3,501	2,425	8,706
Infill West	SW - City Centre	WW - West	34	159	416	1,950	5,170	2,425	10,153
Infill West	SW - Mangakotukutuku	WW - West	34	159	3,987	1,950	5,170	2,425	13,725
Infill West	SW - St Andrews	WW - West	34	159	80	1,950	5,170	2,425	9,818
Infill West	SW - Te Rapa Stream	WW - West	34	159	659	1,950	5,170	2,425	10,397
Infill West	SW - Waitawhiriwhiri	WW - West	34	159	595	1,950	5,170	2,425	10,333
Infill West	SW - Western Heights	WW - West	34	159	286	1,950	5,170	2,425	10,023
Infill West	SW - Lake Rotokauri	WW - West	34	159	28,361	1,950	5,170	2,425	38,098
Peacocke 1	SW - Mangakotukutuku	WW - West	34	3,482	3,987	7,136	7,786	2,497	24,922
Peacocke 2	SW - Peacocke	WW - East	34	2,874	1,208	8,717	9,604	2,633	25,070
Peacocke 2	SW - Mangakotukutuku	WW - East	34	2,874	3,987	8,717	9,604	2,633	27,849
Rotokauri	SW - Lake Rotokauri	WW - West	34	872	28,361	6,671	4,792	3,762	44,991
Rotokauri	SW - Mangaheka	WW - West	34	872	3,339	6,671	4,792	3,762	19,470
Rotokauri	SW - Ohote	WW - West	34	872	438	6,671	4,792	3,762	16,568
Rotokauri	SW - Rotokauri West	WW - West	34	872	8	6,671	4,792	3,762	16,138
Rototuna	SW - Kirikiriroa	WW - East	54	167	1,552	7,163	4,177	3,146	16,260
Rototuna	SW - River North	WW - East	54	167	487	7,163	4,177	3,146	15,194

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Rototuna	SW - Te Awa o Katapaki	WW - East	54	167	5,307	7,163	4,177	3,146	20,014
Rototuna	SW - Otama-ngenge	WW - East	54	167	250	7,163	4,177	3,146	14,958
Ruakura	SW - Hamilton East	WW - East	34	148	493	4,866	4,883	2,411	12,834
Ruakura	SW - Kirikiriroa	WW - East	34	148	1,552	4,866	4,883	2,411	13,893
Ruakura	SW - Mangaonua	WW - East	34	148	1,284	4,866	4,883	2,411	13,625
Te Rapa North	SW - Mangaheka	WW - West	34	148	3,339	4,405	4,278	2,126	14,330
Te Rapa North	SW - Te Rapa Stream	WW - West	34	148	659	4,405	4,278	2,126	11,650
Te Rapa North	SW - St Andrews	WW - West	34	148	80	4,405	4,278	2,126	11,070
Temple View	SW - Temple View	WW - West	34	148	584	1,869	6,665	4,351	13,651
Temple View	SW - Waitawhiriwhiri	WW - West	34	148	595	1,869	6,665	4,351	13,662
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide			34	148	8	1,869	2,027	2,126	6,212
		WW - West					2,251		2,251
		WW - East					1,069		1,069

Table 4 – Non-residential development contribution payable in each catchment (excl. GST)

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Industrial			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			289	2,588	2,193	1,063	6,133
Infill East	SW - City Centre	WW - East			245	2,588	2,193	1,063	6,088
Infill East	SW - Hamilton East	WW - East			290	2,588	2,193	1,063	6,134
Infill East	SW - Kirikiriroa	WW - East			914	2,588	2,193	1,063	6,758
Infill East	SW - Mangaonua	WW - East			756	2,588	2,193	1,063	6,600
Infill East	SW - Waitawhiriwhiri	WW - East			351	2,588	2,193	1,063	6,194
Infill West	SW - City Centre	WW - West			245	2,534	3,238	1,063	7,079
Infill West	SW - Mangakotukutuku	WW - West			2,348	2,534	3,238	1,063	9,183
Infill West	SW - St Andrews	WW - West			47	2,534	3,238	1,063	6,882
Infill West	SW - Te Rapa Stream	WW - West			388	2,534	3,238	1,063	7,223
Infill West	SW - Waitawhiriwhiri	WW - West			351	2,534	3,238	1,063	7,185
Infill West	SW - Western Heights	WW - West			168	2,534	3,238	1,063	7,003
Infill West	SW - Lake Rotokauri	WW - West			16,705	2,534	3,238	1,063	23,540
Peacocke 1	SW - Mangakotukutuku	WW - West			2,348	9,271	4,876	1,095	17,590
Peacocke 2	SW - Peacocke	WW - East			712	11,325	6,014	1,154	19,205
Peacocke 2	SW - Mangakotukutuku	WW - East			2,348	11,325	6,014	1,154	20,842
Rotokauri	SW - Lake Rotokauri	WW - West			16,705	8,666	3,001	1,649	30,021
Rotokauri	SW - Mangaheka	WW - West			1,967	8,666	3,001	1,649	15,283
Rotokauri	SW - Ohote	WW - West			258	8,666	3,001	1,649	13,574
Rotokauri	SW - Rotokauri West	WW - West			5	8,666	3,001	1,649	13,321
Rototuna	SW - Kirikiriroa	WW - East			914	9,306	2,616	1,379	14,216
Rototuna	SW - River North	WW - East			287	9,306	2,616	1,379	13,588
Rototuna	SW - Te Awa o Katapaki	WW - East			3,126	9,306	2,616	1,379	16,427
Rototuna	SW - Otama-ngenge	WW - East			147	9,306	2,616	1,379	13,449
Ruakura	SW - Hamilton East	WW - East			290	6,321	3,058	1,057	10,726
Ruakura	SW - Kirikiriroa	WW - East			914	6,321	3,058	1,057	11,350
Ruakura	SW - Mangaonua	WW - East			756	6,321	3,058	1,057	11,192
Te Rapa North	SW - Mangaheka	WW - West			1,967	5,723	2,679	932	11,301
Te Rapa North	SW - Te Rapa Stream	WW - West			388	5,723	2,679	932	9,722
Te Rapa North	SW - St Andrews	WW - West			47	5,723	2,679	932	9,381
Temple View	SW - Temple View	WW - West			344	2,428	4,174	1,907	8,854
Temple View	SW - Waitawhiriwhiri	WW - West			351	2,428	4,174	1,907	8,860
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide					5	2,428	1,269	932	4,634
		WW - West					1,410		1,410
		WW - East					670		670
Commercial			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			395	7,263	3,720	2,004	13,381
Infill East	SW - City Centre	WW - East			335	7,263	3,720	2,004	13,321
Infill East	SW - Hamilton East	WW - East			397	7,263	3,720	2,004	13,383
Infill East	SW - Kirikiriroa	WW - East			1,251	7,263	3,720	2,004	14,237
Infill East	SW - Mangaonua	WW - East			1,035	7,263	3,720	2,004	14,021
Infill East	SW - Waitawhiriwhiri	WW - East			480	7,263	3,720	2,004	13,466
Infill West	SW - City Centre	WW - West			335	7,111	5,492	2,004	14,942
Infill West	SW - Mangakotukutuku	WW - West			3,213	7,111	5,492	2,004	17,820
Infill West	SW - St Andrews	WW - West			64	7,111	5,492	2,004	14,672
Infill West	SW - Te Rapa Stream	WW - West			531	7,111	5,492	2,004	15,138

Catchment	SW Catchment	WW Catchment	CI	Reserves	Storm-water	Transport	Waste-water	Water	Total
Infill West	SW - Waitawhiriwhiri	WW - West			480	7,111	5,492	2,004	15,087
Infill West	SW - Western Heights	WW - West			230	7,111	5,492	2,004	14,837
Infill West	SW - Lake Rotokauri	WW - West			22,856	7,111	5,492	2,004	37,464
Peacocke 1	SW - Mangakotukutuku	WW - West			3,213	26,019	8,272	2,064	39,568
Peacocke 2	SW - Peacocke	WW - East			974	31,783	10,203	2,176	45,135
Peacocke 2	SW - Mangakotukutuku	WW - East			3,213	31,783	10,203	2,176	47,374
Rotokauri	SW - Lake Rotokauri	WW - West			22,856	24,321	5,091	3,108	55,376
Rotokauri	SW - Mangaheka	WW - West			2,691	24,321	5,091	3,108	35,211
Rotokauri	SW - Ohote	WW - West			353	24,321	5,091	3,108	32,873
Rotokauri	SW - Rotokauri West	WW - West			6	24,321	5,091	3,108	32,526
Rototuna	SW - Kirikiriroa	WW - East			1,251	26,118	4,438	2,599	34,406
Rototuna	SW - River North	WW - East			392	26,118	4,438	2,599	33,547
Rototuna	SW - Te Awa o Katapaki	WW - East			4,277	26,118	4,438	2,599	37,432
Rototuna	SW - Otama-ngeke	WW - East			202	26,118	4,438	2,599	33,357
Ruakura	SW - Hamilton East	WW - East			397	17,740	5,187	1,992	25,317
Ruakura	SW - Kirikiriroa	WW - East			1,251	17,740	5,187	1,992	26,171
Ruakura	SW - Mangaonua	WW - East			1,035	17,740	5,187	1,992	25,954
Te Rapa North	SW - Mangaheka	WW - West			2,691	16,061	4,544	1,757	25,054
Te Rapa North	SW - Te Rapa Stream	WW - West			531	16,061	4,544	1,757	22,893
Te Rapa North	SW - St Andrews	WW - West			64	16,061	4,544	1,757	22,427
Temple View	SW - Temple View	WW - West			470	6,815	7,081	3,595	17,962
Temple View	SW - Waitawhiriwhiri	WW - West			480	6,815	7,081	3,595	17,971
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide					6	6,815	2,153	1,757	10,731
		WW - West					2,391		2,391
		WW - East					1,136		1,136
Retail			Charge per 100m2 floor area (site area for Stormwater)						
Infill East	SW - Chartwell	WW - East			395	10,435	3,054	1,645	15,529
Infill East	SW - City Centre	WW - East			335	10,435	3,054	1,645	15,468
Infill East	SW - Hamilton East	WW - East			397	10,435	3,054	1,645	15,531
Infill East	SW - Kirikiriroa	WW - East			1,251	10,435	3,054	1,645	16,385
Infill East	SW - Mangaonua	WW - East			1,035	10,435	3,054	1,645	16,168
Infill East	SW - Waitawhiriwhiri	WW - East			480	10,435	3,054	1,645	15,613
Infill West	SW - City Centre	WW - West			335	10,217	4,509	1,645	16,706
Infill West	SW - Mangakotukutuku	WW - West			3,213	10,217	4,509	1,645	19,584
Infill West	SW - St Andrews	WW - West			64	10,217	4,509	1,645	16,435
Infill West	SW - Te Rapa Stream	WW - West			531	10,217	4,509	1,645	16,902
Infill West	SW - Waitawhiriwhiri	WW - West			480	10,217	4,509	1,645	16,851
Infill West	SW - Western Heights	WW - West			230	10,217	4,509	1,645	16,601
Infill West	SW - Lake Rotokauri	WW - West			22,856	10,217	4,509	1,645	39,227
Peacocke 1	SW - Mangakotukutuku	WW - West			3,213	37,384	6,791	1,694	49,082
Peacocke 2	SW - Peacocke	WW - East			974	45,665	8,376	1,786	56,800
Peacocke 2	SW - Mangakotukutuku	WW - East			3,213	45,665	8,376	1,786	59,040
Rotokauri	SW - Lake Rotokauri	WW - West			22,856	34,944	4,179	2,552	64,531
Rotokauri	SW - Mangaheka	WW - West			2,691	34,944	4,179	2,552	44,366
Rotokauri	SW - Ohote	WW - West			353	34,944	4,179	2,552	42,028
Rotokauri	SW - Rotokauri West	WW - West			6	34,944	4,179	2,552	41,681
Rototuna	SW - Kirikiriroa	WW - East			1,251	37,526	3,643	2,134	44,554
Rototuna	SW - River North	WW - East			392	37,526	3,643	2,134	43,695
Rototuna	SW - Te Awa o Katapaki	WW - East			4,277	37,526	3,643	2,134	47,580
Rototuna	SW - Otama-ngeke	WW - East			202	37,526	3,643	2,134	43,505
Ruakura	SW - Hamilton East	WW - East			397	25,489	4,258	1,636	31,780
Ruakura	SW - Kirikiriroa	WW - East			1,251	25,489	4,258	1,636	32,634
Ruakura	SW - Mangaonua	WW - East			1,035	25,489	4,258	1,636	32,418
Te Rapa North	SW - Mangaheka	WW - West			2,691	23,076	3,731	1,442	30,940
Te Rapa North	SW - Te Rapa Stream	WW - West			531	23,076	3,731	1,442	28,780
Te Rapa North	SW - St Andrews	WW - West			64	23,076	3,731	1,442	28,313
Temple View	SW - Temple View	WW - West			470	9,792	5,813	2,951	19,027
Temple View	SW - Waitawhiriwhiri	WW - West			480	9,792	5,813	2,951	19,036
Charge per lot, dwelling or unit title are inclusive of below Citywide and WW Catchment components									
Citywide					6	9,792	1,768	1,442	13,008
		WW - West					1,963		1,963
		WW - East					933		933

Notes for schedules 1A and 1B**Note 1 – Charges for non-residential developments**

Non-residential charges are average charges for a typical development per 100m² GFA (Site area for stormwater).

Non-residential developments will be charged in accordance with the average number of household unit equivalents of demand generated by the category into which they fall. These will be calculated by using the factors given in Schedule 4 below.

A retail transport factor is used in determining retail charges, which varies depending on the floor area of the development as set out in Schedule 4. For the purpose of presentation, charges in the schedule above use an average of these factors, so charges for a particular retail development will differ from the charges shown above.

A more precise estimate of the development contributions payable for any development can be provided by Council on request.

In assessing HUEs for mixed-use developments such as a retirement village or a combined industrial and commercial development, a separate assessment will be made for all residential, retail, commercial and industrial components of the development.

Note 2 – Assessment of Reserves component through resource consent applications

At its sole discretion and on a case by case basis Council may take land of dollar value equivalent to the required reserves development contribution rather than money, as a condition of resource consent in accordance with and subject to Council's District Plan.

There is no charge for reserves on non-residential developments.

Note 3 – GST

Development contributions are calculated exclusive of Goods and Services Tax (GST). GST will be added at the rate prevailing at the time of payment after the calculation of any contributions required under this Policy.

Note 4 – Full methodology (s106(3) LGA)

The full methodology demonstrating how the calculations have been made for the contributions in this schedule is available from Council upon request.

Note 5 – The stages at which development contributions are required (s198, 202(1)(b) LGA) are set out in section 11

Note 6 – Producer Price Index adjustments

Council will at its sole discretion and in accordance with s106(2B-2C) LGA, increase development contribution charges annually based at the Producers Price Index Outputs for Construction rate provided by Statistics New Zealand.

Note 7 – Capped non-residential charges

Development contribution charges have been capped for commercial, industrial, and retail developments per section 9.8 above.

Note 8 – Phased residential charges

Development contribution charges for residential development in the Peacocke 1, Peacocke 2, Rotokauri, Rototuna and Ruakura general catchments will be phased in between 1 July 2021 and 30 June 2023 per section 9.11 above.

Note 9 – CBD remission

Council may provide a part or full remission of development contributions for development in the CBD. Refer to clause 18.14 to 18.20, Schedule 7 and Map 7.

Note 10 – High rise remission

Subject to the criteria for the CBD remission (see Note 9 above and 18.15 to 18.17), developments in the CBD with 6 or more storeys may pay no development contributions. Refer to 18.18.

Note 11 – State Integrated Schools' remission

Council may provide a remission of development contributions for State Integrated Schools' subject to the remission criteria set out in 18.29.

Note 12 – Rounding

The final charge may vary slightly from the charges in Schedule 1 of the Policy due to rounding.

25. SCHEDULE 2 – GROWTH-RELATED CAPITAL EXPENDITURE

Table 5 – Growth related capital expenditure by Council Activity Group (\$'000s)

(\$'000s) Growth Related Capital Expenditure (\$'000s)	Total Capex Including Subsidies	Total Subsidies & Operating Revenue	Total Capex Net Subsidies	DC Capex	DC Interest	Total Cost DC Funded Capex	% DC Funded	% Rates Funded	% Other Sources
Total CI	58,744		58,744	9,386	(302)	9,084	16%	84%	0%
Citywide	49,569		49,569	7,551	494	8,046	15%	85%	0%
Historical	43,299		43,299	4,875	189	5,063	11%	89%	0%
10-Year Plan	6,270		6,270	2,677	(28)	2,648	43%	57%	0%
30-Year Strategy					334	334	0%	0%	0%
Rototuna	9,175		9,175	1,835	(797)	1,038	20%	80%	0%
Historical					(808)	(808)	0%	0%	0%
10-Year Plan	9,175		9,175	1,835	(0)	1,835	20%	80%	0%
30-Year Strategy					11	11	0%	0%	0%
Total Reserves	127,541	1,331	126,210	81,511	13,542	95,053	64%	35%	1%
Citywide	45,102	600	44,502	19,245	2,249	21,494	43%	56%	1%
Historical	38,515	100	38,415	17,510	451	17,961	45%	54%	0%
10-Year Plan	6,587	500	6,087	1,735	1,124	2,859	26%	66%	8%
30-Year Strategy					674	674	0%	0%	0%
Infill	5,086	731	4,355	1,493	(293)	1,200	29%	56%	14%
Historical	5,086	731	4,355	1,493	(342)	1,152	29%	56%	14%
10-Year Plan					35	35	0%	0%	0%
30-Year Strategy					13	13	0%	0%	0%
Peacocke	709		709	571	595	1,165	80%	20%	0%
Historical	709		709	571	411	982	80%	20%	0%
10-Year Plan					152		0%	0%	0%
30-Year Strategy					31	31	0%	0%	0%
Peacocke 1	4,598		4,598	3,586	(127)	3,460	78%	22%	0%
Historical	2,830		2,830	2,275	(288)	1,988	80%	20%	0%
10-Year Plan	1,767		1,767	1,311	122	1,433	74%	26%	0%
30-Year Strategy					38	38	0%	0%	0%
Peacocke 2	47,610		47,610	36,100	8,401	44,502	76%	24%	0%
Historical	4,034		4,034	3,440	79	3,520	85%	15%	0%
10-Year Plan	43,576		43,576	32,660	4,216	36,876	75%	25%	0%
30-Year Strategy					4,107	4,107	0%	0%	0%
Rotokauri	2,125		2,125	1,780	1,790	3,570	84%	16%	0%
Historical	2,125		2,125	1,780	1,211	2,991	84%	16%	0%
10-Year Plan					470	470	0%	0%	0%
30-Year Strategy					109	109	0%	0%	0%
Rototuna	22,312		22,312	18,735	927	19,662	84%	16%	0%
Historical	19,497		19,497	16,307	981	17,287	84%	16%	0%
10-Year Plan	2,816		2,816	2,429	(62)	2,366	86%	14%	0%
30-Year Strategy					9	9	0%	0%	0%
Total Stormwater	327,694	4,990	322,705	265,788	61,411	327,199	81%	17%	2%
SW - Chartwell	4,571	9	4,562	2,500	242	2,742	55%	45%	0%
Historical	195	9	185	162	(75)	87	83%	12%	5%
10-Year Plan	4,376		4,376	2,338	43	2,382	53%	47%	0%
30-Year Strategy					273	273	0%	0%	0%
SW - City Centre	1,749	7	1,742	1,355	440	1,795	77%	22%	0%
Historical	656	7	649	571	300	871	87%	12%	1%
10-Year Plan	1,093		1,093	784	92	876	72%	28%	0%
30-Year Strategy					47	47	0%	0%	0%
SW - Citywide	696		696	543	200	743	78%	22%	0%
Historical	696		696	543	76	619	78%	22%	0%
10-Year Plan					86	86	0%	0%	0%
30-Year Strategy					37	37	0%	0%	0%
SW - Hamilton East	4,108	6	4,101	2,145	(101)	2,044	52%	48%	0%
Historical	174	6	168	147	(184)	(38)	84%	12%	4%
10-Year Plan	3,934		3,934	1,998	(82)	1,917	51%	49%	0%
30-Year Strategy					164	164	0%	0%	0%
SW - Kirikiriroa	18,548	88	18,460	11,356	2,797	14,153	61%	38%	0%
Historical	2,745	88	2,657	2,210	1,320	3,530	81%	16%	3%
10-Year Plan	15,803		15,803	9,146	546	9,692	58%	42%	0%
30-Year Strategy					931	931	0%	0%	0%
SW - Lake Rotokauri	184,801	1,684	183,117	162,065	42,775	204,840	88%	11%	1%
Historical	10,848	1,684	9,164	8,080	1,345	9,425	74%	10%	16%
10-Year Plan	57,948		57,948	51,030	3,359	54,389	88%	12%	0%
30-Year Strategy	116,005		116,005	102,955	38,071	141,026	89%	11%	0%
SW - Mangahaka	10,043	7	10,036	8,769	896	9,664	87%	13%	0%
Historical	897	7	891	776	91	867	86%	13%	1%
10-Year Plan	9,145		9,145	7,993	(50)	7,943	87%	13%	0%
30-Year Strategy					854	854	0%	0%	0%
SW - Mangakotukutuku	42,289	28	42,261	34,290	7,899	42,190	81%	19%	0%
Historical	12,418	28	12,390	10,431	150	10,581	84%	16%	0%

(\$'000s) Growth Related Capital Expenditure (\$'000s)	Total Capex Including Subsidies	Total Subsidies & Operating Revenue	Total Capex Net Subsidies	DC Capex	DC Interest	Total Cost DC Funded Capex	% DC Funded	% Rates Funded	% Other Sources
10-Year Plan	29,871		29,871	23,859	4,509	28,368	80%	20%	0%
30-Year Strategy					3,240	3,240	0%	0%	0%
SW - Mangaonua	6,337	3,002	3,335	1,596	110	1,706	25%	27%	47%
Historical	282	2	280	180	(15)	165	64%	35%	1%
10-Year Plan	6,055	3,000	3,055	1,415	19	1,435	23%	27%	50%
30-Year Strategy					106	106	0%	0%	0%
SW - Ohote	1,404	8	1,396	1,097	519	1,616	78%	21%	1%
Historical	177	8	169	148	15	163	83%	12%	5%
10-Year Plan	1,227		1,227	949	146	1,095	77%	23%	0%
30-Year Strategy					358	358	0%	0%	0%
SW - Otama-ngeenge	995	2	993	631	(34)	597	63%	36%	0%
Historical	232	2	230	178	(6)	172	77%	22%	1%
10-Year Plan	763		763	453	(45)	408	59%	41%	0%
30-Year Strategy					17	17	0%	0%	0%
SW - Peacocke	4,963	9	4,954	4,242	1,682	5,924	85%	14%	0%
Historical	3,596	9	3,587	3,181	158	3,339	88%	11%	0%
10-Year Plan	1,367		1,367	1,061	890	1,951	78%	22%	0%
30-Year Strategy					633	633	0%	0%	0%
SW - River North	131	0	131	113	19	133	87%	13%	0%
Historical	120	0	120	105	19	124	87%	13%	0%
10-Year Plan	11		11	8	0	8	77%	23%	0%
30-Year Strategy					0	0	0%	0%	0%
SW - St Andrews	2,013	11	2,003	1,474	(504)	970	73%	26%	1%
Historical	217	11	206	181	(436)	(255)	83%	12%	5%
10-Year Plan	1,796		1,796	1,293	(107)	1,186	72%	28%	0%
30-Year Strategy					39	39	0%	0%	0%
SW - Te Awa o Katapaki	31,778	102	31,677	25,651	2,889	28,541	81%	19%	0%
Historical	16,486	102	16,385	14,152	1,891	16,043	86%	14%	1%
10-Year Plan	15,292		15,292	11,499	368	11,867	75%	25%	0%
30-Year Strategy					631	631	0%	0%	0%
SW - Te Rapa Stream	2,226	8	2,218	1,835	977	2,812	82%	17%	0%
Historical	1,093	8	1,085	959	616	1,575	88%	12%	1%
10-Year Plan	1,133		1,133	876	275	1,151	77%	23%	0%
30-Year Strategy					85	85	0%	0%	0%
SW - Temple View	111	0	110	90	3	93	82%	18%	0%
Historical	56	0	56	48	(3)	45	86%	14%	1%
10-Year Plan	54		54	42	1	43	77%	23%	0%
30-Year Strategy					6	6	0%	0%	0%
SW - Waitawhiriwhiri	10,754	18	10,736	5,905	581	6,486	55%	45%	0%
Historical	1,215	18	1,197	963	(118)	845	79%	19%	1%
10-Year Plan	9,539		9,539	4,941	183	5,124	52%	48%	0%
30-Year Strategy					516	516	0%	0%	0%
SW - Western Heights	179	1	178	131	20	151	73%	26%	1%
Historical	15	1	14	13	(3)	9	82%	11%	7%
10-Year Plan	164		164	118	7	125	72%	28%	0%
30-Year Strategy					17	17	0%	0%	0%
Total Stormwater	327,694	4,990	322,705	265,788	61,411	327,199	81%	17%	2%
SW - Chartwell	4,571	9	4,562	2,500	242	2,742	55%	45%	0%
Historical	195	9	185	162	(75)	87	83%	12%	5%
10-Year Plan	4,376		4,376	2,338	43	2,382	53%	47%	0%
Total Transport	1,207,623	410,160	797,463	463,869	86,633	550,502	38%	28%	34%
Citywide	707,316	276,362	430,954	208,465	41,842	250,307	29%	31%	39%
Historical	231,626	78,659	152,967	62,152	12,981	75,133	27%	39%	34%
10-Year Plan	410,092	193,321	216,772	99,062	8,138	107,200	24%	29%	47%
30-Year Strategy	65,598	4,382	61,216	47,251	20,723	67,974	72%	21%	7%
Infill	14,601	4,530	10,071	3,711	1,612	5,323	25%	44%	31%
Historical	14,601	4,530	10,071	3,711	1,279	4,989	25%	44%	31%
10-Year Plan					284	284	0%	0%	0%
30-Year Strategy					49	49	0%	0%	0%
Infill East	14,422	6,986	7,436	1,407	(113)	1,294	10%	42%	48%
Historical	2,046	885	1,161	113	(230)	(117)	6%	51%	43%
10-Year Plan	12,376	6,101	6,275	1,295	32	1,327	10%	40%	49%
30-Year Strategy					84	84	0%	0%	0%
Infill West	2,582	854	1,728	533	(114)	419	21%	46%	33%
Historical					(159)	(159)	0%	0%	0%
10-Year Plan	2,582	854	1,728	533	21	553	21%	46%	33%
30-Year Strategy					25	25	0%	0%	0%
Peacocke	1,349	127	1,222	565	348	913	42%	49%	9%
Historical	1,349	127	1,222	565	147	712	42%	49%	9%
10-Year Plan					154	154	0%	0%	0%
30-Year Strategy					47	47	0%	0%	0%
Peacocke 1	10,224	3,714	6,510	4,969	(84)	4,886	49%	15%	36%
Historical	7,109	3,079	4,030	3,213	(21)	3,192	45%	11%	43%
10-Year Plan	3,115	635	2,480	1,756	(114)	1,642	56%	23%	20%

(\$'000s) Growth Related Capital Expenditure (\$'000s)	Total Capex Including Subsidies	Total Subsidies & Operating Revenue	Total Capex Net Subsidies	DC Capex	DC Interest	Total Cost DC Funded Capex	% DC Funded	% Rates Funded	% Other Sources
30-Year Strategy					51	51	0%	0%	0%
Peacocke 2	197,433	56,307	141,126	108,046	11,623	119,669	55%	17%	29%
Historical	30,470	14,981	15,489	11,895	126	12,020	39%	12%	49%
10-Year Plan	124,997	41,326	83,672	63,037	2,283	65,320	50%	17%	33%
30-Year Strategy	41,966		41,966	33,114	9,214	42,329	79%	21%	0%
Rotokauri	99,534	15,234	84,300	59,687	18,725	78,412	60%	25%	15%
Historical	35,533	8,382	27,151	19,734	4,390	24,124	56%	21%	24%
10-Year Plan	39,859	280	39,579	25,278	3,463	28,741	63%	36%	1%
30-Year Strategy	24,142	6,573	17,570	14,675	10,872	25,547	61%	12%	27%
Rototuna	87,331	12,758	74,573	47,122	9,658	56,780	54%	31%	15%
Historical	38,944	6,626	32,318	22,306	7,358	29,664	57%	26%	17%
10-Year Plan	48,388	6,133	42,255	24,816	531	25,347	51%	36%	13%
30-Year Strategy					1,769	1,769	0%	0%	0%
Ruakura	59,018	33,286	25,731	19,909	2,033	21,942	34%	10%	56%
Historical	2,026		2,026	1,615	(57)	1,558	80%	20%	0%
10-Year Plan	56,992	33,286	23,706	18,294	(399)	17,895	32%	9%	58%
30-Year Strategy					2,489	2,489	0%	0%	0%
Te Rapa North	13,812		13,812	9,455	1,102	10,558	68%	32%	0%
Historical					(23)		0%	0%	0%
10-Year Plan	13,812		13,812	9,455	4	9,459	68%	32%	0%
30-Year Strategy					1,121	1,121	0%	0%	0%
Total Wastewater	538,337	1,030	537,307	384,632	91,286	475,917	71%	28%	0%
Citywide	216,396		216,396	145,204	45,180	190,384	67%	33%	0%
Historical	85,188		85,188	55,822	16,640	72,463	66%	34%	0%
10-Year Plan	131,208		131,208	89,381	12,425	101,806	68%	32%	0%
30-Year Strategy					16,115	16,115	0%	0%	0%
Infill	827		827	714	522	1,236	86%	14%	0%
Historical	827		827	714	342	1,056	86%	14%	0%
10-Year Plan					138	138	0%	0%	0%
30-Year Strategy					42	42	0%	0%	0%
Infill East	11,583	491	11,092	5,972	258	6,230	52%	44%	4%
Historical	3,143	116	3,026	1,464	(384)	1,080	47%	50%	4%
10-Year Plan	8,440	375	8,065	4,508	192	4,700	53%	42%	4%
30-Year Strategy					450	450	0%	0%	0%
Infill West	27,602	491	27,111	15,416	2,426	17,842	56%	42%	2%
Historical	24,486	116	24,370	13,210	(610)	12,600	54%	46%	0%
10-Year Plan	3,116	375	2,741	2,205	1,879	4,085	71%	17%	12%
30-Year Strategy					1,156	1,156	0%	0%	0%
Peacocke	10,446		10,446	9,230	2,385	11,615	88%	12%	0%
Historical	2,247		2,247	1,954	1,121	3,074	87%	13%	0%
10-Year Plan	8,199		8,199	7,277	596	7,872	89%	11%	0%
30-Year Strategy					669	669	0%	0%	0%
Peacocke 1	4,083		4,083	3,615	(240)	3,375	89%	11%	0%
Historical	2,212		2,212	1,955	(107)	1,848	88%	12%	0%
10-Year Plan	1,870		1,870	1,660	(155)	1,505	89%	11%	0%
30-Year Strategy					21	21	0%	0%	0%
Peacocke 2	93,279		93,279	82,785	12,398	95,183	89%	11%	0%
Historical	29,659		29,659	26,322	211	26,534	89%	11%	0%
10-Year Plan	63,620		63,620	56,463	4,085	60,548	89%	11%	0%
30-Year Strategy					8,101	8,101	0%	0%	0%
Rotokauri	5,202		5,202	4,604	2,171	6,776	89%	11%	0%
Historical	2,618		2,618	2,311	291	2,602	88%	12%	0%
10-Year Plan	2,584		2,584	2,293	758	3,051	89%	11%	0%
30-Year Strategy					1,123	1,123	0%	0%	0%
Rototuna	11,001	47	10,954	8,181	3,947	12,127	74%	25%	0%
Historical	7,340	47	7,293	6,213	3,571	9,785	85%	15%	1%
10-Year Plan	3,661		3,661	1,967	211	2,178	54%	46%	0%
30-Year Strategy					164	164	0%	0%	0%
Ruakura	9,030		9,030	8,013	1,417	9,430	89%	11%	0%
Historical	5,530		5,530	4,907	151	5,058	89%	11%	0%
10-Year Plan	3,500		3,500	3,106	880	3,987	89%	11%	0%
30-Year Strategy					386	386	0%	0%	0%
Temple View	2,679		2,679	1,082	3,239	4,321	40%	60%	0%
Historical	2,679		2,679	1,082	805	1,887	40%	60%	0%
10-Year Plan					487	487	0%	0%	0%
30-Year Strategy					1,946	1,946	0%	0%	0%
WW - East	67,593		67,593	48,648	5,536	54,184	72%	28%	0%
Historical	7,952		7,952	6,838	1,922	8,760	86%	14%	0%
10-Year Plan	59,641		59,641	41,810	(182)	41,628	70%	30%	0%
30-Year Strategy					3,797	3,797	0%	0%	0%
WW - West	78,617		78,617	51,168	12,047	63,214	65%	35%	0%
Historical	16,181		16,181	14,164	5,276	19,440	88%	12%	0%
10-Year Plan	62,436		62,436	37,003	2,620	39,624	59%	41%	0%
30-Year Strategy					4,150	4,150	0%	0%	0%

(\$000s) Growth Related Capital Expenditure (\$000s)	Total Capex Including Subsidies	Total Subsidies & Operating Revenue	Total Capex Net Subsidies	DC Capex	DC Interest	Total Cost DC Funded Capex	% DC Funded	% Rates Funded	% Other Sources
Total Water Supply	236,289	718	235,571	164,299	57,360	221,659	70%	30%	0%
Citywide	181,725		181,725	120,139	46,147	166,287	66%	34%	0%
Historical	111,657		111,657	67,711	22,041	89,752	61%	39%	0%
10-Year Plan	70,068		70,068	52,428	14,851	67,279	75%	25%	0%
30-Year Strategy					9,256	9,256	0%	0%	0%
Infill	13,560	299	13,261	9,075	1,738	10,812	67%	31%	2%
Historical	5,193	299	4,894	2,569	736	3,305	49%	45%	6%
10-Year Plan	8,367		8,367	6,506	416	6,921	78%	22%	0%
30-Year Strategy					586	586	0%	0%	0%
Peacocke	46		46	41	35	76	89%	11%	0%
Historical	46		46	41	20	60	89%	11%	0%
10-Year Plan					12	12	0%	0%	0%
30-Year Strategy					4	4	0%	0%	0%
Peacocke 1	1,008		1,008	894	(229)	665	89%	11%	0%
Historical	882		882	783	(120)	663	89%	11%	0%
10-Year Plan	125		125	111	(109)	3	89%	11%	0%
Peacocke 2	9,214	384	8,829	7,836	823	8,659	85%	11%	4%
Historical	1,402		1,402	1,244	(6)	1,238	89%	11%	0%
10-Year Plan	7,812	384	7,427	6,592	103	6,695	84%	11%	5%
30-Year Strategy					726	726	0%	0%	0%
Rotokauri	13,783	13	13,770	12,101	6,161	18,261	88%	12%	0%
Historical	8,027	13	8,014	6,993	1,462	8,454	87%	13%	0%
10-Year Plan	5,755		5,755	5,108	1,851	6,959	89%	11%	0%
30-Year Strategy					2,848	2,848	0%	0%	0%
Rototuna	14,303	21	14,282	11,861	77	11,938	83%	17%	0%
Historical	7,393	21	7,371	5,728	38	5,765	77%	22%	0%
10-Year Plan	6,911		6,911	6,133	(246)	5,887	89%	11%	0%
30-Year Strategy					285	285	0%	0%	0%
Ruakura	1,664		1,664	1,477	31	1,508	89%	11%	0%
Historical	535		535	476	(32)	444	89%	11%	0%
10-Year Plan	1,128		1,128	1,002	16	1,018	89%	11%	0%
30-Year Strategy					47	47	0%	0%	0%
Temple View	987		987	876	2,576	3,452	89%	11%	0%
Historical	987		987	876	696	1,572	89%	11%	0%
10-Year Plan					391	391	0%	0%	0%
30-Year Strategy					1,489	1,489	0%	0%	0%
Grand Total	2,496,228	418,228	2,078,000	1,369,486	309,929	1,679,414	55%	28%	17%

Note 1 – Capital expenditure groupings

In the above table, **Historical** means any capex or subsidies spent or received before 30 June 2022; **Long-Term Plan** means any capex or subsidies spent or received between 30 June 2022 and 30 June 2031; and **30-Year Strategy** means any capex or subsidies spent or received after 1 July 2031

26. SCHEDULE 3 – CHARGE CALCULATION WORKED EXAMPLE

- 26.1 The calculation of each charge in Schedule 1 is the aggregation of individual project charges in each catchment for each activity in accordance with the formula in section 8 above. Due to the number of projects, showing the calculations for every project is not practicable.
- 26.2 The following exercise illustrates how the charges are calculated at a project level, prior to being aggregated to a catchment and activity level, with the catchment and activity being Rototuna Transport in this example.
- 26.3 Table 6 below shows the method of calculation for the specified project, where NPV is the net present value of the capital expenditure and growth at the assumed interest rate. NPV calculations are used solely to account for interest incurred on development contributions funded projects. No discount is applied for risk or uncertainty.

Table 6 –Development charge calculation worked example

Project: Road 1328.4 Horsham Downs Road Rototuna						Interest Rate (r)	DC Charge for Future Years
Year	(000's)	(000's)	(000's)	(000's)		2.69%	
t	HR	HC	Cost _t	$(NPV(Cost_t) + HC) - HR$	HUE _t	NPV(HUE _t)	DC _t = DC ₁
NPV:				804		3,090	
2022	505		0		556	556	\$260
2023					417	406	\$260
2024					450	427	\$260
2025					252	233	\$260
2026					180	161	\$260
2027					117	102	\$260
2028					115	98	\$260
2029			582	483	83	69	\$260
2030			336	272	77	62	\$260
2031			703	554	61	48	\$260
2032					72	55	\$260
2033					69	51	\$260
2034					47	34	\$260
2035					50	35	\$260
2036					92	63	\$260
2037					88	59	\$260
2038					88	58	\$260
2039					93	59	\$260
2040					111	69	\$260
2041					83	50	\$260
2042					73	43	\$260
2043					76	44	\$260
2044					65	36	\$260
2045					12	7	\$260
2046					31	16	\$260
2047					44	23	\$260
2048					29	15	\$260
2049					46	22	\$260
2050					85	40	\$260
2051					169	78	\$260
2052					31	14	\$260
2053					22	9	\$260
2054					18	8	\$260
2055					32	13	\$260
2056					16	7	\$260
2057					20	8	\$260
2058					24	9	\$260

27. SCHEDULE 4 –DEMAND CONVERSION FACTORS

Table 7– Types of development and household unit equivalents (HUEs per 100m² GFA)

Non-Residential Conversion Factors		
DC Account	Sector	Factor
Transport	Commercial	1.740
Water	Commercial	0.394
Wastewater	Commercial	0.507
Stormwater*	Commercial	0.385
Transport	Industrial	0.620
Water	Industrial	0.209
Wastewater	Industrial	0.299
Stormwater*	Industrial	0.281
Transport**	Retail	2.500
Water	Retail	0.324
Wastewater	Retail	0.416
Stormwater*	Retail	0.385

* Stormwater is calculated per 100m² of site area.

** Retail Transport operates on a sliding scale ranging from 1.1 to 2.5. Both this table and the schedule of charges uses 2000m² gross floor area. Retail developments are assumed to generate different numbers of trips depending on their size (refer Table 9).

Table 8 – Types of residential development and household unit equivalents

Residential Conversion Factors		
DC Account	Type	Factor
Transport	Large Residential	1.290
Water	Large Residential	1.290
Wastewater	Large Residential	1.290
Stormwater	Large Residential	1.290*
Reserves	Large Residential	1.290
Community infrastructure	Large Residential	1.290
Transport	Standard Residential	1
Water	Standard Residential	1
Wastewater	Standard Residential	1
Stormwater	Standard Residential	1
Reserves	Standard Residential	1
Community infrastructure	Standard Residential	1
Transport	Two Bedroom	0.689
Water	Two Bedroom	0.689
Wastewater	Two Bedroom	0.689
Stormwater	Two Bedroom	0.689
Reserves	Two Bedroom	0.689
Community infrastructure	Two Bedroom	0.689
Transport	One Bedroom	0.477
Water	One Bedroom	0.477
Wastewater	One Bedroom	0.477
Stormwater	One Bedroom	0.477
Reserves	One Bedroom	0.477
Community infrastructure	One Bedroom	0.477

*for large residential dwellings with more than one level, the factor is 1.00

Table 9 – Transport HUEs (per 100m² of non-residential GFA)

Type of development	Vehicle trips	Number of HUEs
Residential (per household unit)	10	1
Commercial (non-retail)	17.4	1.74
Commercial (retail) ≤ 4,000m ² GFA	25	2.5
Commercial (retail) 4,001 to 10,000m ² GFA	25 to 11	2.5 to 1.1
Commercial (retail) > 10,000m ² GFA	11	1.1
Industrial (per 100m ² of GFA)	6.2	0.62

Note 1 – Developments for which floor area cannot be used as a proxy for demand

Developments for which, in the opinion of Council floor area cannot adequately be used as a proxy for demand, development contributions will be charged based upon the ratio of the increased demand that they produce to the demand assumed to be produced by an average household.

Note 2 – Wet industries

At the discretion of Council, the charges for water and wastewater for wet industries may be assessed on a case by case basis in relation to the level of demand produced by the development and the cost of servicing it, and set by agreement with the developer in accordance with section 207(A-F) of the LGA. The factors used for calculating the charges for developments that do not fall into this category are averages that have been calculated by excluding usage by wet industries, but wet industry usage has been included in the overall demand growth projections.

Note 3 – Stormwater HUEs

Stormwater HUEs are derived on the basis of the expected runoff from impermeable surfaces. A typical residential greenfield development on a 650m² section is assumed to have a runoff coefficient of 60% and represents one HUE for a 2-year storm. For non-residential developments, development contributions are assessed on site area, and the HUEs for commercial and industrial developments are calculated on the expected run-off from an average site, relative to the run-off from a residential site in accordance with Council's Infrastructure Technical Specifications.

Note 4 - Water HUEs

HUEs for water are calculated on the basis of the expected usage. A typical household is assumed to use 594 litres of water a day (in accordance with the Infrastructure Technical Specifications). The HUEs for commercial and industrial developments are calculated on the expected water usage per 100m² of gross floor area, relative to the usage of an average household. This figure is derived from an average over several years of Council's water meter readings.

Note 5 - Wastewater HUEs

HUEs for wastewater are based on the HUEs for water with assumed throughput of 70% for residential, 90% for commercial and retail and 100% for industrial developments.

Note 6 - Transport HUEs

HUEs for commercial and industrial transport are calculated on the average daily number of vehicle trips in relation to the ten trips per day assumed to be produced by a typical household. These numbers are based on Institute of Transport Engineers (ITE) Trip Generation Handbook, 3rd Edition, NZTA Research Report 453 and Trips Database Bureau (TDB).

28. SCHEDULE 5 – CAPPING OF RESERVES DEVELOPMENT CONTRIBUTIONS (S203 LGA)

- 28.1 Residential allotments may be eligible to have the Reserves component of their development contribution charge capped at the greater of 7.5% or 20m² of their section value.
- 28.2 To determine if a cap will apply, multiply the section value by 7.5%. Secondly divide 20m² by the area of the section and multiply this by the section value. If the reserves charge is higher than either or both of these, then the higher of these two values is the capped reserves charge that will apply.
- 28.3 It will be the responsibility of the developer to demonstrate to the satisfaction of staff that this cap should be applied by providing evidence of the value of the land from an approved registered valuation.

29. SCHEDULE 6 – GROWTH FORECASTS

Table 10– Forecast annual supply growth (household unit equivalents or “HUE’s”)

Growth Rates (HUEs)	Activity	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Citywide	CI	1,226	1,267	1,334	1,328	1,281	1,272	1,351	1,355	1,298	1,300
	Reserves	1,226	1,267	1,334	1,328	1,281	1,272	1,351	1,355	1,298	1,300
	Transport	1,846	1,874	1,894	1,886	1,812	1,798	1,852	1,860	1,789	1,785
	Wastewater	1,415	1,454	1,515	1,507	1,453	1,442	1,515	1,521	1,461	1,461
	Water	1,367	1,406	1,469	1,461	1,409	1,398	1,473	1,478	1,419	1,420
Infill	CI	514	531	559	557	530	523	566	565	542	539
	Reserves	514	531	559	557	530	523	566	565	542	539
	Transport	831	862	883	900	861	856	889	882	858	854
	Wastewater	611	632	663	663	632	625	667	664	642	639
	Water	586	606	637	636	606	600	641	639	616	614
Infill East	CI	242	251	327	194	283	336	309	272	254	275
	Reserves	242	251	327	194	283	336	309	272	254	275
	Transport	368	362	404	271	315	460	405	351	369	411
	Wastewater	274	276	347	216	293	372	338	296	291	316
	Water	266	271	343	211	290	364	331	290	282	306
Infill West	CI	271	280	232	362	247	187	257	293	288	264
	Reserves	271	280	232	362	247	187	257	293	288	264
	Transport	462	500	478	629	546	396	483	531	488	443
	Wastewater	337	355	316	448	339	253	329	367	351	323
	Water	320	336	294	426	316	236	310	349	335	307
Peacocke	CI	108	190	312	290	424	438	484	353	370	355
	Reserves	108	190	312	290	424	438	484	353	370	355
	Transport	108	192	312	292	427	440	490	375	398	387
	Wastewater	108	191	312	290	425	438	485	359	378	364
	Water	108	191	312	290	425	438	485	358	376	362
Peacocke 1	CI	79	62	72	19	13	11	5	2	7	1
	Reserves	79	62	72	19	13	11	5	2	7	1
	Transport	79	62	72	19	13	11	5	2	7	1
	Wastewater	79	62	72	19	13	11	5	2	7	1
	Water	79	62	72	19	13	11	5	2	7	1
Peacocke 2	CI	29	129	240	270	411	427	479	350	363	354
	Reserves	29	129	240	270	411	427	479	350	363	354
	Transport	29	130	240	273	414	429	485	372	391	386
	Wastewater	29	129	240	271	412	427	480	356	371	363
	Water	29	129	240	271	411	427	480	355	369	361
Rotokauri	CI	12	96	40	52	52	63	52	74	102	217
	Reserves	12	96	40	52	52	63	52	74	102	217
	Transport	146	207	117	106	94	102	95	128	156	267
	Wastewater	61	135	67	71	67	77	68	95	121	235
	Water	47	125	60	66	63	73	64	89	116	230
Rototuna	CI	423	308	372	192	131	70	75	45	48	33
	Reserves	423	308	372	192	131	70	75	45	48	33
	Transport	556	417	450	252	180	117	115	83	77	61
	Wastewater	452	333	392	208	145	84	87	55	56	41
	Water	446	327	387	204	142	81	84	53	55	39
Ruakura	CI	169	142	51	171	57	138	96	205	109	44
	Reserves	169	142	51	171	57	138	96	205	109	44
	Transport	189	177	103	234	124	205	153	253	150	79
	Wastewater	176	154	70	193	81	162	118	224	127	60
	Water	174	151	64	187	74	156	111	219	122	55
Te Rapa North	CI	0	0	0	67	87	40	78	113	127	112
	Reserves	0	0	0	67	87	40	78	113	127	112
	Transport	14	15	27	100	123	77	108	136	149	133
	Wastewater	7	7	11	80	102	55	90	123	137	121
	Water	5	5	8	77	98	51	87	120	134	118
Temple View	CI	0	0	0	0	0	0	0	0	0	0
	Reserves	0	0	0	0	0	0	0	0	0	0
	Transport	2	3	2	2	3	2	2	3	2	3
	Wastewater	1	1	1	1	1	1	1	1	1	1
	Water	0	1	0	0	1	0	0	1	0	1

Growth Rates (HUEs)	Activity	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
SW - Chartwell	Stormwater	70	117	123	66	149	73	175	93	99	134
SW - City Centre	Stormwater	108	124	139	70	51	60	84	120	177	117
SW - Citywide	Stormwater	1,592	1,626	1,685	1,671	1,616	1,599	1,670	1,665	1,600	1,593
SW - Hamilton East	Stormwater	93	70	57	30	62	181	74	68	20	64
SW - Kirikiriroa	Stormwater	275	188	140	281	146	241	102	289	210	132
SW - Lake Rotokauri	Stormwater	12	41	41	43	41	44	39	39	42	150
SW - Mangaheka	Stormwater	96	77	58	44	35	33	41	50	61	59
SW - Mangakotukutuku	Stormwater	112	214	269	292	360	432	470	355	321	311
SW - Mangaonua	Stormwater	19	15	14	31	39	57	92	33	9	11
SW - Ohote	Stormwater	0	56	0	10	12	19	8	29	38	42
SW - Otama-ngeke	Stormwater	87	44	34	27	25	22	19	16	13	12
SW - Peacocke	Stormwater	0	41	89	126	121	68	68	53	70	101
SW - River North	Stormwater	10	0	0	0	0	0	0	0	0	0
SW - Rotokauri West	Stormwater	0	0	0	0	0	0	0	0	0	0
SW - St Andrews	Stormwater	80	108	80	216	103	142	171	130	103	104
SW - Te Awa o Katapaki	Stormwater	315	304	370	192	128	61	75	45	48	31
SW - Te Rapa Stream	Stormwater	24	21	67	91	138	69	82	148	177	143
SW - Temple View	Stormwater	1	2	1	1	2	1	1	2	1	2
SW - Waitawhiriwhiri	Stormwater	290	198	198	99	191	95	163	196	211	171
SW - Western Heights	Stormwater	0	5	5	53	13	0	5	0	0	10
WW - East	Wastewater	931	893	1,049	888	931	1,046	1,023	932	845	780
WW - West	Wastewater	484	561	466	619	522	396	492	588	616	681

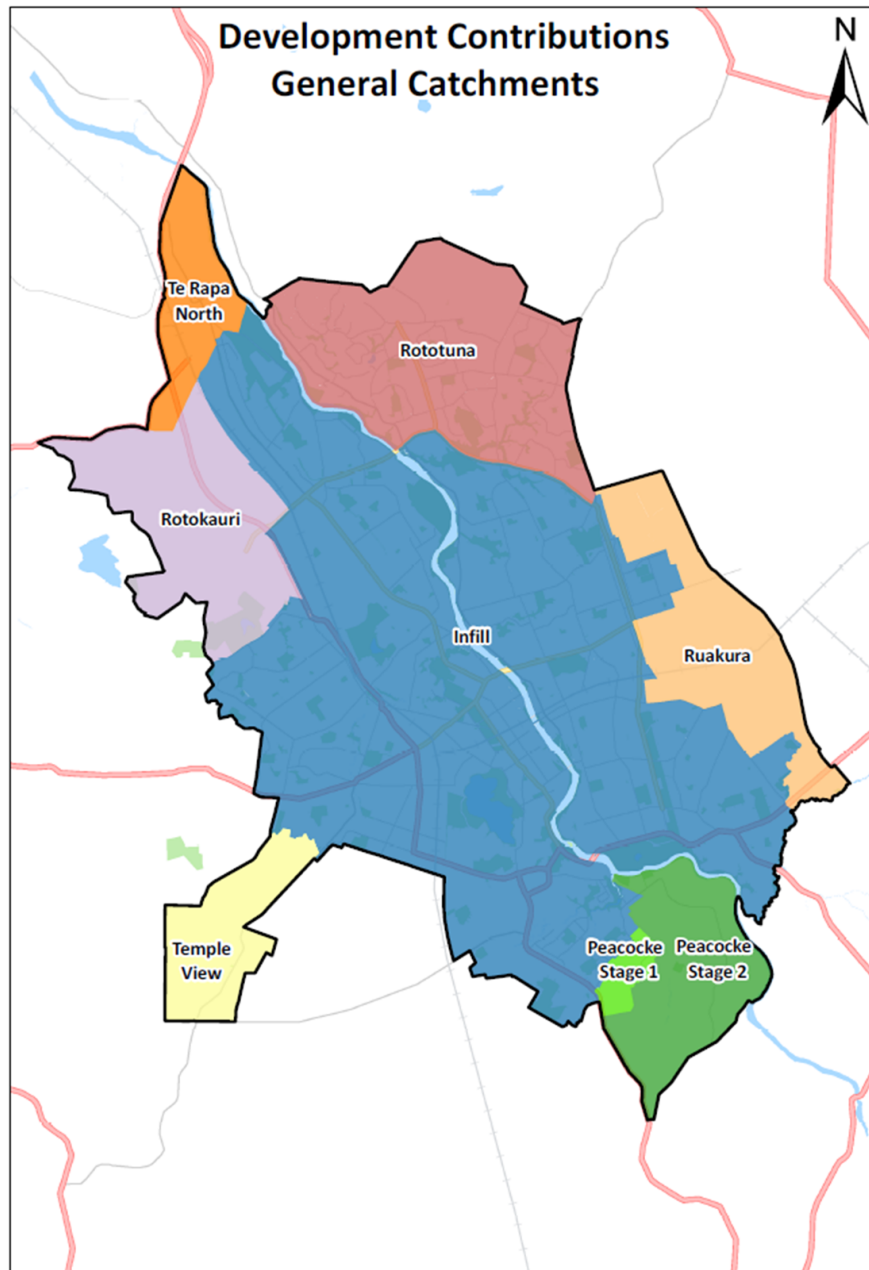
Note 1 - The above forecasts form part of a more complex growth model used in the calculation of charges, and which is available for inspection by request to Council.

30. SCHEDULE 7 – DEVELOPMENT CONTRIBUTIONS CATCHMENT MAPS

Map 1 – General Catchments

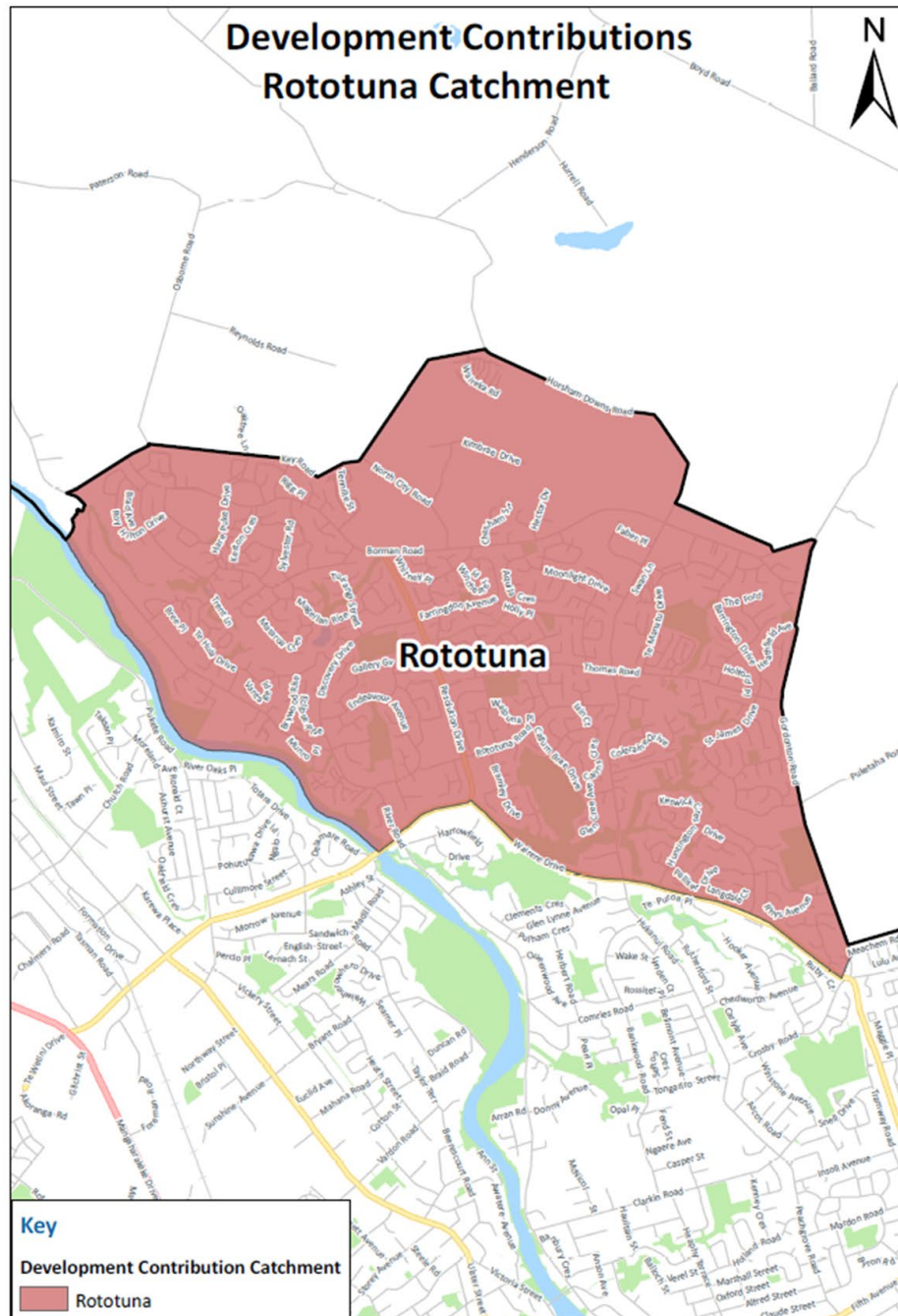
For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).

(shows all activities except stormwater & bulk wastewater (refer to maps 8 & 9 below). An additional "citywide" catchment includes all other catchments).



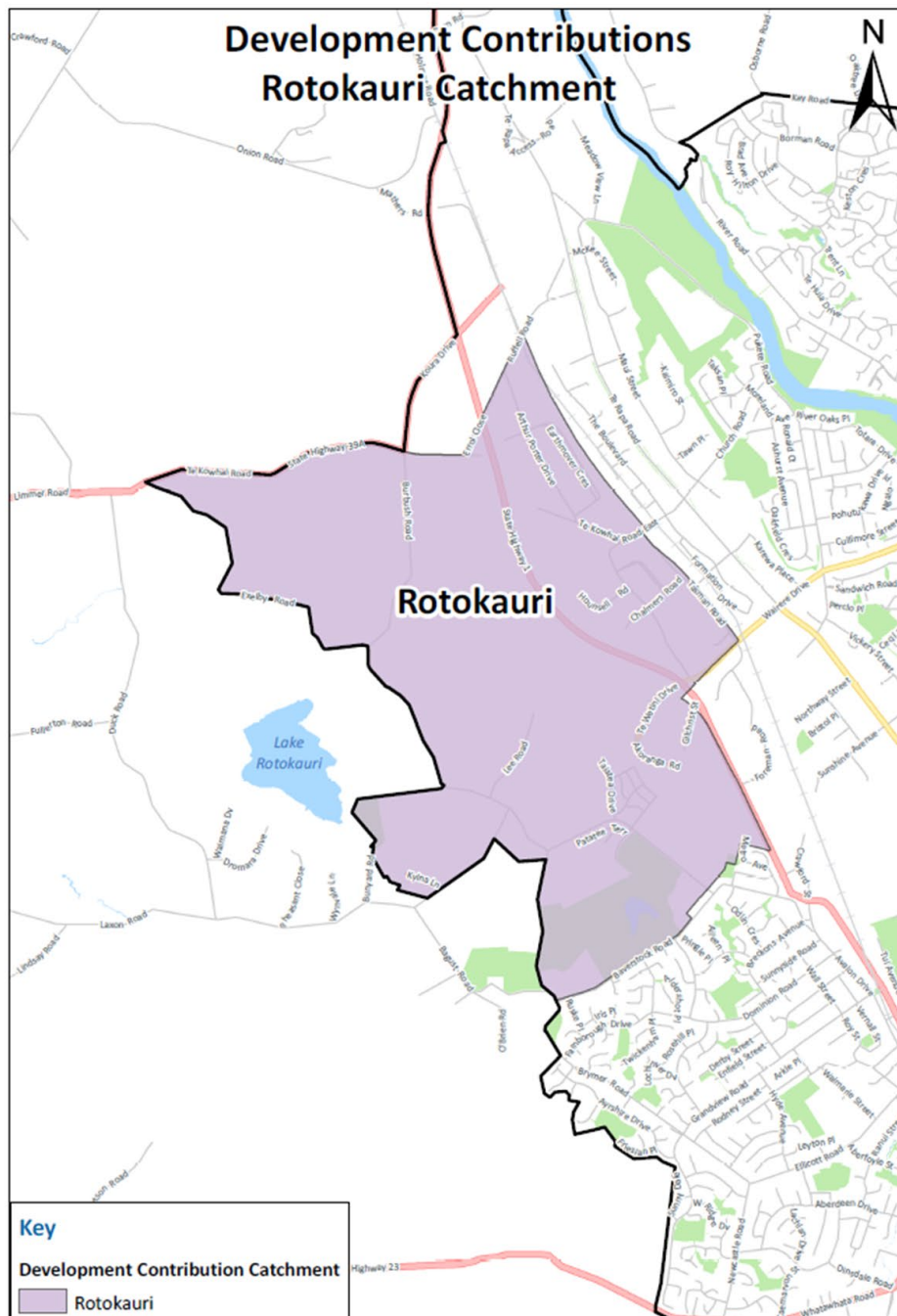
Map 2 – Rototuna catchment

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



Map 3 – Rotokauri catchment

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).

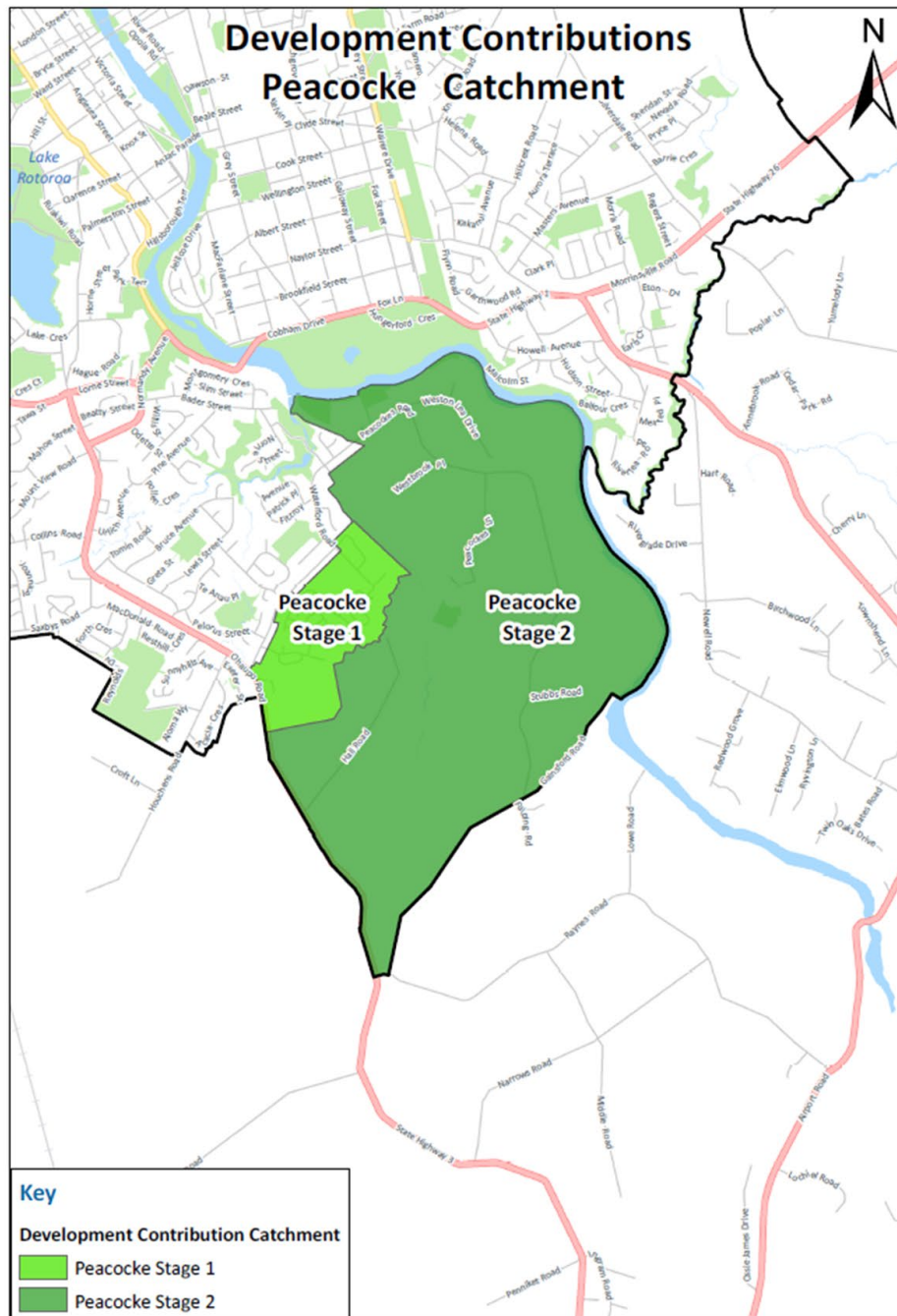


For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



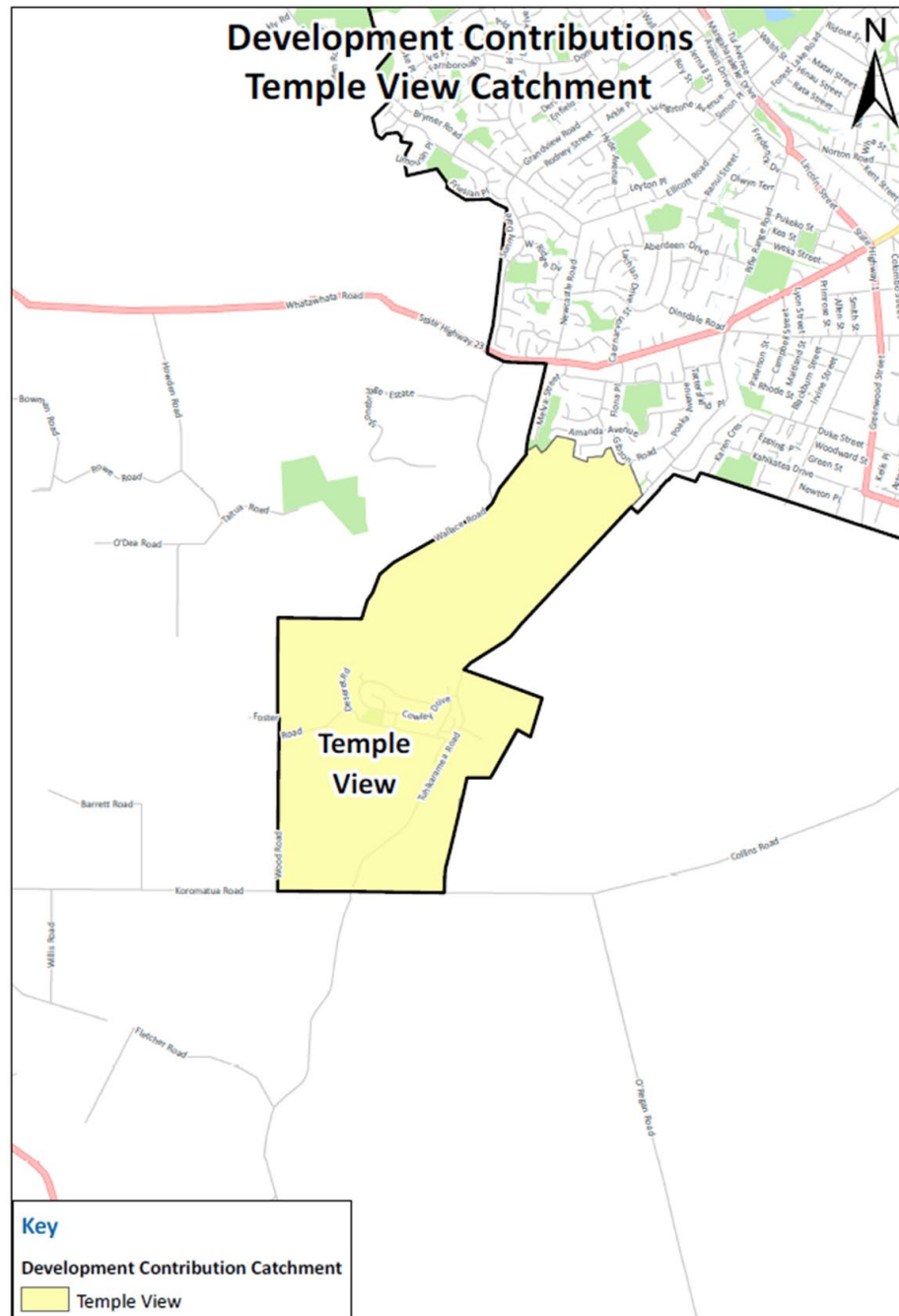
Map 5 – Peacocke Catchments

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



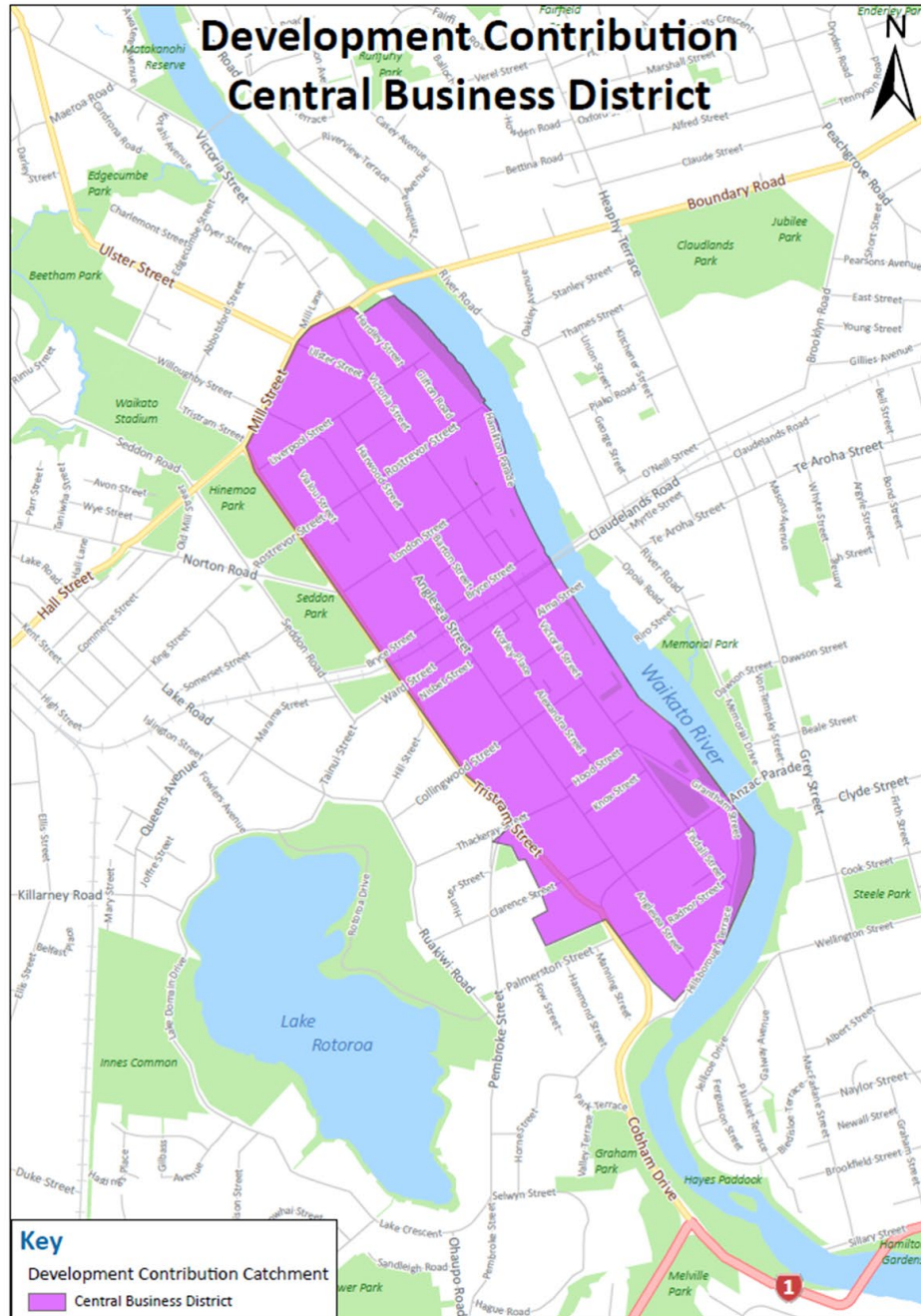
Map 6 – Temple View Catchment

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



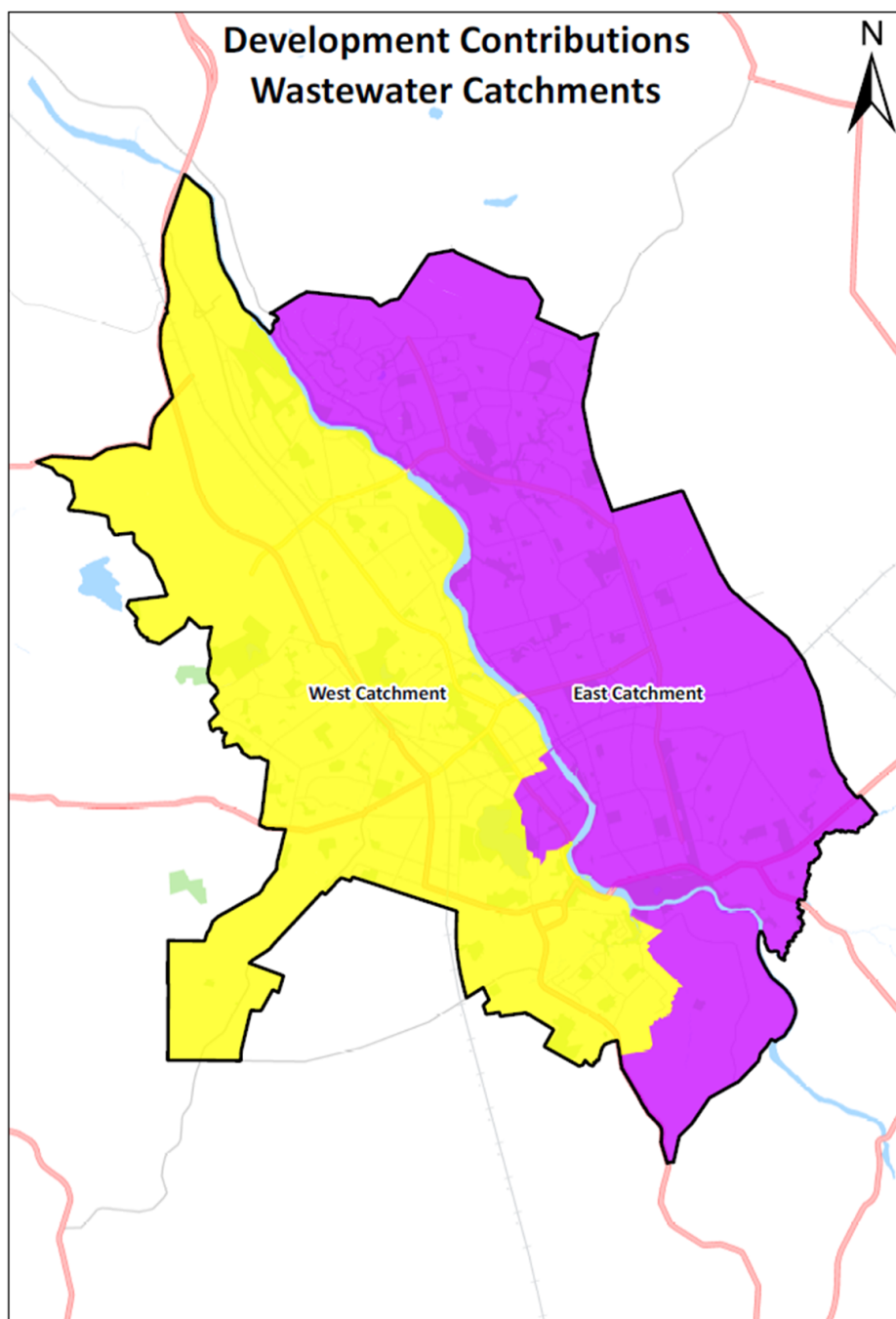
Map 7 – CBD Catchment

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



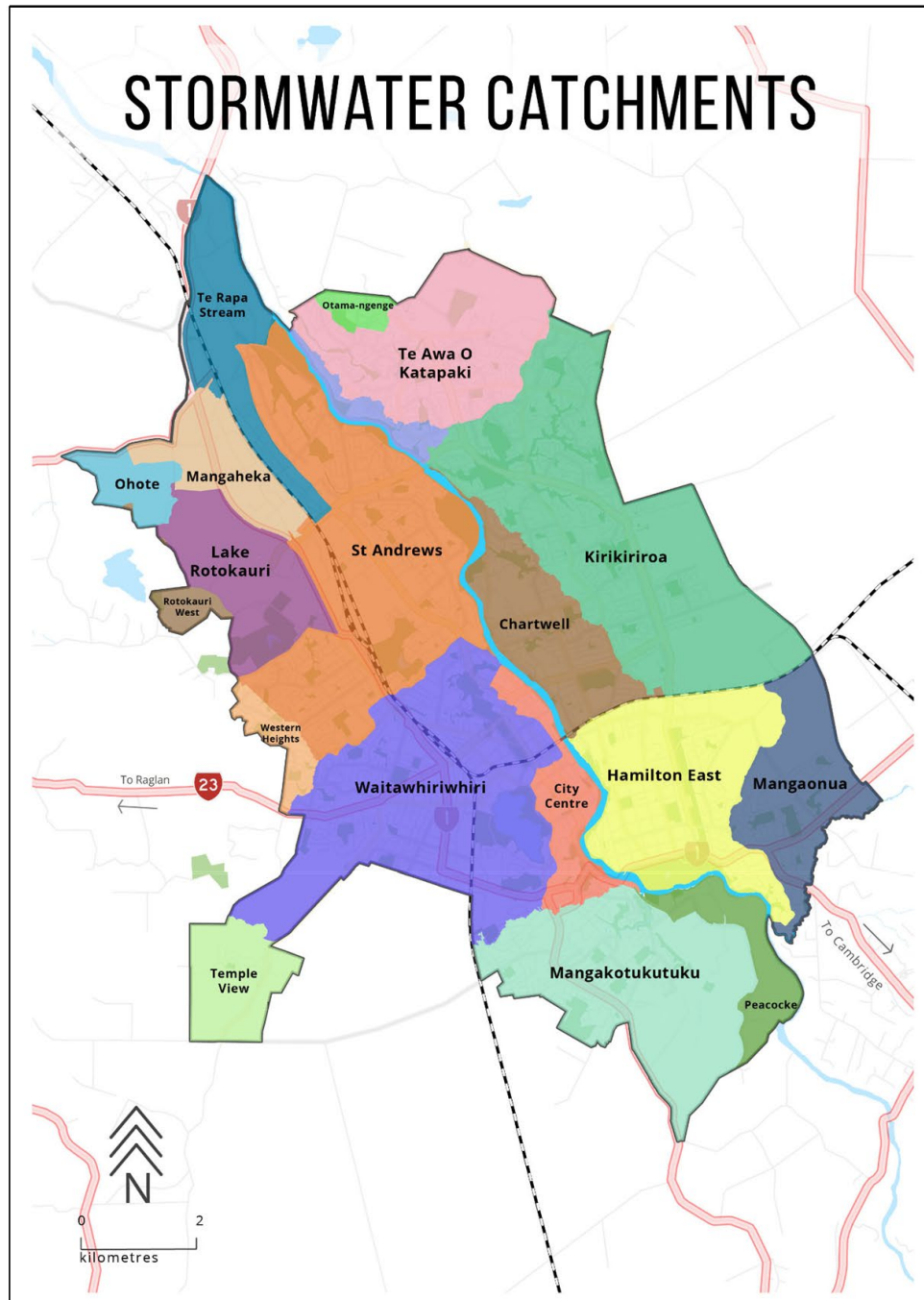
Map 8 – Catchments for Bulk Wastewater Infrastructure

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



Map 9 – Catchments for Stormwater Infrastructure

For more detail regarding areas please refer to Council's [development contributions GIS viewer](#).



END

PAYING FOR GROWTH

DEVELOPMENT CONTRIBUTIONS POLICY
UPDATE 2022

22 MARCH – 14 APRIL 2022

FURTHER INFORMATION

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[/hamiltoncitycouncil](https://hamiltoncitycouncil)

We've made some updates to our Development Contributions (DC) Policy and we want to know what you think!

OVERVIEW

A growing city means we need new or upgraded services and facilities such as roads, neighbourhood parks and more water pipes. Council's DC Policy sets out the costs to enable new development and growth in the city and how much of those costs are charged to developers. The charge on the developer is called a Development Contribution or 'DC'.

Council's approach is to develop a policy that is fair, considers the wellbeing of the city's residents, and balances the cost of growth now and in the future. We're committed to improving the current DC Policy and have identified some specific updates to make sure that happens.

Our DC Policy is usually reviewed every three years alongside our Long-Term Plan (LTP). Since the current Policy was adopted in July 2021, Council has identified an opportunity to provide a remission (reduction) in DCs for developments undertaken by state-integrated schools. Furthermore, in August 2021 we received the outcome of a Judicial Review of our DC Policy which broadly confirmed our Policy as robust and also suggested some areas where we could improve.

Council wants to hear from all Hamiltonians and key policy stakeholders before we continue with the proposed policy update.

WHAT WE'RE NOT UPDATING

We're not proposing changes to any other areas of the Policy and aren't seeking broader feedback on the Policy. This proposed policy update is limited to the areas presented in this document. The DC Policy will be reviewed in full in mid-2024 as part of the regular review every three years alongside the 2024-34 Long Term Plan, and this will provide the opportunity for the community, including developers, to submit on the Policy more broadly.

PROPOSED CHANGES

We're proposing three specific changes to our DC Policy and we want to know what you think.

CHANGE A - UPDATE THE DEFINITION OF GROSS FLOOR AREA (GFA).

What are we changing?

We're proposing to update the definition of gross floor area (GFA) to clarify what we include and exclude. Specifically, we've updated the GFA definition to confirm that DC's will be charged for the areas under canopies and that the floor area under building eaves or roof overhangs (up to one metre from exterior walls) will be excluded from DC calculations.

Please refer to [Section 6.24](#) of the Policy for the amendment.

Why?

The last time we reviewed the DC Policy, Council was responding to a legal challenge to the previous 2019/20 Policy. The outcome of AGPAC Limited & others vs Hamilton City Council Judicial Review was not known at the time the current 2021/22 DC Policy was adopted in July 2021.

As part of the Judicial Review decision, we received feedback that the GFA definition required clarification of when the floor area under canopies is charged so we're proposing some minor changes to make this clearer and more transparent. This change also aligns with the eaves exclusion in the current District Plan (our rule book for development) and will provide consistency for developers.

CHANGE B - REVISE THE APPROACH TO CHARGING STORMWATER DC'S FOR MULTI-LEVEL HOUSES.

What are we changing?

We're proposing a minor change to the way we charge stormwater for multi-storey residential dwellings.

Currently, stormwater DCs for residential dwellings are calculated based on the number of bedrooms. Dwellings with more than one level and four or more bedrooms are charged 1.29 Household Unit Equivalent (HUE). We're proposing to reduce this charge to 1.0 HUE of DCs for these types of dwellings. This means that a multi-story, four-bedroom dwelling will be charged the same HUE (1.0) for stormwater charges as a standard three-bedroom dwelling.

Please refer to [Section 10.36](#) and [Section 27, Schedule 4 Table 8](#) of the Policy for the amendments.

Why?

As part of the Judicial Review decision, it was recommended the Council review how stormwater charges are calculated for multi-storey residential dwellings. Stormwater DC calculations work on the assumption that the more bedrooms a dwelling has, the more hard surface area there is on site such as the roof and driveway. This proposed amendment means multi-storey dwellings will pay a lower and fairer DC to reflect the smaller hard surface area.

We're expecting to see more multi-storey homes built as our city grows and Central Government requires cities like Hamilton to grow up, not just out. This update provides some certainty for developers while Council looks at our residential stormwater requirements as part of our work to meet the National Policy Statement on Urban Development (NPS-UD) and the Government's high density intensification requirements.

CHANGE C - INTRODUCE A PARTIAL REMISSION FOR STATE-INTEGRATED SCHOOL DEVELOPMENTS

What are we changing?

We're proposing to introduce a partial remission or reduction in DCs charged for development at state-integrated schools that provide a minimum level of public access and community benefit.

Please refer to [Sections 18.27 to 18.30](#) and [Section 24 Schedule 1B Note 11](#) of the Policy for the additions.

Why?

Currently Council can't require a DC from state schools under the Local Government Act 2002, so they don't pay DC charges when they are doing development like building new classrooms or school facilities. However, privately funded schools and state-integrated schools (funded both privately and publicly) are treated like commercial developments under the DC Policy and are required to pay DCs for new developments.

In December 2021, Councillors proposed to introduce a discount, known as a 'remission' in the Policy, on DCs for developments done by state-integrated schools to help level the playing field where there is a clear community benefit and access to the facilities against which a remission is sought.

In this Policy update, the option put forward for feedback is that state-integrated schools receive a partial remission for developments that meet certain criteria such as public access and community benefit. This remission is at the sole discretion of Council and can't be applied retrospectively.

OTHER CHANGES

In addition to these three key changes, there are some other minor amendments that are tracked changes in the attached draft DC Policy. These minor changes have been included to make sure the Policy is current and to correct minor grammatical errors. They do not represent significant changes to the reading or meaning of the Policy. Further to these changes, [Schedule 1A Table 1](#) has been updated to year 2 of the phased charges as noted in [Section 9.11 ii](#).

TELL US YOUR THOUGHTS!

Before making any final decisions, we'd like to have your input. You can give us feedback online at hamilton.govt.nz/haveyoursay, or fill out the attached feedback form. For any queries please ring 07 838 6699 or email haveyoursay@hcc.govt.nz

For queries about the proposed changes and for further information regarding the DC Policy, please contact growthfunding@hcc.govt.nz.

Please get your feedback to us by Monday 14 April 2022.

NEXT STEPS

Council staff will collect and analyse all feedback at the close of the submission period. A summary of the feedback will be presented to the Council on Thursday 5 May 2022. At this meeting, submitters who want to speak to their written submission will be able to do so. Council will then deliberate and consider all the feedback. We expect the updated Policy to be adopted at the Thursday 30 June 2022 Council meeting and become operational on Friday 1 July 2022.

FEEDBACK FORM

DEVELOPMENT CONTRIBUTIONS POLICY UPDATE 2022 22 MARCH - 14 APRIL 2022

We've made some updates to our Development Contributions Policy (DC Policy) and we want to know what you think!

FEEDBACK FORMS CAN BE:

- Completed online at hamilton.govt.nz/haveyoursay
- Posted to: Freepost 172189, Hamilton City Council, Communication and Engagement Team - DC Policy update, Private Bag 3010, Hamilton 3240.
- Delivered to: the Municipal Building, 260 Anglesea Street or any branch of Hamilton City Libraries.
- Emailed to: haveyoursay@hcc.govt.nz

Privacy statement:

The Local Government Act 2002 requires submissions to be made available to the public. Your name and/or organisation may be published with your submission and made available in a report to elected members and to the public. Other personal information supplied will be used for administration and reporting purposes only. Please refer to Council's Privacy Statement at hamilton.govt.nz for further information.

YOUR FEEDBACK: (please print clearly)

CHANGE A - DO YOU AGREE WITH THE PROPOSED CHANGE TO THE DEFINITION OF GROSS FLOOR AREA?

The definition of gross floor area (GFA) will confirm that DC's will be charged for the areas under covered structures such as canopies, and be updated to exclude floor area under building eaves or roof overhangs (up to 1m from exterior walls), as well as minor amendments to improve the clarity and transparency of the definition.

- ☐ Yes, I agree with this change
- ☐ No, I do not agree with this change
- ☐ Undecided

Please tell us why: (please print clearly)

CHANGE B - DO YOU AGREE WITH THE PROPOSED CHANGE TO THE APPROACH TO CHARGING RESIDENTIAL STORMWATER DEVELOPMENT CONTRIBUTIONS?

This update will mean a reduced charge of 1 Household Unit Equivalent (HUE) from 1.29 HUE of stormwater DC's for multi storey dwellings with four or more bedrooms.

- ☐ Yes, I agree with this change
- ☐ No, I do not agree with this change
- ☐ Undecided

Please tell us why: (please print clearly)

CHANGE C - DO YOU AGREE WITH THE PROPOSAL TO INTRODUCE A PARTIAL STATE-INTEGRATED SCHOOLS REMISSION?

This proposal is to introduce a partial remission provision for development undertaken by state-integrated schools that provides a minimum level of public access and community benefit.

- ☐ Yes, I agree with this change
- ☐ No, I do not agree with this change
- ☐ Undecided

Please tell us why: (please print clearly)

Run out of room? Feel free to attach additional pages.

WOULD YOU LIKE TO MAKE A VERBAL SUBMISSION?

Note: A verbal submission is around 5 - 10 minutes and is a chance for you to strengthen the key points in your written submission at the Council meeting.

☐ Yes ☐ No

Verbal submissions will take place on 5 May 2022 and we will contact you to arrange a time to attend the Council meeting.

ABOUT YOU

This section tells us a bit more about you. By capturing this information, we will be able to better understand who is, and isn't providing feedback.

CONTACT DETAILS (please print clearly)

We will use this to get in touch with you if you would like the opportunity to make a verbal submission.

Name: _____

Organisation (if responding on behalf of) _____

Phone: _____ Email: _____

WHERE DO YOU LIVE?

I live in Hamilton, my suburb is: _____

I live outside Hamilton:

☐ Waipa ☐ Waikato ☐ Elsewhere in New Zealand ☐ Overseas

WHAT IS YOUR AGE GROUP? (at your last birthday)

☐ Under 16 ☐ 16-19 ☐ 20-24 ☐ 25-29 ☐ 30-34
☐ 35-39 ☐ 40-44 ☐ 45-49 ☐ 50-54 ☐ 55-59
☐ 60-64 ☐ 65-69 ☐ 70-74 ☐ 75-79 ☐ 80+

WHICH ETHNIC GROUP DO YOU IDENTIFY AS? (select all that apply)

☐ NZ European ☐ Maaori ☐ Indian ☐ Chinese ☐ Samoan
☐ British ☐ Filipino ☐ Tongan ☐ South African ☐ Cook Islands Maaori
☐ Not listed (please specify if you wish) _____

Please get your feedback to us by 14 April 2022.

Council Report

Committee: Council **Date:** 17 March 2022

Author: Julie Clausen **Authoriser:** Sean Hickey

Position: Unit Manager Strategy and Corporate Planning **Position:** General Manager Strategy and Communications

Report Name: 2022/23 Annual Plan Proposed Draft Annual Plan Budget

Report Status	<i>Open</i>
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Purpose - *Take*

- 1) To seek the Council's approval of changes to Year Two of the 2021-31 Long-Term Plan (2022-23), for inclusion as the draft 2022-23 budget in the draft 2022-23 Annual Plan.

Staff Recommendation - *Tuutohu-aa-kaimahi*

- 2) That the Council:
 - a) receives the report;
 - b) approves the inclusion of the following for the purposes of preparing the draft 2022-23 Annual Plan budget:
 - (i) changes to the Year 2 (2022-23) budget arising from Council resolutions post the adoption of the 2021-31 Long-Term Plan with an impact of \$2,212,000 additional operating expenditure and \$1,000 additional operating revenue:
 - A. Public excluded resolution, Council 10 June 2021: Operating expenditure \$751,000 per year ongoing;
 - B. Beale Cottage Museum Pilot: Operating expenditure \$45,000 and \$1,000 operating revenue in 2022-23 only;
 - C. Climate Change and Sustainability Resource: Operating expenditure \$290,000 per year ongoing;
 - D. City Waters Sludge Contract: Operating expenditure \$376,000 per year ongoing;
 - E. Sub-regional 3 Waters Project: Operating expenditure \$750,000 2022-23 only;
 - (ii) changes to the Year 2 (2022-23) budget arising from contract changes and additional information post the adoption of the 2021-31 Long-Term Plan with an impact of \$2,603,000 additional operating expenditure, \$1,097,000 lower operating revenue, \$200,000 additional consequential operating expenditure and additional capital expenditure of \$2.31 million:
 - A. Zoo/Waiwhakareke Natural Heritage Park Entry - correct consequential operating expenditure timing: Consequential operating expenditure \$200,000 per year ongoing;

- B. Electricity Costs – Whole of Council: Operating expenditure \$1,480,000 and \$134,000 operating revenue per year ongoing;
 - C. FMG Stadium Waikato Maintenance Adjustment: Operating expenditure \$130,000 per year ongoing;
 - D. Information Services – Security: Operating expenditure \$1,030,000 per year ongoing;
 - E. Landfill Provision and Interest Adjustment: Operating expenditure \$241,000 per year ongoing;
 - F. Insurance Premium Adjustment: Operating expenditure reduction -\$314,000 per year ongoing;
 - G. Remuneration Authority - Councillor Remuneration: Operating expenditure \$36,000 per year ongoing;
 - H. Waka Kotahi National Land Transport Programme 2021-24 Change: Revenue adjustment of -\$1.231 million 2022-23, -\$1.888 million 2023-24, -\$11.109 million 2024-25, -\$2.815 million 2025-26, +\$12.001 million 2026-27 and capital expenditure adjustments of -\$2.31 million 2022-23, -\$3.525 million 2023-24, -\$23.352 million 2024-25, -\$4.55 million 2025-26 and +\$27.85 million 2026-27;
 - I. Peacocke Bridge Contract: Capital revenue \$9.23 million and capital expenditure \$18.1 million 2023-24 only;
- c) notes the changes to the underlying assumptions have been incorporated into the Year 2 (2022-23) budget adjustments:
- (i) Increase in depreciation arising from the revaluation of asset categories;
 - (ii) Re-assessment of the impact of COVID-19 on revenue and expenditure;
 - (iii) Incorporation of the NIDEA high demographic projections for the purposes of planning and development of the draft 2022-23 Annual Plan;
- d) approves for the purposes of financial modelling the deferral of \$19.62 million of capital projects from 2022-23 to later years;
- e) approves for the purposes of financial modelling for the draft 2022-2023 Annual Plan budget a capital programme of \$377.4 million;
- f) notes the following proposals have been prepared for consideration in the draft 2022-23 Annual Plan budget:
- (i) Staff to enter into formal negotiations with University of Waikato, including further investigations into the condition and long-term viability of the pool and to prepare a proposal for consideration in the 2023-24 Annual Plan;
 - (ii) Additional funding to assist community groups in partnering with Council to achieve the outcomes of the 2022 Welcoming Plan, to make Hamilton a more inclusive city with a financial impact of \$75,000 per annum ongoing from 2022-23;
 - (iii) A school travel planning pilot programme to create a school travel plan for one cluster with a financial impact of \$105,000 operating expenditure in 2022-23 and \$130,000 operating expenditure in 2023-24;
 - (iv) A Hamilton City Council staff travel plan to encourage sustainable travel by Hamilton City Council Staff with a financial impact of \$163,000 in 2022-23;
 - (v) A full-time position for a Transport Stakeholder Manager with a financial impact of \$120,000 operating expenditure per year ongoing from 2022-23;

- (vi) Additional capital expenditure for the acquisition of a community park within Peacocke Stage One with a financial impact of \$996,000 capital expenditure in 2022-23;
 - (vii) Funding for a business case for the Rototuna Passenger Transport facilities hub for passengers and drivers at Rototuna with a financial impact of \$100,000 operating expenditure in 2022-23;
 - (viii) Funding for a Garden Place, Civic Square, and Worley Place Shared Zone Study: to plan for safety improvements with a financial impact of \$50,000 operating expenditure in 2022-23;
 - (ix) Additional capital expenditure for the Comet & Meteor Route to delivery priority infrastructure projects as identified through the Comet and Meteor route studies with a financial impact of \$4 million capital expenditure in 2022-23 and \$200,000 of consequential operating expenditure per year ongoing from 2022-23;
 - (x) The inclusion of capital expenditure for the Strategic Water Line (Hamilton South) which was unfunded capital expenditure in the 2021-31 Long-Term Plan with a financial impact of \$700,000 capital expenditure in 2022-23 and \$1,030,000 capital expenditure in 2023-24;
 - (xi) The inclusion of capital expenditure for the Pukete Reservoir Pump Station Upgrade which was unfunded capital expenditure in the 2021-31 Long-Term Plan with a financial impact of \$500,000 capital expenditure in 2022-23, \$970,000 capital expenditure in 2023-24 and \$5,000 consequential operating expenditure per year ongoing from 2022-23;
 - (xii) Additional capital expenditure for 'Bikes on Pipes' to combine the construction of a shared walking and cycling path with a Housing Infrastructure Fund-funded wastewater connection and associated gully crossing structure with financial impact of \$7.426 million capital expenditure in 2023-24 and \$35,000 consequential operating expenditure per year ongoing from 2024-25;
 - (xiii) An increase in levels of service for the Burial Lawn plaque area with edging around plaques undertaken Burial Lawn with a financial impact of \$75,000 operating expenditure per year ongoing from 2022-23 and \$40,000 capital expenditure in 2022-2;
- g) notes the following proposals have been prepared for consideration in the draft 2022-23 Annual Plan budget;
- (i) a Staff Benefit of a base plan health insurance scheme as a means of attracting and retaining staff with a financial impact of \$1.318 million per year ongoing from 2022-23;
 - (ii) additional operating expenditure for the Authority Portt procurement software as a service solution (SaaS) with a financial impact of \$115,000 operating expenditure for the three years of 2022-23, 2023-24 and 2024-25;
 - (iii) capital expenditure brought forward from 2025-26 for a power resilience and Climate Action Plan initiative at Pukete Wastewater Treatment Plant with the financial impact of \$5 million capital expenditure in 2022-23 and \$50,000 consequential operating expenditure per year ongoing from 2022-23 and a reduction in capital expenditure of \$5 million in 2025-26 and a reduction of \$50,000 in consequential operating expenditure in 2025-26 per year ongoing;

- (iv) the realignment of external revenue to smooth revenue targets to align with external funders and project pipelines with a financial impact of a \$1.8 million reduction in operating revenue in 2022-23 and an increase of \$1.8 million in operating revenue in 2023-24;
- (v) the inclusion of funding for 3 Waters Reform transition planning to deliver the work required to ensure the smooth transition of Council's three waters assets and operations to Entity B with a neutral financial impact with the \$1.7 million operating expenditure in 2022-23 and 2023-24 being offset by a \$1.7 million grant revenue in 2022-23 and 2023-24;
- h) notes the potential funding from the Department of Internal Affairs 'Better Off' fund has not been incorporated into the draft 2022-23 Annual Plan budget due to the uncertainty at this point of the terms and conditions of the funding;
- i) notes the proposed average annual rate increase remains as per the 2021-31 Long-Term Plan assumption of 4.9% for 2022-23;
- j) notes the changes to the Year 2 (2022-23) budget to incorporate the changes noted in this report have the following impact on the financial strategy targets for 2022-23:
 - (i) \$9 million balancing the books deficit;
 - (ii) 218% debt to revenue ratio;
 - (iii) \$799 million debt;
- k) notes that no formal consultation will be undertaken for the draft 2022-23 Annual Plan and that an informing communication campaign will be undertaken from April and into the 2022-23 financial year; and
- l) approves consultation on the proposed changes to the Rates Remission and Postponement Policy pursuant to the Local Government (Rating of Whenua Maaori) Amendment Act 2021.

Executive Summary – *Whakaraapopototanga matua*

- 3) Mayor Southgate established the strategic direction for the 2022-23 Annual Plan based on Council's 2021-31 Long-Term Plan. Council staff have prepared this report to reflect that direction.
- 4) This report has been prepared using an exception-based approach. It is only concerned with matters that require amendment from the 2022-23 budget previously approved as Year Two of the 2021-31 Long-Term Plan.
- 5) The potential adjustments to the 2022-23 budget considered in this report are:

Table 1: Potential adjustments to the draft 2022-23 Annual Plan budget

Item	Financial impact + / - \$000				
	Operating revenue	Operating expenditure	Consequential operating expenditure	Capital revenue	Capital expenditure
Changes arising from Council resolutions post the adoption of the 2021-31 Long-Term Plan	1	2,212		-	-

Changes due to contract changes and additional information	-1,097	2,603	200		2,310
Proposals for consideration		688	200		6,236
Staff Proposals for consideration	-1,800	1,433	50		5,000
Total potential impact for 2022-23	-2,896	6,936	450		13,546

- 6) The inclusion of the amendments to the Year 2 (2022-23) budget to incorporate the changes that have occurred since the adoption of the Long-Term Plan and the inclusions of capital deferrals would result in a Year 2 (2022-23) budget debt-to-revenue position of 206%, which is below the 238% forecast for Year 2 in the 2021-31 Long-Term Plan, and a total debt position of \$757 million, which is below the \$876 million forecast for Year 2 in the 2021-31 Long-Term Plan. The balancing the books position moves to \$7 million deficit which exceeds the \$2 million deficit forecast for Year 2 in the 2021-31 Long-Term Plan. Although the debt-to revenue and the total debt position have improved, the additional operating expenditure and reduced operating revenue negatively impacts the balancing the book position.
- 7) The adoption of the above recommendations and the proposals for consideration and the staff proposals for consideration would result in a Year 2 (2022-23) budget debt-to-revenue position of 214%, which is below the 238% forecast for Year 2 in the 2021-31 Long-Term Plan, and a total debt position of \$787 million, which is below the \$876 million forecast for Year 2 in the 2021-31 Long-Term Plan. The balancing the books position would move to \$10 million deficit which exceeds the \$2 million deficit forecast for Year 2 in the Long-Term Plan. The negative movement in the balancing the books is due to the impact of the additional capital expenditure and reduced capital revenue.
- 8) The potential budget adjustments individually and as a collective are not considered significantly or materially different from Year Two as provided in the 2021-31 Long-Term Plan. Formal consultation on the draft 2022-23 Annual Plan is not legislatively required.
- 9) It is recommended that formal consultation is not undertaken and engagement on the Annual Plan is through an informing campaign.
- 10) The Local Government (Rating of Whenua Maaori) Amendment Act 2021 requires Council to include a rates remission in its Rates Remission and Postponement Policy for Maaori Freehold Land under development, effective from 1 July 2022. There are two properties with Maaori Freehold Land in Hamilton, and consultation will be targeted to the affected groups.
- 11) Staff consider the decisions and recommendations in this report comply with the Council's legal requirements.

Background – *Koorero whaimaarama*

- 12) The Council approved the 2021-31 Long-Term Plan (Long-Term Plan) in June 2021 which set Council's direction for the succeeding ten years, with a focus on the first three years.

- 13) The budget for the Long-Term Plan was developed as a Community Wellbeing Budget to give effect to the five priorities as agreed by Council. The budget provided for an increase in the Renewals and Compliance budget, as well as increased investment in renewing assets that would directly improve the amenity of the city. The unprecedented growth experienced by Hamilton and associated demand on existing infrastructure and services was forecasted to continue for the period of the Long-Term Plan. Council also responded to the challenges driven by increasing policy and legislation requirements, specifically growth, water, wastewater and stormwater standards, transport, and climate change. Council's asset base continues to increase with investment in infrastructure assets being the key driver, resulting in increased costs to maintain these assets throughout the period of the Long-Term Plan. Council's Financial Strategy reflects those aforementioned challenges.
- 14) The Council is required by the Local Government Act 2002 to adopt an Annual Plan every year. The Annual Plan:
 - a) provides the annual budget and funding impact statements for the year (2022-23); and
 - b) identifies any variation from the budget and funding impact statements included in the Long-Term Plan for Year Two (2022-23).
- 15) Council's Financial Strategy as set out in the Long-Term Plan provides:
 - a) Debt-to-revenue limit is set at 300% for the year ending June 2022 and decreasing 5% for each of the next four years to 280% for the year ending June 2026 and beyond.
 - b) Average rate increases to existing ratepayers will not exceed 8.9% in 2021-22 and will not exceed 4.9% from 2022-23 onwards.
 - c) Balancing the books means everyday costs should be paid for from everyday revenues.

Annual Plan Process

- 16) In November 2021, Members were invited to propose changes to Year Two (2022-23) of the Long-Term Plan, to be considered through the 2022-23 Annual Plan process.
- 17) Staff further developed these Elected Member Proposals, considering factors including significance and materiality, current work programmes, indicative costs, impact on the Financial Strategy and implementation options.
- 18) The potential budget adjustments to the Year 2 (2022-23) 2021-31 Long-Term Plan budget have been categorised as:
 - a) Changes to the Year 2 (2022-23) budget subsequent to the adoption of the Long-Term Plan;
 - i. Changes due to a Resolution of Council
 - ii. Contract changes and additional information post the 2021-31 Long-Term Plan
 - iii. Change to the depreciation forecast assumption
 - iv. Change to the assumption of the impact of COVID-19 on revenue and expenditure
 - v. Update of the population/dwelling forecasts post the 2021-31 Long Term Plan
 - vi. Capital programme deferrals.
 - b) Elected Member Proposals; and
 - c) Staff Proposals.

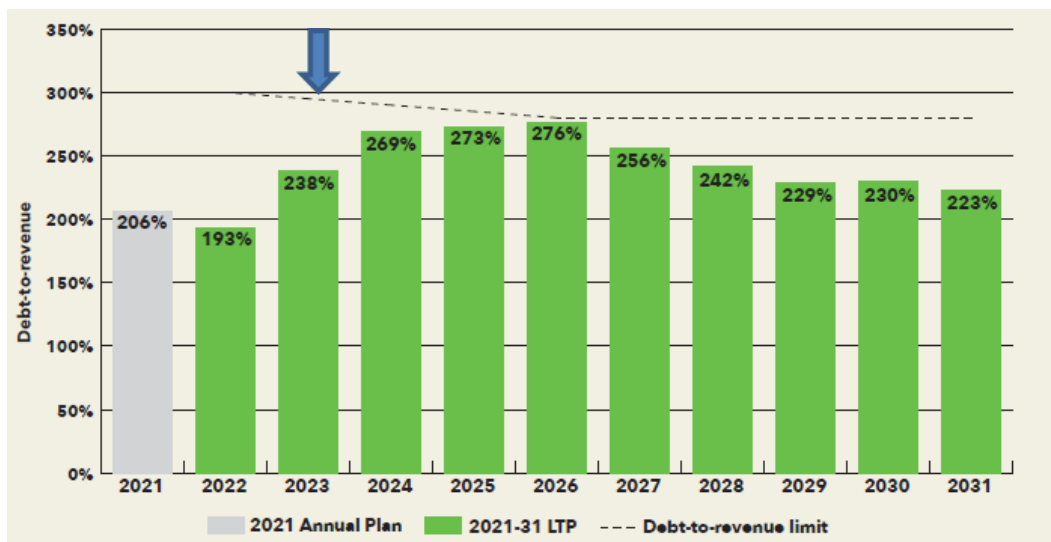
- 19) The draft 2022-23 Annual Plan budget will be presented to the Council on 25 May 2022, when the Council will make a final decision on any additional implications arising from capital programme adjustments and consider any further budget adjustments.

Discussion – *Matapaki*

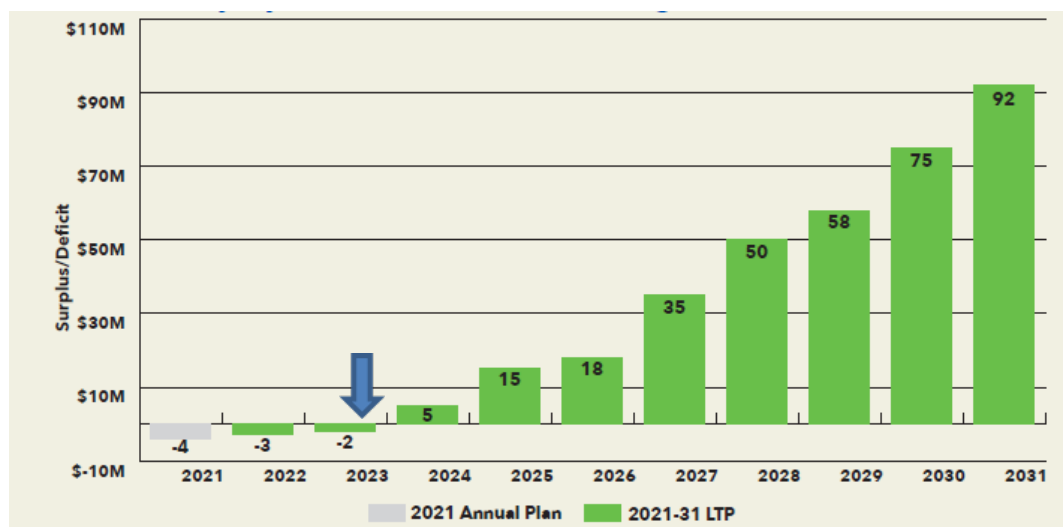
Year 2 (2022-23) budget of 2021-31 Long-Term Plan.

- 20) The financial strategy targets set for Year 2 (2022-23) of the 2021-31 Long-Term Plan were as outlined below:

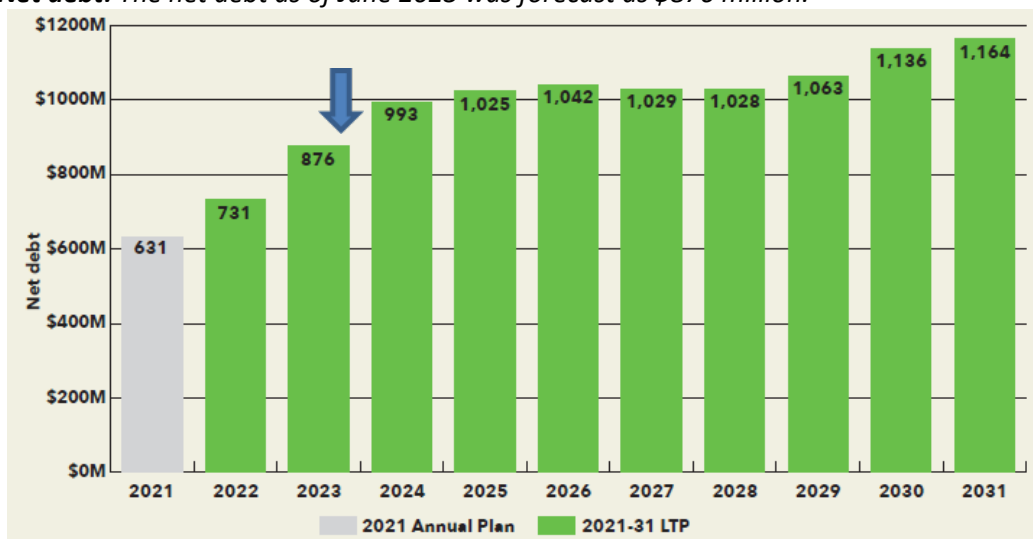
Debt-to-revenue limit: The debt-to-revenue limit for Year 2 (2022-23) was 295% and the debt-to revenue ratio was forecast as 238%.



Balancing the books: The balancing books position for Year 2 (2022-23) was forecast as a deficit of \$2 million.



Net debt: The net debt as of June 2023 was forecast as \$876 million.



Agreed rating limits in the Long-Term Plan: The average rate increases to existing ratepayers will not exceed 4.9% in 2022-23.

Changes to the Year 2 (2022-23) Budget

- 21) There are six categories of changes to the Year 2 (2022-23) 2021-31 Long-Term Plan budget as outlined below:
- A. Changes due to a Resolution of Council
 - B. Contract Changes and Additional Information post the 2021-31 Long-Term Plan
 - C. Change to the depreciation forecast assumption
 - D. Change to the assumption of the impact of COVID-19 on revenue and expenditure
 - E. Update of the population/dwelling forecasts post the 2021-31 Long Term Plan
 - F. Capital programme deferrals to later years

Changes due to a Resolution of Council:

- 22) Council has passed the following resolutions (Table 2) post adoption of the Long-Term Plan which have a financial impact in Year 2 (2022-23) and later years of the 2021-31 Long-Term Plan:

Table 2: Changes due to a Resolution of Council

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
b) (i) A.	Public Excluded Resolution - Council: Increased level of service. <i>Council 10 June 2021. Public excluded</i>	Opex	+751	Ongoing

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
b) (i) B.	Beale Cottage Museum Pilot: increased levels of service by providing the public with a small museum attraction to tell local stories. <i>Community Committee 22 June 2021</i>	Opex Revenue	+45 +1	2022-23
b) (i) C.	Climate Change and Sustainability Resource: increased level of service by providing resources to ensure the delivery of Council's response to climate change and sustainability. <i>Environment Committee 30 November 2021</i>	Opex	+290	Ongoing
b) (i) D.	City Waters – Sludge Contract: increased level of service with the sustainable disposal of sewage sludge <i>Infrastructure Operations Committee 28 September 2021</i>	Opex	+376	Ongoing
b) (i) E.	Sub-Regional 3 Waters Project: multi-party funding agreement to investigate three waters projects with regional benefits <i>Council 12 December 2019</i>	Opex	+750	2022-23
TOTAL IMPACT YEAR 2 (2022-23)			+ / - \$000	
Operating revenue			+1	
Operating expenditure			+2,212	

Note:

+ means we are adding additional revenue or adding additional expenditure

- means we are taking out revenue or expenditure

Contract Changes and Additional Information post the 2021-31 Long-Term Plan

- 23) Since the adoption of the 2021-31 Long-Term Plan in June 2021, there have been a number of changes such as contract adjustments and the consideration of additional information which has impacted the financial forecast for Year 2 (2022-23) and the remaining years of the 2021-31 Long-Term Plan. These changes are outlined in Table 3 below.

Table 3: Contract Changes and Additional Information Post 2021-31 Long-Term Plan

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
b) (ii) A.	Zoo / Waiwhakareke Natural Heritage Park Entry - correct consequential opex timing: correction of Long-Term Plan project timing to align with project delivery	Con Opex	+200	Ongoing
b) (ii) B.	Electricity Costs – Whole of Council: projected increase in electricity costs partly offset by decrease in natural gas	Opex Revenue	+1480 +134	Ongoing
b) (ii) C.	FMG Stadium Waikato – Maintenance Adjustment: ensuring an appropriate level of service and appropriate international standards as per contractual obligations	Opex	+130	Ongoing
b) (ii) D.	Information Services – Security: increased level of cyber security protection for critical assets	Opex	+1,030	Ongoing
b) (ii) E.	Landfill Provision & Interest Adjustment: revised landfill provision calculation based on latest interest rates and Annual Report opening balances	Opex	+241	Ongoing
b) (ii) F.	Insurance Premium Adjustment: insurance premium forecast reduction offset by cost savings from one FTE	Opex	-314k	Ongoing
b) (ii) G.	Remuneration Authority – Councillor Remuneration: 2022-23 governance remuneration pool for Hamilton City Council	Opex	+36	Ongoing
b) (ii) H.	Waka Kotahi NLTP 21-24 Change: to reflect the Waka Kotahi National Land Transport Programme 2021-24 funding changes. As presented to the Infrastructure Operations Committee of 7 December 2021, Waka Kotahi NZTA announced its	Revenue	-1,231 -1,888 -11,109 -2,815	2022-23 2023-24 2024-25 2025-26

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
	funding allocations and co-investment in Council's planned forward delivery programme in early September 2021. The total planned co-funded transportation works programme in the 2021-24 three-year period is \$425.5m. In the 2021-24 NLTP, \$42.3m of Council's programme has been categorised as 'possible' or 'not included' and accordingly is unlikely to achieve co-investment as originally planned. Staff recommended a combination of reallocation of planning funding between projects, utilisation of some budgeted Council funding to progress programmes without co-investment from Waka Kotahi, and deferral of the commencement of some projects until co-investment has been confirmed.	Capex	+12,001 -2,310 -3,525 -23,352 -4,550 +27,850	2026-27 2022-23 2023-24 2024-25 2025-26 2026-27
b) (ii) I.	<p>Peacocke Bridge Contract: a request for additional funding necessitated by unexpectedly high-cost increases from external market pressures and supply chain disruptions including the impacts of COVID-19.</p> <p>Cost fluctuations had been included in the Peacocke Bridge contract (a three-year \$140 million contract) in adherence to best practice procurement in accordance with the Construction Accord and Waka Kotahi NTZA Procurement Policy. The Peacocke Waikato River Bridge project took advantage of competitive market conditions during the early stages of the COVID-19 pandemic in 2020, and the budget allowed for typical fluctuations escalation of approximately 2% annually. Recent construction cost indices used to determine contract escalation have been approximately 2 – 3 % quarterly, resulting in 10% annually.</p> <p>The impact of the higher fluctuations based on the current construction cost indices are estimated to be \$18.1 million, in addition to the \$2.1 million direct COVID-19 impacts from the Alert Level Changes in the latter</p>	Capital Rev Capex	+9,230 +18,100	2023-24 only

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
	half of 2021 and reported to the Finance Committee on 5 October 2021.			
TOTAL IMPACT YEAR 2 (2022-23)			+ / - \$000	
Operating revenue			-1,097	
Operating expenditure			+2,603	
Consequential operating expenditure			+200	
Capital expenditure			+2,310	

Change to depreciation forecast assumption:

- 24) The depreciation forecast used in the Long-Term Plan Year 2 (2022-23) has been updated to incorporate the impact of the 2021 revaluation of Building and Transportation assets and an estimate of potential impact of the 2022 revaluations for Buildings, Refuse, Stormwater, Wastewater Treatment Plant, Water Supply and Water Treatment Station assets. This has resulted in an increase in the depreciation expense from \$79.9m to \$85.6m, which has a direct impact on the balancing the books. A more accurate forecast of the impact on depreciation of the 2022 revelations will be known once revaluations are closer to completion by May 2022 and may result in a further change in depreciation and the balancing the books.

Change to assumption of the impact of COVID-19 on revenue and expenditure:

- 25) The Long-Term Plan assumed a 'new normal' operating context for Year Two (2022-23), which is primarily a reduction in revenue for Visitor Destinations and Venues, Tourism and Major Events. In October 2021 staff reassessed the budgets and incorporated the impact of COVID-19 on visitor number projections and revenue, and the impact of vaccination passport requirements. The Protection Framework (Traffic Lights) was introduced in late October 2021 with a commencement date of 1 December 2021. When Year Two commences on 1 July 2022, there will be travel within New Zealand by domestic and international visitors.

Update of the population/dwelling forecasts:

- 26) Post adoption of the Long-Term Plan, Council approved the use of NIDEA high demographic projections for the purposes of planning and development of the 2022-23 Annual Plan. Staff have considered the impact on changes in population in relation to service delivery. There is no change to development contribution revenue as Council committed in its Development Contributions Policy to a fixed set of charges that increase annually until the next Long-Term Plan (2024-34).

Annual (Fiscal Year) Hamilton City Population Projections – Rebased to 2020 Population Estimates

Scenario	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
NIDEA 2020 Low (2021-31 LTP)	180,741	183,036	185,377	187,741	190,090	192,422	194,744	197,038	199,276	201,483
NIDEA 2021 High	182,461	185,359	188,238	191,145	194,079	197,036	200,012	202,995	205,982	208,972
Difference	1,720	2,323	2,861	3,404	3,989	4,613	5,268	5,957	6,706	7,489

Annual (Fiscal Year) Hamilton City Additive Household / Dwelling Projections

Scenario	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total
NIDEA 2020 Low (2021-31 LTP)	1,177	1,215	1,279	1,274	1,232	1,221	1,295	1,300	1,246	1,248	12,488
NIDEA 2021 High	1,146	1,168	1,170	1,183	1,183	1,159	1,248	1,235	1,250	1,270	12,011
Difference	-30	-48	-109	-92	-48	-62	-48	-65	4	22	-477

Capital programme deferrals

- 27) The capital programme for 2022-23 was \$316 million (Table 4).

Table 4: 2022-23 Capital Programme as per the 2021-31 Long-Term Plan

Priority	Activity	\$ million
A city that's easy to live in	Community Services	7.561
	Transport	147.242
A city where our people thrive	Safety	0.132
A central city where people love to be	Note this Priority does not have capital projects assigned directly to it.	-
A fun city with lots to do	Visitor Destinations	13.845
	Venues, Tourism and Major Events	9.782
	Parks and Recreation	26.560
A green city	Water Supply	26.413
	Wastewater	60.813
	Stormwater	10.587
	Rubbish and Recycling	0.191
Overhead and Support Units		13.183
Total Capital Expenditure 2022-23		316.309

- 28) The following table (Table 5) outlines the revised Capital Programme taking into consideration approved changes and forecast deferrals.

Table 5: Revised Capital Programme for Years 1-3 of the 2021-31 Long-Term Plan

Year	2021-22	2022-23	2023-24	2024-25
	\$ million	\$ million	\$ million	\$ million
Capital Programme as per 2021-31 Long-Term Plan	328.67	316.31	277.97	
Additions to the Capital Programme approved after the adoption of the 2021-31 Long-Term Plan	51.46	18.23	-	
Approved changes to the Capital Programme	12.49	-0.67	-20.5	
Deferrals out of 2021-22 to 2022-23 and 2023-24 (already approved and identified) Table 6	-90.6*	63.2	27.1	0.3

Deferrals out of 2021-22 to 2023-24 (forecast but not yet identified)	-20		20	
Deferrals out of 2022-23 to 2023-24 (forecasted due to delivery risk)		-19.62 (Table 7)	19.62	
Reforecast Capital Programme	270.7	377.45	324.49	

*Consisting of:

- \$40.5 million deferrals and \$5 million other changes as advised at Finance Committee 10 February 2022
- Additional identified deferrals of \$45.1 million to be advised at the Finance Committee 29 March 2022

- 29) The capital projects deferred from 2021-22 to 2022-23, 2023-24 and 2024-25 are listed below (Table 6).

Table 6: Capital project deferred from 2021-22 to 2022-23

Project	2021-22 \$ million	2022-23 \$ million	2023-24 \$ million	2024-25 \$ million
452 Tristram/Collingwood Upgrade Traffic Signals	-2.0	2.0	0.0	0.0
Alexandra Street Upgrade - Hood to Collingwood	-0.5	-4.1	4.6	0.0
Central City Street Furniture Replacement	-0.1	0.0	0.1	0.0
Museum Loading Bay	-0.0	0.0	0.0	0.0
Museum Road Entrance Upgrade	-0.3	0.3	0.0	0.0
Museum Vertical Maze	-0.1	0.1	0.0	0.0
River Plan - South End Precinct (CCTP)	-0.7	0.0	0.7	0.0
Sapper Moore Jones - Theatre Access & Pedestrian Environment	-0.1	0.0	0.1	0.0
Ward Street - Tristram to Anglesea	-1.4	-3.1	3.1	1.4
Hamilton Gardens Cafe Improvements	-0.3	0.3	0.0	0.0
Hamilton Gardens - Civil works design and consent future development	-0.1	0.1	0.0	0.0
Hamilton Gardens Development	-0.6	0.6	0.0	0.0
Hamilton Lake Domain Wetland	-0.1	0.1	0.0	0.0
Libraries - Cultural Identity at Branches	-0.1	0.1	0.0	0.0
Library Activation	-0.2	0.2	0.0	0.0
Lido Pool Cover	-0.9	0.9	0.0	0.0
Nature in the City Portfolio Programme - Gully Restoration and Development	-0.4	0.4	0.0	0.0
Pukete Neighbourhood House	-0.7	0.7	0.0	0.0
Reserve Land Purchase / Contracted Purchases	-0.4	0.4	0.0	0.0
River Plan - Wellington Street Beach	-0.1	0.1	0.0	0.0
Brymer Road Rotokauri stage 1	-0.7	0.7	0.0	0.0
Sports Park Drainage	-0.3	0.3	0.0	0.0
Sports Parks Floodlighting & Safety Lighting Improvements	-0.6	0.6	0.0	0.0
Sports Parks Toilets & Changing Room Improvements	-0.6	0.6	0.0	0.0
Visitor Arrival Centre & Forecourts	-1.2	1.2	0.0	0.0
Zoo and Waiwhakareke Entrance Precinct- Stage 1A and 1B	-0.6	0.6	0.0	0.0
Zoo Master Plan Implementation - Savannah Attraction	-0.3	0.3	0.0	0.0
Designations for Storages 1 to 8	-0.8	0.8	0.0	0.0

Project	2021-22 \$ million	2022-23 \$ million	2023-24 \$ million	2024-25 \$ million
DMA's - Newcastle Reservoir Zone	-1.5	1.5	0.0	0.0
Fitzroy Pump Station Upgrade and Diversion	0.0	2.0	-2.0	0.0
Mangaonua - Catchment Erosion control	-2.7	2.7	0.0	0.0
Pukete WWTP Upgrade	-0.5	0.5	0.0	0.0
Snell Drive SPS - Diversion to FEI	-1.1	1.1	0.0	0.0
Storage 1 - EI-US (Previously Steele Park)	-0.1	0.1	0.0	0.0
Storage 11 - Collins Road Infrastructure Upgrade	-0.2	0.2	0.0	0.0
Storage 2 - EI-H (Jansen Park/Morris Road)	-0.1	0.1	0.0	0.0
Storage 4 - EI-MS (Previously Donny Park)	-0.2	0.2	0.0	0.0
Storage 5 - WI-MS (Previously Bremworth)	-0.1	0.1	0.0	0.0
Subregional Wastewater Treatment Plant-HCC Share-Design	-0.8	0.8	0.0	0.0
Waiora 2 WTP Upgrade	-9.0	9.0	0.0	0.0
SH3/Dixon Road Intersection and East-West Arterial Stage 1	1.1	0.0	0.0	-1.1
3 Waters Renewals & Compliance Programme	-3.6	3.6	0.0	0.0
Community Renewals & Compliance Programme	-0.2	0.2	0.0	0.0
Facilities Renewals & Compliance Programme	-0.6	0.6	-0.1	0.0
Transport Renewals & Compliance Programme	-1.0	1.0	0.0	0.0
Arthur Porter Drive Connection	-0.2	0.2	0.0	0.0
Baverstock Road Upgrade	-0.8	0.8	0.0	0.0
Rotokauri Stormwater Swale Consent and Design	-1.9	0.0	1.9	0.0
Rotokauri - Stormwater Development Upsizing	-0.7	0.4	0.4	0.0
Te Kowhai Road Arterial Services	-0.1	0.0	0.1	0.0
Rotokauri - Transport Upsizing Programme	-0.2	0.0	0.2	0.0
Borman West/Kay Intersection	-0.4	0.4	0.0	0.0
Borman/Horsham Urban Upgrade	-6.1	1.8	4.3	0.0
Rototuna - Collector Upsize Programme	-0.3	0.3	0.0	0.0
North City	-3.6	3.6	0.0	0.0
North City Road Corridor – Borman to Bourn Brook	-2.3	2.3	0.0	0.0
Rototuna Community Facilities	-9.2	9.2	0.0	0.0
Rototuna Network - Neighbourhood Park	-2.0	2.0	0.0	0.0
Rototuna - SW Upsize Programme	-2.1	1.1	1.0	0.0
Upgrade/New wastewater WW/1124.3 in Rototuna	-0.2	0.2	0.0	0.0
Rototuna - Walking/Cycling Network	-0.2	0.2	0.0	0.0
Wastewater Trunk Borman Road and Horsham Downs	-0.5	0.5	0.0	0.0
Ruakura ETC Bulkmain	-1.5	1.5	0.0	0.0
Ruakura ETC FEI Wastewater	-1.5	1.5	0.0	0.0
Ruakura Specimen Design	-1.4	0.3	1.1	0.0
Biking Connectivity Projects	-0.5	0.5	0.0	0.0
Gordonton/Puketaha Intersection Upgrade	-4.0	4.0	0.0	0.0
Low cost/Low risk - Road to Zero	-0.1	1.1	-1.0	0.0
Low cost/low risk - Road to Zero - CPU	-6.2	0.9	5.3	0.0
Low cost/Low risk - Walking & Cycling - CPU	-1.2	0.0	1.2	0.0

Project	2021-22 \$ million	2022-23 \$ million	2023-24 \$ million	2024-25 \$ million
Pembroke/Ohaupo Intersection Upgrade	-0.2	0.2	0.0	0.0
Public Transport Mode Shift	-0.2	0.2	0.0	0.0
Eastern Pathways - School Link	-4.1	2.1	2.0	0.0
Transport Centre Rejuvenation	-4.2	0.1	4.1	0.0
Eastern Pathways - University Link	-0.2	0.2	0.0	0.0
Grand Total	-90.6	63.2	27.1	0.3

- 30) In consideration of the impact of COVID-19 on material availability, supply logistics, COVID-19 related supply chain disruptions and resourcing, staff have identified projects that are unlikely to be delivered in the 2022-23 year. These projects will result in \$19.62 million of capital work being deferred from 2022-23 to 2023-24. The projects are listed below in Table 7. Staff will continue to review the capital programme to identify additional deferrals from 2022-23 to later years and provide an updated deferrals list for the Council meeting on 25 May 2022.

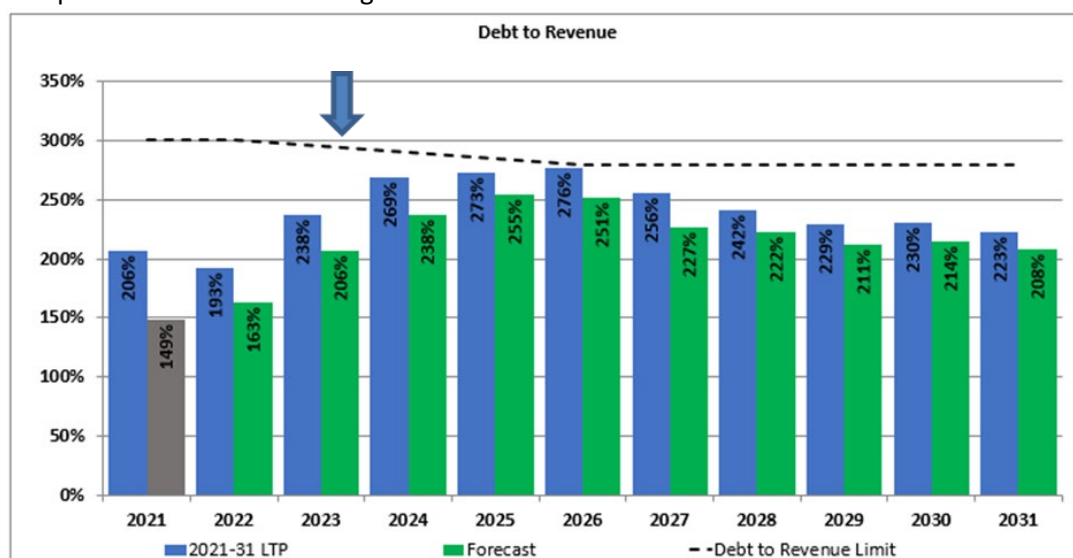
Table 7: Capital project deferred from 2022-23 to 2023-24 due to delivery risk

Project Name	\$ million
Embassy Park (River Plan South End Precinct)	1.30
Sapper Moore Jones and Victoria Street - Theatre Access & Pedestrian Environment	0.78
Waioara 2 Water Treatment Plant Upgrade	4.00
Pukete Wastewater Treatment Plant Upgrade	2.00
Zoo Master Plan Implementation - Savannah Attraction	4.12
Community Renewals Programme	2.00
Facilities Renewals Programme	1.20
Waters Renewals Programme	1.20
Pembroke/Ohaupo Intersection Upgrade	3.01
Total at risk capital projects deferred from 2022-23 to 2023-24	19.62

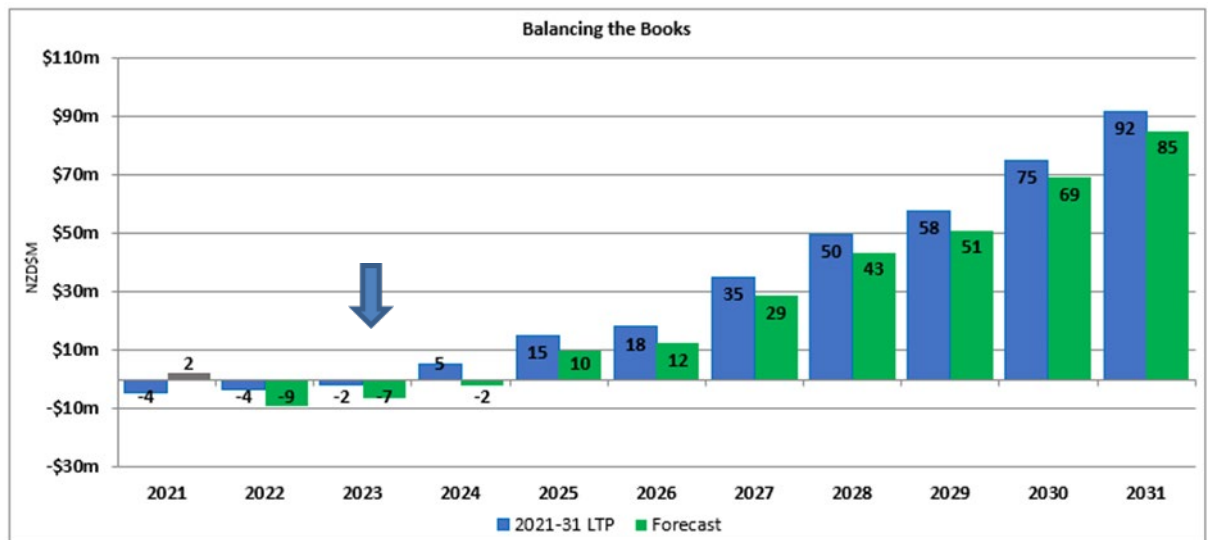
Financial Impact of changes to Year 2 (2022-23) budget

- 31) The implications of these changes on the financial strategy targets are outlined below:

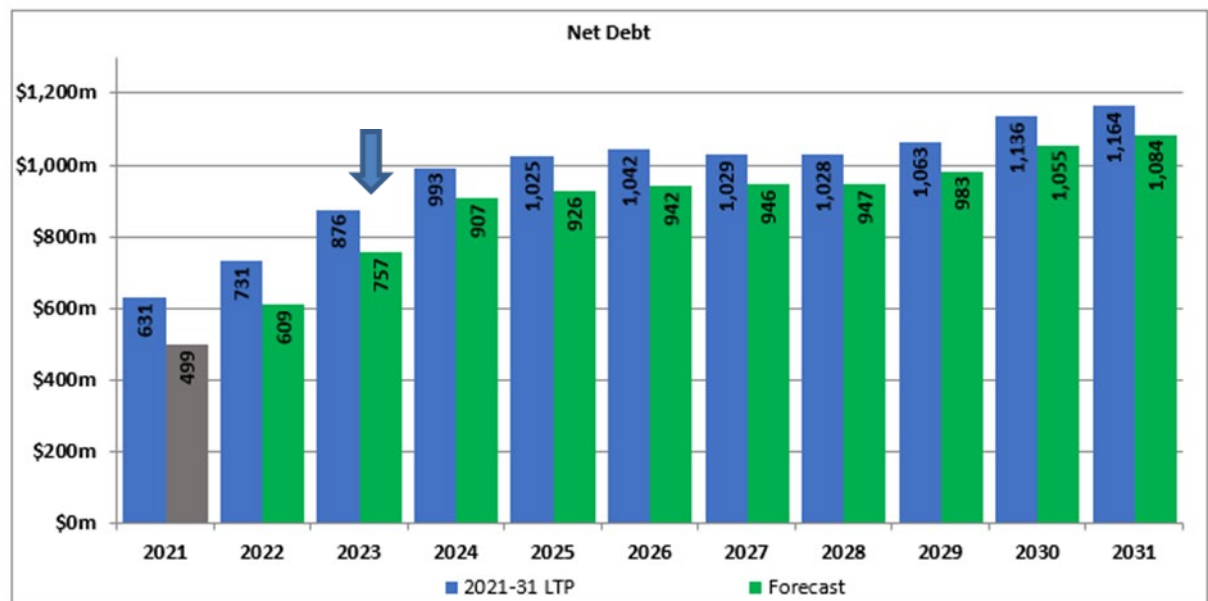
Debt-to-revenue limit: The debt-to-revenue limit for Year 2 (2022-23) is forecast to be 206% compared to the 2021-31 Long-Term Plan forecast of 238%.



Balancing the books: The balancing books position for Year 2 (2022-23) is forecast as a deficit of \$7 million compared to the 2021-31 Long-Term Plan forecast of a deficit of \$2 million.



Net debt: The net debt as of June 2023 is forecast as \$757 million compared to the 2021-31 Long-Term Plan forecast of \$876 million.



Proposals and inflation assumptions

- 32) Under separate cover in the **public excluded agenda** are several proposals and the inflation assumption consideration that due to commercial sensitivity have been provided under the confidential public excluded agenda. These issues should be considered at this point.

Proposals for consideration for inclusion in the draft 2022-23 Annual Plan budget

- 33) In November 2021, Elected Members were invited to propose changes to Year Two (2022-23) of the Long-Term Plan, to be considered through the 2022-23 Annual Plan process. Following this staff further developed these proposals for consideration by Elected Members for inclusion in the draft 2022-23 Annual Plan budget.

- 34) The financial impact from these proposals on the draft 2022-23 Annual Plan budget is:
- \$688,000 increase in operating expenditure;
 - \$6,236,000 increase in capital expenditure; and
 - \$200,000 increase in consequential operating expenditure.
- 35) The proposals are listed below with the associated resolution reference:
- Ownership and Seasonal Operation – University Pool
 - Community Implementation of the Welcoming Plan
 - School Travel Planning
 - Hamilton City Council Staff Travel Planning
 - Transport Stakeholder Manager
 - Peacocke Stage One – Neighbourhood Park Acquisition
 - Rototuna Passenger Transport Facilities
 - Garden Place, Civic Square, and Worley Place Shared Zone Study
 - Comet & Meteor Route PT Infrastructure
 - Strategic Water Line (Hamilton South)
 - Pukete Reservoir Pump Station Upgrade
 - Bikes on Pipes
 - Burial Lawn

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (i)	Ownership and Seasonal Operation – University Pool: request to enter into formal negotiations with the University of Waikato	No funding requested for 2022/23 Annual Plan budget		
	<p>Why is Council considering this option: The University of Waikato (UoW) has indicated that they do not wish to continue under the current Partner Pool agreement with Council, which may result in the unavailability of this pool for community use. UoW provide that the operation of the Pool is not their core area of expertise. A Council commissioned report in September 2021 from SGL Funding Ltd recommends that Council:</p> <ul style="list-style-type: none">- obtains a full and clear understanding of the operating cost of the UoW Pool, which includes safety and compliance- considers taking over the operational management of the UoW Pool from October 2022 subject to UoW meeting programmed repair and renewal costs, as per the WSP Report dated August 2021. <p>Benefit to the community: This pool is a strategic outdoor pool in Hamilton’s Southeast quadrant, and a cost-effective aquatics provision in that part of the city. The estimated catchment of the Pool is approximately 24,000 residents in 2025. The current data indicates that 80% of use is by the community, with 20% use by students.</p> <p>Details of the proposal: Staff request approval to enter into formal negotiations with UoW, including further investigations into the condition and long-term viability of the pool. It is anticipated that staff will develop a proposal to be considered during the development of the 2023-24 Annual Plan.</p>			
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (ii)	<p>Community Implementation of the 2022 Welcoming Plan: additional funding to assist community groups in partnering with Council to achieve the outcomes of the Welcoming Plan, to make Hamilton a more inclusive city.</p> <p><i>The 2022 Welcoming Plan was endorsed by the Community Committee of 2 March 2022.</i></p>	Opex	+75	Ongoing
	<p>Why is Council considering this option: Council has joined the Welcoming Communities Programme (te Waharoa ki ngaa Hapori) to build on existing efforts to embrace cultural diversity and inclusion, ensuring Hamilton is more open and accepting of new arrivals.</p> <p>Details of the proposal: This proposal is to create a new \$100,000 implementation line to assist community groups in partnering with Council to achieve the outcomes of the Welcoming Plan. The \$100,000 consists of a Council contribution of \$75,000 and an Immigration New Zealand contribution of \$25,000.</p> <p>How the fund will be managed: The Welcoming Communities Advisory Panel would process proposals alongside Council staff. Criteria and guidelines will be developed with the intent to enable community organisations to implement projects that meet the Welcoming Plan outcomes, particularly Outcome 4 “Connected and Inclusive Communities”. Examples of potential projects include the creation of resources or programmes to welcome new families into streets and neighbourhoods, small neighbourhood events and activities to embrace new residents, translation of resources, promotion of larger community events to increase diverse participation, and the development of new cross or intercultural initiatives.</p>			
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (iii)	School Travel Planning: Funding for a pilot programme to create a school travel plan for one cluster.	Opex	+105	2022-23
		Opex	+130	2023-24
	Why is Council considering this option: A School Travel Plan encourages the school community to think about how they get to school, weaving some exercise into their journey and avoiding traffic congestion around the school area, to help our local schools build safe, sustainable, and healthy journeys to and from school.			
	Details of the proposal: Funding is proposed for Year Two and Year Three of the Long-Term Plan to investigate and undertake a pilot of a Travel Plan. The work in 2022-23 anticipates one FTE, responsible for research and the exploration of partnerships with the Ministry of Education. The work in 2023-24 anticipates the implementation of a pilot with one FTE. There is a possibility of gaining Waka Kotahi co-investment and staff will continue to investigate this opportunity. Staff are continuing to look at opportunities for working with Waikato Regional Council and MOE, but it is likely that this will be “in-kind” assistance as opposed to funding assistance directly.			
	The pilot will inform the full proposal, which was for seven clusters across Hamilton being Rototuna, Hillcrest, Hamilton East, Melville, Frankton, and Nawton. A seventh cluster is an allowance for new schools that come onboard in the meantime. It has not been determined which cluster will be the subject of the pilot. The initial estimated cost for each cluster is \$300k consisting of \$150k for the initial detailed surveys and investigations, \$80k for staff resourcing to support the development and implementation of the Safe School Travel Plan and to undertake supporting campaigns and \$70k for additional implementation resources and promotion. The full programme will be put forward for consideration in the 2024-34 Long-Term Plan.			
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (iv)	Hamilton City Council Staff Travel Planning: to encourage sustainable travel by Hamilton City Council Staff.	Opex	+163	2022-23 only
	Why is Council considering this option: The purpose of Staff Travel Planning is to provide alternative transport options that deliver environmental, social, and economic benefits. Waikato Regional Council recently a staff travel plan as part of their shift from Hamilton East to a Central City location and had 400 out of 600 staff take up the programme. There is the opportunity to introduce the staff travel plan when staff transition to working back in the office. Details of the proposal: This proposal involves funding 50% of Staff’s bus fares for one year and for other initiatives such as active travel, carpooling and work travel. The amount is an estimated based on the Waikato Regional Council uptake.			
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (v)	Transport Stakeholder Manager: One additional FTE position	Opex	+120	Ongoing
	<p>Why is Council considering this option: Staff have recognised there is a need to further improve and enhance how we bring the community on the journey of Hamilton’s growth and climate change mitigations as we undertake transport projects. The scale of change and the disruptions brought by transport projects may cause unease among the community, both residents and businesses. The Transport Stakeholder Manager would support and complement the existing communication tactics to facilitate increased community participation for the significant and high-profile transport projects.</p> <p>Details of the proposal: This proposal is for one additional FTE role. The role is a specialist stakeholder manager role that is unable to be covered by existing roles or capacity within the organisation.</p>			
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (vi)	<p>Peacocke Stage One – Neighbourhood Park Acquisition: additional funding for the acquisition of a community park within Peacocke Stage One.</p> <p>Why is Council considering this option: The neighbourhood park is necessary for Council to meet its 500m accessibility level of service requirements for neighbourhood park provision pursuant to the Open Space Provision Policy. The proposed park is 6,236 sqm, whereas a park of 5000 sqm (being the neighbourhood park standard) was budgeted for during the Long-Term Plan. In addition, the price per sqm has increased as development has occurred within the area. Council will not be able to purchase the park with the current funding and could result in the current landowner developing the land to create additional residential sections.</p> <p>Details of the proposal: \$875k is allocated in the Long-Term Plan for the acquisition of a neighbourhood park in Peacocke, which was based on a Valuation Report valuing the land within the Peacocke area to be \$150 - \$175 per sqm, and multiplying by 5000 sqm, being the average size of a neighbourhood park. The proposed park is 6,236 sqm and as development has occurred within the area, land values have increased to \$250 - \$300 per sqm. The additional funding requested would provide a total of \$1.87m to purchase the land.</p>	Capex	+996	2022-23 only
Significance Assessment: Medium (the level of significance not being deemed high or low)				

Item 11

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (vii)	<p>Rototuna Passenger Transport Facilities: to deliver a business case for a facilities hub for passengers and drivers at Rototuna.</p> <p>Why is Council considering this option: There is an expectation of increasing demand from Waikato Regional Council for driver facilities and hub facilities for passengers in Rototuna. Staff are recommending the development of a business case to understand the strategic alignment and opportunities of the facility.</p> <p>Details of the proposal: The requested funding of \$100k in 2022-23 is to fund the development of a business case to determine the requirements of the facility.</p>	Opex	+100	2022-23 only
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (viii)	Garden Place, Civic Square, and Worley Place Shared Zone Study: to undertake a study to plan for safety improvements.	Opex	+50	2022-23 only
	<p>Why is Council considering this option: The purpose of the study is to better understand the pedestrian and vehicle movements in this area and to develop a plan for improvements that can be undertaken to improve safety for all users. There is a risk to pedestrian safety in shared zones, particularly during events, that should be mitigated as much as possible. Staff are recommending the development of a study to establish the direction and scope needed to achieve increased safety for all users of the precinct.</p> <p>Details of the proposal: The study is proposed to be informed by the Public Realm Design Guidelines and will seek opportunities for incremental improvements to the street furniture including seating, refuse receptacles, bike racks, landscaping, and infrastructure to support events. The Hamilton City Business Association and the Central City River Plan Advisory Group (through the Central City Programme) will be involved in this work. There is the potential for consideration of the recently requested Hilda Ross Way to be incorporated into this study. The requested funding of \$50k in 2022-23 is to fund the development of a study. It is not focussed on major infrastructure changes. There is no expected funding from Waka Kotahi.</p>			
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (ix)	Comet & Meteor Route PT Infrastructure: proposal for funding to delivery priority infrastructure projects as identified through the Comet and Meteor route studies.	Capex	+4,000	2022-23 only
		Con Opex	+200	Ongoing
<p>Why is Council considering this option: Council has undertaken public transport studies to identify network issues and infrastructure opportunities along specific routes that will assist in improving the reliability of services and attract increased patronage. It was resolved at the Infrastructure Operations Committee of 9 December 2021 that staff would report back with a proposal for the development and delivery of the remaining projects identified in the Comet and Meteor route studies, which were recently completed.</p> <p>The Comet operates every 15 minutes between Waikato Hospital and The Base and in 2021 carried 325,000 passengers, a figure substantially affected by the impacts of COVID-19. The service is planned to increase to every 10 minutes in peak periods between Waikato Hospital and The Base in mid-2022. The combined proposed infrastructure and service improvements are expected to result in an increase in patronage in excess of 20% on the Comet route (being an additional 65,000 passengers per annum).</p> <p>The launch of the Meteor route is planned for mid-2022 and will combine the existing Silverdale and Frankton routes and will offer a bus every 15 minutes between Rotokauri Hub and the University of Waikato. The service changes and proposed infrastructure investment is anticipated to result in an excess of 70,000 additional passengers per annum.</p> <p>Details of the proposal: This proposal provides for the upgrades to existing bus stop infrastructure (including stops and shelters), signalised pedestrian crossings, relocation of existing bus stop infrastructure for safety improvements, additional bus stop infrastructure and traffic calming measures. Waka Kotahi have advised that the Activity Classes in the current NLTP period are oversubscribed nationally, therefore funding from Waka Kotahi is not anticipated. Other central government funding may be explored such as funds associated with growth, housing intensification, and climate change.</p>				
Significance Assessment: Low (five or more key considerations under the low significance level)				

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Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (x)	Strategic Water Line (Hamilton South): strategic network supply main for water supply in the Peacockes and Hamilton South demand zone.	Capex	+700	2022-23
		Capex	+1,030	2023-24
	<p>Why is Council considering this option: This project includes the installation of a 450mm bulk pressure main as part of the strategic water network in the Peacocke growth cell, forming part of the Hamilton South Demand Zone. This project is an integral element of the strategic water supply in Peacocke and was classified as an unfunded opportunity during the 2021-31 Long-Term Plan development, however it should have been classified as required infrastructure and funded as it will ensure that existing and future growth demands, including the Melville and Gallaghers Drive employment zone, have the appropriate level of service.</p> <p>Should this project not become funded, there is a risk that growth demands will be unable to be met, resulting in an inadequate level of service for water supply.</p> <p>Details of the proposal: This proposal is to move the project cost of \$1,730,000 from unfunded to funded capital expenditure. The debt funding for this project, along with other water debt, will be transferred to new water entity when it is created.</p>			
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (xi)	Pukete Reservoir Pump Station Upgrade: to ensure the appropriate level of service for water supply to the Pukete demand zone and to meet growth demands in the Rotokauri growth cell.	Capex	+500	2022-23
		Capex	+970	2023-24
		Con Opex	+5	2024-25 ongoing
<p>Why is Council considering this option: This project includes a critical upgrade at the Pukete Reservoir pump station to complete elements for the Pukete Water Demand Zone, where the catchment is serviced principally from the Pukete Reservoir. It was classified as an unfunded opportunity during the 2021-31 Long-Term Plan development; however, it should have been classified as required infrastructure and funded as without the improvements, Council will struggle to meet its obligations to supply water to agreed standards.</p> <p>The risks of not undertaking this work extend to potential restrictions on the supply for planned growth demands in the Rotokauri growth cell, the inability to meet supply agreements for high water users, and a poor level of supply for existing residents and businesses in the Pukete Demand Zone.</p> <p>Details of the proposal: This proposal is to move the project cost of \$1,475k from unfunded to funded capital expenditure.</p>				
Significance Assessment: Low (five or more key considerations under the low significance level)				

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Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (xii)	<p>Bikes on Pipes: to combine the construction of a shared walking and cycling path with a Housing Infrastructure Fund-funded wastewater connection and associated gully crossing structures.</p> <p>Why is Council considering this option: Active travel opportunities were originally identified by Elected Members during 2019 through the development and prioritisation of a list of value-add items for the Peacocke Programme.</p> <p>The HIF-funded wastewater connection and associated gully crossing structures have been identified as one such opportunity whereby active travel is capable of being incorporated into its construction by way of a shared walking and cycling path. A map showing the access connections with other micro-mobility initiatives is provided as Attachment One.</p> <p>This is an opportunity for Council to leverage wastewater funding for transport outcomes and provide an increased level of service for accessibility and safety at a lower cost than deferring or duplicating the infrastructure.</p> <p>If the proposal is not progressed in conjunction with the wastewater project, the cost-saving opportunity of approximately \$7.5 million from leveraging the wastewater structures will be lost as the planned wastewater structures are not designed to be retrofitted.</p> <p>Details of the proposal: This proposal is to expand the scope of the HIF-funded wastewater connection and associated gully crossing structure to include a shared walking and cycling path at a project cost of \$7,000, improving levels of service for pedestrians and cyclists in south / central Peacocke. The proposal consists of the creation of two kilometres of new off-road active modes shared path extending from Whakukoruru Drive (near the end of Hall Road) northwards connecting (and crossing) Peacockes Road and onwards to the river path, generally following the North South arterial alignment, sharing two gully crossing bridges with new wastewater pipes, and a 3m – 4m wide sealed all-weather shared path surface.</p> <p>Waka Kotahi have advised that the Walking and Cycling Activity class is heavily constrained for National Land Transport Programme 21-24, and this project has not been included in the endorsed Waikato Regional Land Transport Programme.</p> <p>The micro-mobility programme does not currently include funding for this opportunity. Funding this project from the reallocation of other micro-mobility project funding would require projects of higher priority to be deferred.</p>	<p>Capex</p> <p>Con Opex</p>	<p>+7,426</p> <p>+37</p>	<p>2023-24</p> <p>2024-25 onwards</p>
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
f) (xiii)	Burial Lawn: increase in levels of service for the Burial Lawn plaque area with edging around plaques undertaken	Opex Capex	+75 +40	Ongoing 2022-23
<p>Why is Council considering this option: The current level of service is not satisfactory to some members of the community who believe that individual edging of the plots is required to meet Council’s maintenance obligations.</p> <p>Details of the proposal: Plots were purchased on the understanding that they would be maintained in perpetuity, and the current level of service is not satisfactory to some members of the community. Following feedback from the Annual Plan Workshop with Elected Members on 17 February 2022, this proposal has been amended to reduce the requested operational expenditure to \$75k, being one FTE and a \$20k allowance for repairs and maintenance. \$40k of capital funding is to procure a mower. Members requested information on a possible option to use volunteers and / or period detention (PD) workers. Previous experience with PD workers has demonstrated that this option is not without cost as supervision, training, the supply of equipment and personal protection equipment requires funding. Similarly, retention and commitment of volunteers is an ongoing consideration to manage, particularly as volunteers are wanting more flexibility, and securing a commitment to regular times / days is a challenge. The output of volunteers and PD workers is not typically equivalent to an FTE. Previously, edging has resulted in damage to some concrete plinths due to their existing condition (age, wear and tear, or workmanship), making it prudent to include an allowance for repairs and maintenance.</p>				
Significance Assessment: Low (five or more key considerations under the low significance level)				

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Staff recommended proposals for consideration for inclusion in the draft 2022-23 Annual Plan budget

- 36) The following staff proposals have been prepared for consideration by Elected Members for inclusion in the draft 2022-23 Annual Plan budget.
- 37) The financial impact from these proposals on the draft 2022-23 Annual Plan budget is:
 - \$1,433,000 increase in operating expenditure;
 - \$1,800,000 decrease in operating revenue;
 - \$5,000,000 increase in capital expenditure; and
 - \$50,000 increase in consequential operating expenditure.
- 38) The proposals are listed below with the associated resolution reference:
 - a) Staff Benefit Proposal
 - b) Authority Portt Solution
 - c) Power Resilience and Climate Action Plan Initiative at Pukete WWTP
 - d) External Revenue Realignment for Community Capital Portfolio
 - e) Three Waters Transition Planning.

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
g) (i)	Staff Benefit Proposal: a base plan health insurance scheme as a means of attracting and retaining staff.	Opex	+1,318	Ongoing
	<p>Why is Council considering this option: People and Culture, together with Strategic Pay, undertook work on salary increases expected in the 2022-23 financial year. The recommendation was to increase the Long-Term Plan assumption of 2.5% to 5%. Due to current recruitment and vacancy numbers, the additional 2.5% has not been requested. Council needs alternative ways to increase staff attraction and retention, that will also drive staff engagement and productivity. Health insurance is consistently the most sought-after employee benefit after remuneration and flexible working.</p> <p>Details of the proposal: Based on costs obtained in 2021, providing a base plan to all permanent and fixed term employees (6 months or greater) would add an increase of 1.4% to payroll, being approximately \$1.3 million per annum.</p>			

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
g) (ii)	Authority Portt Solution: a software as a service solution (SaaS) for a procurement solution.	Con Opex	+115	2022-23 2023-24 2024-25
	<p>Reasons: Council identified that the current procurement management processes are complex and largely reliant on email for approvals, signoffs, templates, and memos. This is an opportunity to review and transform the end-to-end delivery of procurement and implement a modern data lead best practice service. The Authority Financial and Regulatory operating systems used by Council are supplied and supported by Civica Ltd. Civica have partnered with Portt to implement their specialist procurement solution and to integrate this into the Authority Financial systems, and not to develop further the Authority Contract module.</p> <p>Details of the proposal: This proposal is to request the operational funding for software as a service solution at an annual cost of \$115k per year.</p> <p>The original proposal for the development of the Authority ERP was funded through capital funding.</p>			
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
g) (iii)	Power Resilience and Climate Action Plan Initiative at Pukete WWTP: to move forward funding for the reconfiguration of the current natural gas co-generator and purchase a new biogas congenator.	Capex	+5,000	2022-23
		Con Opex	+50	2022-23
		Capex	-5,000	2025-26
		Con Opex	-50	2025-26
	<p>Why is Council considering this option: The wastewater treatment plant does not have full stand-alone power generation to ensure plant operations should a power failure occur. Current generation enables the administration building and the primary treatment process to operate (the removal of solids from wastewater). The plant has emergency storage that provides approximately one hour of storage during normal operating conditions. If a power cut lasts longer than this, partially treated wastewater will be discharged to the Waikato River. A recent power failure (10 Jan 2022) saw over a million litres of partially treated wastewater being discharged into the Waikato River. The discharge of partially treated wastewater into the Waikato River negatively impacts on the health of the river and could result in prosecution from the Waikato Regional Council.</p> <p>Details of the proposal: This project at a cost of \$5 million capital and \$50,000 ongoing operational cost is to reconfigure the current natural gas co-generator located at the treatment plant into a diesel generator for power resilience as the current generator is not effective for biogas and can only operate on natural gas. The project would also see the purchase of a new fit for purpose biogas congenator that can reuse the biogas at the plant for heating.</p> <p>The benefits of this project include power resilience, the reuse of natural gas and the reduction in the use of natural gas, with the latter two benefits being climate action plan initiatives.</p> <p>There is funding in the current Long-Term Plan for a review and determination of the most practical solution to the resilience issue, however, there is no funding for the purchase of a generator.</p>			
Significance Assessment: Low (five or more key considerations under the low significance level)				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
g) (iv)	External Revenue Realignment – Community Capital: the realignment and smoothing of revenue targets to align with external funders and project pipelines.	Operating revenue	-1,800	2022-23
		Operating revenue	+1,800	2023-24
	Why is Council considering this option: Staff have undertaken a review of Council’s external funding activity and the realignment of the funding targets are in line with the recommendations of a new City Investment Program framework. Reasons: this request is to move \$1.8 million from 2022-23 of the Long-Term Plan to 2023-24 to align revenue targets with external funders and the project pipeline. There is no change to the total revenue target across the first three years of the Long-Term Plan.			
Significance Assessment: Low (five or more key considerations under the low significance level)				

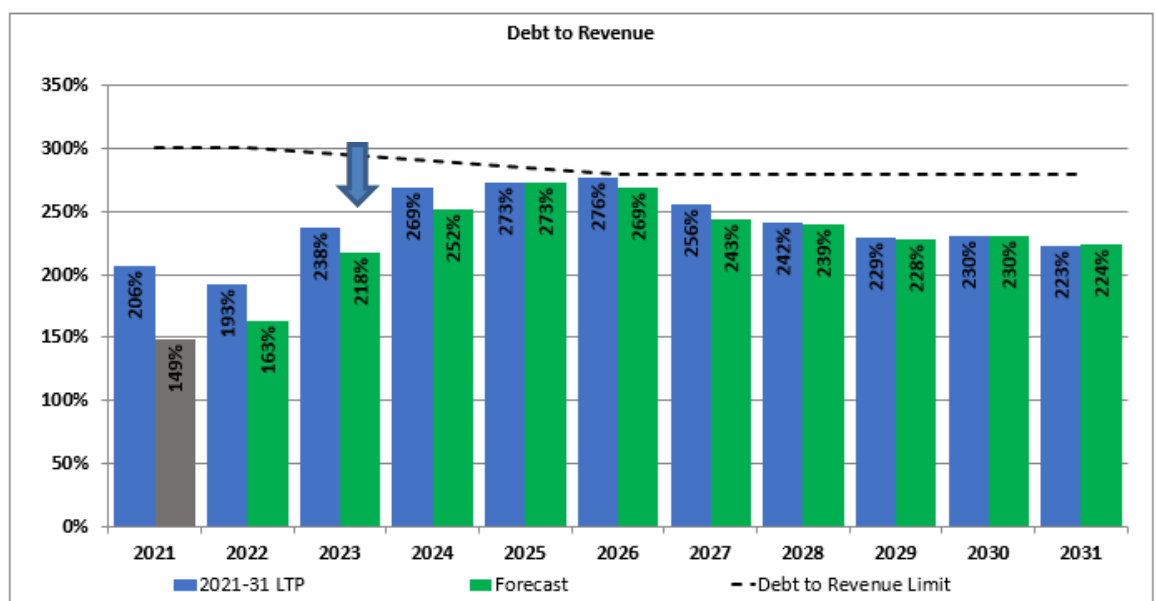
Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
g) (v)	3 Waters Reform Transition Planning: to deliver the work required to ensure the smooth transition of Council’s three waters assets and operations to Entity B.	Operating revenue	+1,700	2022- 23 and 2023-24
		Opex	+1,700	
<p>Why is Council considering this option: During the preparation of the 2021-31 Long-Term Plan, central government instructed councils to budget assuming that councils would continue to operate three waters. In late October 2021, the Government announced that on 1 July 2024, all waters assets, liabilities, revenues, and staff would transfer to Entity B. It is Council's responsibility to: ensure the services are operating efficiently and safely until the transition, ensure the investment in waters continues, and ensures the transition of assets, liabilities, revenues, and staff happens smoothly and on time. This transition will require extensive resources to implement, including but not limited to:</p> <ul style="list-style-type: none">• a significant amount of asset data transfer and a significant investment in staffing, recruitment, and retention to undertake this work.• independent investigation of our finances, especially revenue and debt.• the assignment of contracts to the new entity• communication to the community and staff while maintaining the reputation of Council (particularly for retentions and recruitment). <p>This transition will be undertaken in a potentially highly volatile economy with high staff turnovers, labour shortages and upward inflation and debt costs. The forecast</p>				

Resolution Reference	Description of Item	Financial Consideration		
		Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
	costs are significantly less than the \$10 million estimated on the waters Council Controlled Organisation project in 2016. Details of the proposal: To include the proposed expenditure of \$1.7 million for next two years along with equal funding of \$1.7 million as all reform costs should be met by the Government or the Entity, as it is Central Government's reform.			
Significance Assessment: Low (five or more key considerations under the low significance level)				

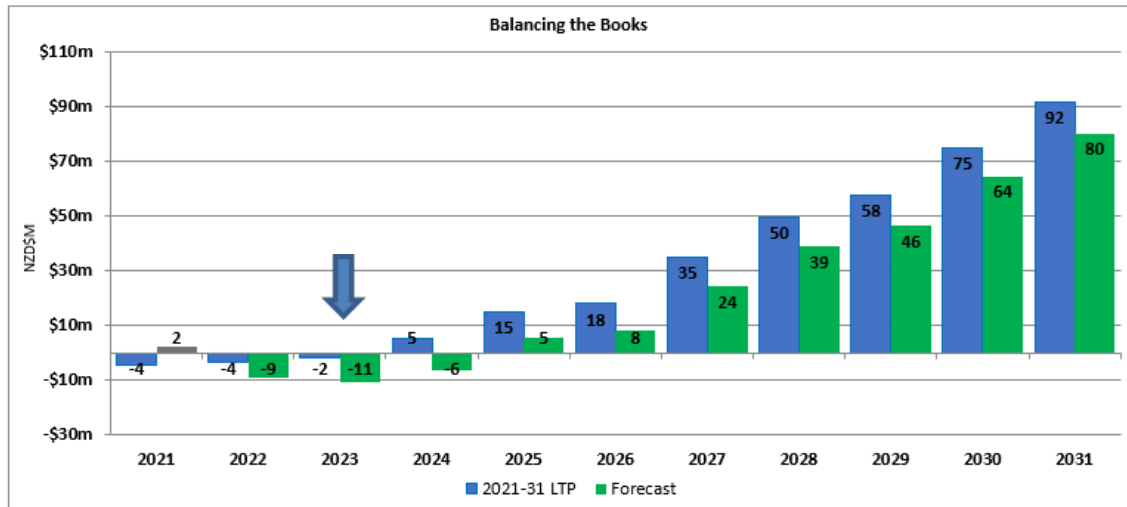
Financial Impact of changes to Year 2 (2022-23) budget, inflation assumption and the proposals for consideration

- 39) The implications of the inclusion of the changes to the Year 2 (2022-23) budget (as outlined in paragraphs 21-37) along with the inclusion of the impact of inflation cost escalation (public excluded agenda) and the inclusion of the proposals for consideration (as per public excluded agenda and as outlined in paragraphs 38-45) on the financial strategy targets are outlined below:

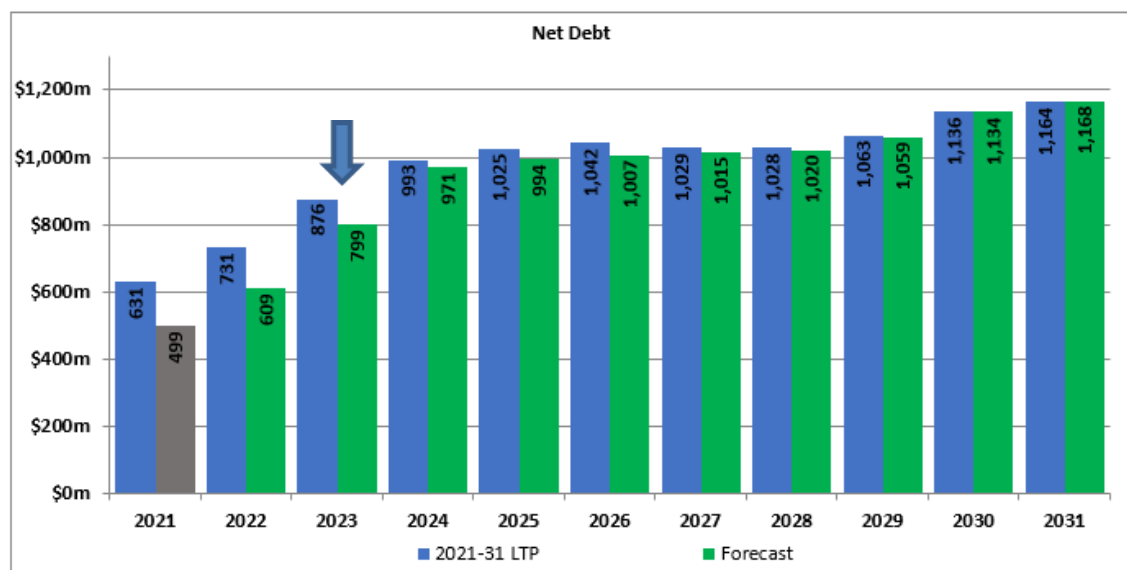
Debt-to-revenue limit: The debt-to-revenue limit for Year 2 (2022-23) is forecast to be 218% compared to the 2021-31 Long-Term Plan forecast of 238%.



Balancing the books: The balancing the books position for Year 2 (2022-23) is forecast as a deficit of \$11 million compared to the 2021-31 Long-Term Plan forecast of a deficit of \$2 million.



Net debt: The net debt as of June 2023 is forecast as \$799 million compared to the 2021-31 Long-Term Plan forecast of \$876 million.



Proposals not included in the draft 2022-23 Annual Plan budget

- 40) The following proposals were prepared for consideration in the draft 2022-23 Annual Plan budget but are not being recommended by staff for inclusion in response to elected member feedback at the Annual Plan workshop on 28 February 2022.
- 41) Proposals not included for consideration in the draft 2022-23 Annual Plan budget.
 - a) Urban Tree Strategy
 - b) War Memorial Museum Le Quesnoy Funding
 - c) Collingwood Street Branding
 - d) Former Pit Lane / Passing Red Commuter Parking

Description of Item	Financial Consideration		
	Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
Urban Tree Strategy: to provide a strategic and holistic approach to understanding and managing Hamilton's urban forest	Opex	+150	2022-23 only
<p>Why is Council considering this option: this is a new strategy that cannot be accommodated within the existing budget. The adoption of the Nature in the City Strategy, evolution of the NPS:UD, and street design guidance established by Waka Kotahi are recent developments that have added to the base cost of developing this proposed strategy. To address the new deliverables by the aforementioned developments, more comprehensive GIS mapping, data collection, engagement, and specific technical guidance is required. Risks posed by the continued absence of a tree strategy for understanding our current tree assets and their management include immediate adverse impacts on other infrastructure, neighbourhood amenity, natural heritage, and the health of our natural environment.</p> <p>Reason for funding request not recommended by staff:</p> <p>Staff will investigate options to pursue the development of policy guidelines for managing trees in our urban environment from existing programmes of work e.g., Nature in the City Strategy funding, Climate Change funding, and the Parks Strategy Programme.</p>			

Description of Item	Financial Consideration		
	Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
War Memorial Museum Le Quesnoy Funding: contribution towards the establishment of the first permanent New Zealand war memorial museum in Europe.	Opex	+59	Ongoing to 2024-25
<p>Why is Council considering this option: The New Zealand Museum Trust - Le Quesnoy France is raising funds to pay for and refurbish the historic former Mayor's residence and Gendarmerie in Le Quesnoy, France, which was purchased by the Trust in 2017. The site will be developed to include refurbished accommodation for visitors and a new annex to increase the display area. The Trust has approach Council for a contribution towards the establishment of the museum, which would be the first permanent New Zealand War Memorial Museum in Europe. Council has an existing relationship with Ypres, Belgium which focuses on World War One / ANZAC commemoration. We do not have a similar relationship with Le Quesnoy; however New Zealand generally has a strong connection to Le Quesnoy as it was New Zealand forces that liberated the town in World War One.</p> <p>Reason for funding request not recommended by staff:</p> <p>It is recommended that this be considered during the 2024-34 Long-Term Plan development.</p>			

Description of Item	Financial Consideration		
	Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
Collingwood Street Branding: Hamilton Central Business Association proposal to deliver detailed design and costings to brand a part of Collingwood Street to acknowledge the unique role it plays in the central city.	Capex	+250	2022-23 only
<p>Why is Council considering this option: The Central City River Plan Advisory Group requested Council to discuss supporting the EastxWest (East by West) concept proposed by the Hamilton Central Business Association (HCBA). This concept acknowledges the culturally diverse offerings located onsite, and the opportunity to promote a specific aspect of the central city by creating a defined district.</p> <p>This proposal is to prepare a design and cost report to outline the options available. The report should include the consideration of the safety and design aspects of a proposed archway and lighting. It should also factor in pedestrian, mobility, and traffic safety, as well as ensuring the design does not impede bus or heavy vehicle movements in this area.</p> <p>Reason for funding request not recommended by staff:</p> <p>The findings of the design and cost report would be considered as a proposal at the 2024-34 Long-Term Plan, and it is noted there may be potential for HCBA to pursue external funding on the capital works.</p>			

Description of Item	Financial Consideration		
	Type of Expenditure	+ / - \$000	Ongoing or 2022-23 only
Former Pit Lane / Passing Red Commuter Parking: to formalise parking in this area	Capex	+120	2022-23 only
<p>Why is Council considering this option: Elected Members requested staff to formalise parking in this area (western side of Seddon Road only) with the associated infrastructure and safety improvements. The funded requested is to undertake the physical works required to improve access to the parking area from Old Mill Lane, close the access from Seddon Road, tidy the area, and mark spaces. No allowance has been made for parking machines, and it is expected that payment for use of this facility would be via the PayMyPark app only. These works could potentially be funded by parking revenue for approximately 70 parking spaces, as currently parking is free. However, charging may see people shift either location or modes of transport. It is therefore difficult to estimate the usage, and subsequently revenue projections.</p> <p>Reason for funding request not recommended by staff:</p> <p>Staff have reviewed the project post the 17 February Workshop with Elected Members to fund the costs required to ensure safe egress and parking, which could be offset by potential parking revenue streams. The original proposal was reduced from \$250k to \$120k, noting that this will not include any planting or 'greening' of the area, recommended in the West Town Belt Master Plan.</p> <p>The project will be considered in line with Parking Policy/Plan currently under development and the provision for paid long stay (commuter parking) on the edge of the CBD to facilitate park and walk opportunities.</p>			

Options for Improving the Balancing the Books Position

- 42) The balancing the books position presented in this report has moved significantly from the Year 2 (2022-23) 2021-31 Long-Term Plan position as outlined below:

\$ million	2021	2022 Yr 2	2023 Yr 3	2024 Yr 4	2025 Yr 5	2026	2027	2028	2029	2030	2031
Year 2 (2022-23) 2021-31 Long Term Plan	-4	-4	-2	5	15	18	35	50	58	75	92
Adjusted Year 2 (2022-23) for council resolutions, contract changes and other information (see graph in paragraph 37)	2	-9	-7	-2	10	12	29	43	51	69	85
Adjusted Year 2 with above plus inflation assumption and proposals (see graph paragraph 49)	2	-9	-11	-6	5	8	24	39	46	64	80

- 43) The increase in the Adjusted Year 2 balancing the books position from the forecast deficit of \$4 million to \$9 million, and the movement of the balanced position out by one year to Year 5, is caused by the direct impact of the following key items:
- \$2 million from Council resolutions passed since the 2021-31 Long-Term Plan adoption
 - \$1 million increase in information services security
 - \$1.5 million increase in electricity costs
 - \$1.2 million decrease in revenue from Waka Kotahi
 - Offset by reduced interest costs due to a lower starting debt position.
- 44) The addition of operational and capital expenditure from proposals and cost escalation in the capital programme increases the balancing the books deficit in Year 3 and Year 4 by another \$2 million, however the balancing the books position is still achieved in Year 5.
- 45) To improve the negative impact on balancing the books, either additional revenue is required or a reduced operational spend is required. As a general guideline:
- a) a change in operational expenditure and capital expenditure of \$3 million equates to a 1% change in debt to revenue
 - b) a change in revenue of \$3 million equates to a 1% change in debt to revenue
 - c) a 1% change in rates is equivalent to approximately \$2.2 million
 - d) operating revenue and expenditure impact balancing the books on a dollar-to-dollar basis; and
 - e) capital expenditure only impacts balancing the books through the application of interest and depreciation.

Increase rate revenue

- 46) Council could consider a change in the rate revenue as an option for additional revenue which would improve the balancing the books position and the debt-to-revenue ratio. To achieve a reduction in the balancing the books \$9 million deficit in Year 2 back to the forecast \$2 million deficit would require approximately a 2.25% rate increase, taking the rates from 4.9% to 7.15% rate increase in 2022-23.

- 47) Council obtained legal advice from Tompkins Wake (attached as Attachment Two) regarding processes and consultation requirements for rates other than those signalled in the operative Long-Term Plan. The current 2021-31 Long-Term Plan sets a rating limit of 4.9% for the 2022-23 year onwards. The advice provided that a rate exceeding this limit would require a Long-Term Plan Amendment subject to the special consultative procedure.
- 48) The Local Government (Ratings) Act 2002 (LGRA) requires Council to set its rates in accordance with the relevant provisions of the Long-Term Plan and Funding Impact Statements for the relevant financial year. There are limited circumstances in which Council may set a rate not provided for in the Long-Term Plan, pursuant to section 23(2)(b) of the LGRA. The Act requires Council to be satisfied that the rate is required to meet an unforeseen and urgent need for revenue that cannot reasonably be met by any other means, having regard to the manner in which it has, in the Long-Term Plan, allocated the costs of activities or groups of activities to which the need for revenue relates. The need for revenue must be a need that Council was not aware of at the time the Long-Term Plan and Funding Impact Statement were adopted and must be urgent. The threshold for unforeseen and urgent rates outside the Long-Term Plan and Funding Impact Statement is high, and the burden for information to be provided in support is heavy. This exception is therefore not commonly used and is more likely to be challenged than other rates.
- 49) If a rate above 4.9% in the 2021-31 Long-Term Plan is proposed, Council would first consider whether the unforeseen and urgent exception allows for a departure from the 2021-31 Long-Term Plan. If the exception is not considered to apply, a Long-Term Plan Amendment via a special consultative procedure will be required, which may be carried out as part of the Annual Plan process or as a stand-alone special consultative procedure.
- 50) While the Local Government Act 2002 allows Council to make decisions inconsistent with the Long-Term Plan, that general power cannot be relied upon given that more specific provisions of the LGRA apply in this instance.

Decrease level of service

- 51) In the preparing the draft 2022-23 Annual Plan budget, staff have reviewed the budgets to ensure minimum budget increases.
- 52) Council could deliver further expenditure reductions through a reduction in service levels to the community.
- 53) If Council wished to reduce service levels, staff would need to identify services to be reduced or ceased and provide this information to the Council at the draft 2022-23 Annual Plan budget deliberations meeting in May 2021.
- 54) Any change to a level of service as prescribed in the Long-Term Plan would require an analysis for materiality and significance, on an individual basis and on a cumulative basis with all potential differences between the Long-Term Plan and 2022-23 Annual Plan considered.

Other Information

- 55) \$500 million of the Department of Internal Affairs \$2 billion "Better Off" fund is expected to be available from 1 July 2022. Council's share of the Fund is \$58.6 million, of which \$14.6 million is expected to be available from 1 July 2022. The funding is to support the three waters service delivery reform objectives and other local wellbeing outcomes, support communities to transition to a sustainable and low-emissions economy, including by building resilience to climate change and natural hazards, and deliver infrastructure and / or services that enable housing development and growth and support local place-making and improvements in community well-being.

- 56) As at this point in time, central government has not released the details of the conditions and use of the funding, including the offset expenditure that can be applied against the fund and Council has not entered into any formal agreement. Therefore, the contribution and associated spending has not been included in the draft 2022-23 Annual Plan budget.

Rates Remission and Postponement Policy

- 57) The Local Government (Rating of Whenua Maaori) Amendment Act 2021 requires Council to include a rates remission in its Rates Remission and Postponement Policy for Maaori Freehold Land under development, effective from 1 July 2022.
- 58) Unused Maaori Freehold Land is legally non-rateable. Once work on a new development commences, rates would ordinarily be set from the following rating year. This policy change will allow for rates to be remitted until the development is complete and the property occupied.
- 59) There are two properties classified as Maaori Freehold Land in Hamilton. One is a vacant section in a residential area and is not rated. The other is a Marae and pays rates for wastewater and water supply only. Consultation will be targeted to affected parties, and the Rates Remission and Postponement Policy will be adopted alongside the 2022-23 Annual Plan.

Financial Considerations - *Whaiwhakaaro Puutea*

- 60) This is a regular operating activity funded through the Long-Term Plan.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

- 61) Staff confirm that the recommendations in this report comply with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

- 62) The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 63) The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
- 64) The draft 2022-23 Annual Plan budget is a continuation of the 2021-31 Long-Term Plan's Community Wellbeing Budget, which gives effect to Council's five priorities.
- 65) The recommendations set out in this report are consistent with that purpose.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

- 66) Section 95 of the Local Government Act 2002 (LGA) requires Council to prepare and adopt an annual plan each year. Prior to adoption, Council must consult according to the principles of consultation in section 82 of the LGA, unless the annual plan does not include significant or material differences from the content of the Long-Term Plan for the 2022-23 financial year.
- 67) Differences include variations or departures from the financial statements and funding impact statements, new spending, or delays to and abandonment of projects. Differences must be assessed for materiality and significance. Materiality is circumstance specific, and the materiality of any difference is assessed individually and cumulatively across all differences. A variation, new spending proposal or project triggers the requirement to consult if its assessed

as significant. Council's Significance and Engagement Policy is the primary tool for determining significance.

- 68) To determine the impact and consequence of a proposal, the significance test in Council's Significance and Engagement Policy is applied by reference to the Key Considerations:
 - a) Alteration of a service which comes under Council's significant activities
 - b) Transfer of the ownership or control of strategic assets
 - c) Level of financial consequences in relation to unbudgeted operating cost or capital cost in the Long-Term Plan
 - d) Ability to reverse the decision
 - e) Consistency with a prior decision or decision
 - f) Levels of public interest known
 - g) Impact on proportion of the community
 - h) Degree of impact on affected people in the community
- 69) The proposed draft 2022-23 Annual Plan budget does not include any significance and material differences from the Long-Term Plan. Staff have considered the Key Considerations and have assessed that the matters in this report have a low level of significance.
- 70) Changes to Year Two (2022-23) of the Long-Term Plan arising from a resolution of Council, contract changes and additional information post the adoption of the Long-Term Plan, Elected Member Proposals and Staff Proposals (as provided in Table One) have been assessed on an individual basis for materiality and significance, and on a cumulative basis. The proposed changes are neither material nor significant for the purposes of section 95 of the Local Government Act 2002, or Council's Significance and Engagement Policy (Policy).
- 71) The proposed change impact on operating expenditure is \$6.94 million and is considered to be low significance for the purposes of the Policy (a change impact less than \$16.2 million, being less than 5% of total Council expenses for 2022-23).
- 72) The proposed change impact on operating revenue is \$-2.9 million and is considered to be low significance for the purposes of the Policy (a change impact less than \$22.7 million, being less than 5% of total Council revenue for 2022-23).
- 73) The proposed change impact on capital costs is \$13.5 million and is considered to be low significance for the purposes of the Policy (a change impact less than \$28.2 million), being less than 5% of total Council assets for 2022-23.

Engagement

- 74) The proposed engagement approach is to use the Annual Plan process as an opportunity to keep the community informed about what is already in Year Two of the Long-Term Plan, and what is proposed to be added through the Annual Plan process. The communication approach is to link the projects in the 2022-23 Annual Plan to what the community has told us about those projects through pre-engagement and consultation on the 2021-31 Long-Term Plan using the 'we asked, you said, we're doing' approach, to reinforce that Council is delivering on the projects and programmes as outlined in the 2021-31 Long-Term Plan.
- 75) The tactics that will be employed include Our Hamilton stories, media releases, promotion on Council's website, and promotion through Council's social media channels.
- 76) The draft 2022-23 Annual Plan Deliberations Report, to be presented to Council on 26 May 2022, will include an evaluation of the communication tactics used during the campaign (such as media stories published, website page views, social media interaction). This communication approach will be supplemented by bespoke communication plans for specific projects in the Annual Plan. These communication plans will pull from Council's wider communication tactics, including website, print advertising, radio advertising, social media (Facebook, Instagram, and

Neighbourly), information at Council facilities, letter drops, and events should they be possible under COVID-19 settings.

- 77) Should Council resolve to undertake formal consultation, the activities required and the indicative timeframes to meet the 26 May 2022 Annual Plan Deliberations Report are provided:

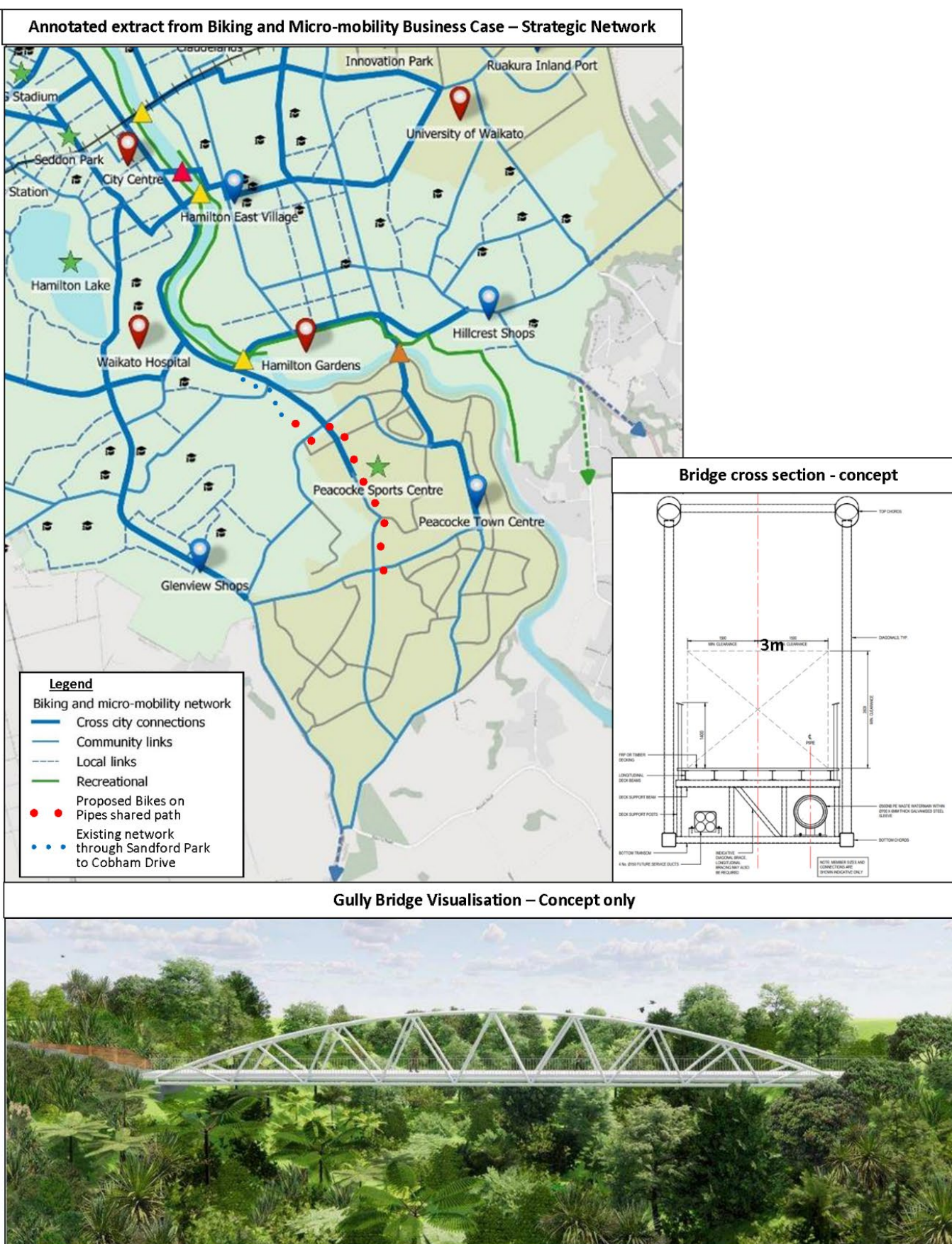
Activity	Date
Confirmation of points the community can provide feedback on in relation the Annual Plan	18 March -22 March
Development of a consultation document	18 March to 7 April
Approval of consultation document	Approval either by delegation of Council, or approval at a Special Council meeting on 14 April
Consultation Period	20 April to 20 May Note: consultation commences post the Easter weekend No formal 'hearings' but an opportunities will be created to capture public to feedback for elected members
Council Deliberations Report Meeting: present final budget, financial strategy. Live modelling optional	26 May Note: the report on the feedback from the formal consultation would need to be a late attachment to the report

- 78) Council is required pursuant to section 95 of the Local Government Act 2002 to adopt its Annual Plan prior to the commencement of the year to which it relates (1 July 2022). Council has scheduled to adopt the 2022-23 Annual Plan on 30 June 2022.
- 79) Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Map of micro-mobility initiatives

Attachment 2 - Tompkins Wake legal advice – rates increases



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3 February 2022

Partner: James MacGillivray

File Ref: 348176-3376

Hamilton City Council
Private Bag 3010
Waikato Mail Centre
HAMILTON 3240

For: Kimberley Atkins
Email: kimberley.atkins@hcc.govt.nz

Dear Kimberley

Advice regarding processes and consultation requirements for increased and additional rates (PO 41599)

1. In order to best prepare for possible Elected Member queries at an upcoming Annual Plan workshop, you have asked for some general advice regarding the process that Hamilton City Council (the **Council**) would need to follow in three hypothetical situations:
 - (a) Council wishes to set a rate higher than the rate limit set out in the current Long-Term Plan (**LTP**).
 - (b) Council wishes to include a new rate in its Annual Plan (**AP**) which was not included in its LTP.
 - (c) Council wishes to collect a rate set in the LTP and since removed in its AP.

Executive Summary

2. The answers to each of your questions above are as follows:
 - (a) Rates must be consistent with the LTP and funding impact statement (**FIS**) (with very limited exceptions). The LTP can be amended at any time to allow for an increase, but that amendment is subject to the special consultative procedure (**SCP**).
 - (b) Unless the unforeseen and urgent exception applies, a new rate not provided for by the LTP and FIS would require an LTP amendment via SCP. That amendment can be made concurrently with the AP process, with both being subject to the SCP.
 - (c) A targeted rate provided for in the LTP can be included in any subsequent AP and FIS, and then set by normal resolution. The decision not to collect a targeted rate provided

for in the LTP and FIS would be treated as a departure from the LTP and would be subject to the restrictions and requirements in sections 96, 97 and 80 of the LGA.

3. The detailed reasons for our answers above are set out in the subsequent paragraphs.
4. We note that the first two questions relate to the setting of a rate, where the third addresses a decision not to set a rate. However, the answer in each case relies on similar underlying principles:
 - (a) In the event of contradiction, the specific requirements set out in the Local Government (Ratings) Act 2002 (LGRA) trump the general powers in the Local Government Act 2002 (LGA).
 - (b) In almost all cases rates must be set in accordance with the LTP and Funding Impact Statement (FIS) for that financial year. The exceptions to this are narrow.
 - (c) The LTP can be changed at any time, including in conjunction with the AP process by way of the SCP.
5. The following advice responds to your general hypothetical inquiries, rather than any specific proposals. If a specific proposal arises, and you have further questions about the requirements of the LGA and LGRA regimes, we would be happy to assist.

Question 1: what is the process if Council wishes to set a rate higher than that in the LTP?

6. The current LTP sets a rating limit of 4.9% for the 2022/2023 year onwards.¹ You have asked for advice as to whether a rate exceeding this would require an SCP, or whether this change could simply be part of the AP process.

Answer: Rating decisions must be consistent with the LTP and FIS (with very limited exceptions). The LTP can be amended at any time to allow for an increase, but that amendment is subject to the SCP.

7. The LGRA requires Council to set its rates in accordance with the relevant provisions of the LTP and FIS for the relevant financial year.² There are limited circumstances in which Council can set a rate not provided for by the LTP.³ This requires that Council:
 - (a) is satisfied that the rate is required to meet an unforeseen and urgent need for revenue that cannot reasonably be met by any other means, having regard to the manner in which it has, in its LTP, allocated the costs of the activities or groups of activities to which the need for revenue relates;
 - (b) has given at least 14 days' public notice of its intention to set the rate.
8. The need for revenue must be a need that Council was not aware of at the time of the LTP and relevant FIS were adopted, and must be urgent. The requirements set out in (a) above are cumulative rather than alternative requirements. An urgent need that was foreseeable would not qualify as an exception to the standard requirement that rates be set in accordance with

¹ 2021-2031 Long Term Plan, p.85.

² LGRA, s 23(2)(b).

³ LGRA, s 23(3).

- 3 -

the LTP and FIS. It is important to note that the threshold for unforeseen and urgent rates outside the LTP and FIS is high, and the burden for information to be provided in support is heavy. This exception is therefore not commonly used and is more likely to be challenged than other rates.

9. If those unusual circumstances arise, then no consultation or SCP process is required. However, Council must give notice of the information that would otherwise be provided as part of the FIS and the nature of the unforeseen need and the reason that it considers it cannot otherwise be met.
10. While the LTP restricts the rates that can be set, it can also be amended at any time, by using the SCP.⁴ This can be done at the same time or combined with the consultation on the AP.⁵ If Council decides to roll these processes together, the LGA requires that there be a combined consultation document meeting all requirements, and that the SCP applies to both.
11. If a rate above the 4.9% in the LTP is proposed, Council would first consider whether the unforeseen and urgent exception allows for a departure from the LTP. If it does, the process is set out in s 23 of the LGRA. If it does not, then an amendment via SCP will be required, and can be carried out as part of the AP process, or as a stand-alone SCP.
12. While the LGA allows for Council to make decisions that are inconsistent with its LTP,⁶ that general power and cannot be relied on given that a more specific provisions of the LGRA apply as set out above.

Question 2: what is the process is if Council wishes to include a new rate in the AP which is not in the LTP?

Answer: Unless the unforeseen and urgent exception applies, a new rate not provided for by the LTP and FIS would require an LTP amendment via SCP. That amendment can be made concurrently with the AP process, with both being subject to a SCP.

13. The same considerations would apply to the adoption of a new rate as would apply to a rate above the limit in the LTP discussed under question 1:
 - (a) A rate must be set in accordance with the LTP unless it meets the criteria in s 23(3) of the LGRA.
 - (b) If the unforeseen and urgent exception applies, certain information about its application must be provided by Council.
 - (c) In all other cases, rates must be set in accordance with the LTP and FIS.
 - (d) The LTP can be amended to accommodate a proposed new rate.
 - (e) The LTP can be amended concurrently with the AP process. The joint consideration must be subject to a single consultation document and a SCP.

⁴ LGA, s 93(4) and (5).

⁵ LGA, s 95B, Clause 22 of schedule 10.

⁶ LGA, s 96.

Question 3: what is the process in relation to a targeted rate which is in the LTP but has been removed from the AP?

14. You have also sought advice regarding “A targeted rate set in the Long-Term Plan and removed from the Annual Plan”. We have assumed that your enquiry relates to a decision to collect such a rate in the upcoming financial year, rather than a decision not to collect such a rate. However, we have addressed both below.

Answer: A targeted rate provided for in the LTP can be included in any subsequent AP and FIS, and then set by normal resolution. The decision not to collect a targeted rate provided for in the LTP would be treated as a departure from the LTP and would be subject to the restrictions and requirements in sections 96, 97 and 80 of the LGA.

Deciding to collect the targeted rate

15. If Council intends to collect a rate that is included in the LTP, the rate will need to be included in the AP's FIS, as rates set must be in accordance with both the LTP and the FIS for the relevant financial year. So long as this is done, a decision to set that rate will be in accordance with the LTP and FIS and can be set normal resolution.⁷

Deciding not to collect the targeted rate

16. Subsequently deciding not to set a rate provided for by the LTP and FIS would not be in accordance with it and would be subject to the restrictions and requirements in the LGA. Under LGA, the resolution to adopt the LTP is not a decision to act on any specific part of it and Council may make a decision that is not consistent with that LTP if certain requirements are met.⁸ These are discussed further below. No one is able to require Council to implement provisions of the LTP or the AP. (This is subject to the LGRA's provisions on lump sum contributions for capital projects.)
17. While the LGA allows Council to make decisions inconsistent with its LTP, it cannot depart from that plan to:⁹
- (a) significantly alter the level of service provided for any significant activity; or
 - (b) transfer ownership or control of a strategic asset.
18. Decisions of that kind must be explicitly provided for the LTP and included in the consultation documents.¹⁰ A decision not to collect a targeted rate may have an impact on levels of service or strategic assets. In such cases, an amendment to the LTP would be required.
19. If the decision not to collect a rate does not relate to either of the restricted matters of level of service or strategic assets referred to above, then Council may decide not to collect that rate, despite such a decision being inconsistent with the LTP (and FIS if the AP has already been adopted and includes the rate).

⁷ LGRA, s 23.

⁸ LGA, s 96(3), s 97, s 80.

⁹ LGA, s 97.

¹⁰ LGS, s 97.

20. In such a case, Council would have to identify any significant inconsistency, the reason for it, and any action it intended to take to address the inconsistency.¹¹ In most cases, the intended action would include amendment to LTP and FIS to reflect the decision. As set out above, amendments to the LTP are the subject of the SCP process.

Conclusion

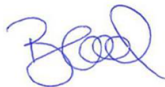
21. The LTP sets out the basis on which Council sets its rates. The circumstances in which it can depart from the LTP when setting rates are defined by the LGA and the LGRA. Any rates in addition to those provided for in the LTP must meet the unforeseen and urgent threshold set in the LGRA or be the subject of an amendment and associated SCP. The amendment can be made concurrently with the AP process and can be addressed in a single document.
22. The decision not to set a rate provided for by the LTP is a slightly different proposition. That departure from the plan cannot relate to levels of service or strategic assets, and in such cases the LTP would need to be amended. In other cases Council may depart from the LTP, subject to identifying the significant departure, the reasons for it and any remedy proposed.
23. The above advice is intended to be general in nature to assist you when considering possible questions in the upcoming AP process. If specific inquiries arise as part of that process, and you would like further guidance as to how the LGA and LGRA regimes apply, we will be happy to provide further assistance.

Yours faithfully
TOMPKINS WAKE



Megan Crocket
Senior Associate

/



Beth Ford
Associate

¹¹ LGA, s 80.

Council Report

Committee: Council

Date: 17 March 2022

Author: Justine Kennedy

Authoriser: Sean Hickey

Position: Project Manager

Position: General Manager Strategy and Communications

Report Name: Reform Response Programme update

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform Council on the status of central government reform and Hamilton City Council's Reform Response Programme.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council receives the report.

Executive Summary - *Whakaraapopototanga matua*

Future for Local Government

3. The Future for Local Government Review panel released an interim report on 30 September 2021. The report states that the review is an opportunity to rethink local governance to create a system in which the many organisations that contribute to local wellbeing can work together more effectively to address the challenges and deliver the shared goals and aspirations, for now and future generations. The report asks for responses to five priority questions by the end of March 2022.
4. The Panel has more recently issued a discussion document in advance of their meetings with local authorities that proposes five key shifts that are required to address the priority questions raised in the Interim Report. The five shifts are:
 - i. Strengthen local democracy
 - ii. Stronger focus on wellbeing
 - iii. Authentic Relationship with Hapuu / Iwi / Maaori
 - iv. Genuine Partnership between Central Government and Local Government
 - v. More Equitable Funding
5. Staff are working with Elected Members to capture their views and feedback to develop a 'scenario' of future local governance that responds to the five key shifts proposed by the Panel.
6. A draft 'scenario' paper will be circulated to Elected Members for review and input prior to the Elected Member's session with the Panel.
7. The Mayor's office has confirmed a date for a session with the Panel on Monday, 21 March 2022 from 2pm to 4pm.

8. Post the meeting with the Panel, a formal submission will be prepared and submitted to the Panel by the 1 June 2022.
9. There are two separate additional work programmes (Zone Two programme and WLASS programme) being undertaken within our region that Council is participating in. As these reports from the programmes are delivered, they will be made available to Elected Members.

Background - *Koorero whaimaarama*

10. Central Government is undertaking a number of significant reform programmes that will have varying degrees of impact on local government.
11. Hamilton City Council has established a Reform Response Programme to ensure we take a holistic view of central government reform and coordinate our response on those matters most impacting local government.

Discussion - *Matapaki*

Status Updates

Future for Local Government

12. The Future for Local Government Review panel released an interim report on 30 September 2021. The report states that the review is an opportunity to rethink local governance to create a system in which the many organisations that contribute to local wellbeing can work together more effectively to address the challenges and deliver the shared goals and aspirations for now and future generations.
13. The Panel is seeking submissions to respond to the five priority questions set out in the interim report. The questions are:
 - a) How should the system of local governance be reshaped so it can adapt to future challenges and enable communities to thrive?
 - b) What are the future functions, roles, and essential features of New Zealand's system of local government?
 - c) How might a system of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?
 - d) What needs to change so local government and its leaders can best reflect and respond to the communities they serve?
 - e) What should change in local governance funding and financing to ensure viability and sustainability, fairness and equity, and maximum wellbeing?
14. Staff are working with Elected Members to capture their views and feedback to develop a 'scenario' of future local governance that responds to the five key shifts proposed by the Panel.
15. A draft 'scenario' paper will be circulated to elected members for review and input prior to the Elected Members session with the Panel.
16. The Mayor's office has confirmed a date for a session with the Panel on Monday, 21 March 2022 from 2pm to 4pm.
17. Post the meeting with the Panel, a formal submission will be prepared and submitted to the Panel by the 1 June 2022.

18. There are two separate additional work programmes (Zone Two programme and WLASS programme) being undertaken within our region that Council is participating in. As these reports from the programmes are delivered, they will be made available to Elected Members.

Zone Two programme

19. Council is also participating in work being commissioned by the Zone Two group for Peter McKinlay to provide a report on the proposition that local government is the gateway between communities and central government. This work will be available prior to the end of February. The work comprises two separate projects:
- I. Building the evidence and analysis to support the case that local government does have that gateway function. This analytical piece will include reviewing recent policy material from central government, and examples of emerging practice. It will also include drawing on international research and practice, and understanding the approach taken by higher tiers of government in jurisdictions similar to New Zealand.
 - II. Strengthening communities. We each advocate that councils are the natural leaders of their communities. Part of this is helping communities themselves come together and better connect. Elsewhere, this is at the heart of good wellbeing practice. For New Zealand councils, demonstrating this in practice is crucial to support the argument that local government is the natural gateway between communities and central government and vice versa. We have links with a number of think tanks which are world leaders in how best to enable resilient place-based communities and can draw on their experience and expertise. It gives us a real advantage in ensuring that councils are recognised as the natural enabler of strong, resilient, and connected communities. This work will also provide for consideration of the relationship between place-based communities and Mana Whenua and Iwi.

WLASS programme

20. Council is also participating in the work that Rob Williams (CEO of Thames Coromandel District Council) is leading with the Waikato Local Authority Shared Services (WLASS) councils relating to the assessment of community needs under the Shifting Landscapes project. This work involves the collection of positive and negative stories that illustrate how each of the respective councils have worked in partnership with central government and other parties. The overall aim of the project is to bring together data on what Waikato communities need and how the public sector is, and has historically, been meeting those needs.

Financial Considerations - *Whaiwhakaaro Puutea*

21. There are no financial implications in relation to the Reform Response Programme.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

22. Staff confirm that staff recommendations comply with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

23. The purpose of Local Government changed on 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
24. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
25. The recommendations set out in this report are consistent with that purpose.

26. No social, economic, and environmental wellbeings were identified during the creation of this report.

Risks - *Tuuraru*

27. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

28. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

29. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Committee: Council **Date:** 17 March 2022

Author: Andrew Parsons **Authoriser:** Andrew Parsons

Position: Executive Director Strategic Infrastructure **Position:** Executive Director Strategic Infrastructure

Report Name: Watercare - Board of Inquiry Update

Report Status	<i>Open</i>
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Purpose - *Take*

1. To seek the Council's determination to not participate and/or become a party to the appeal in relation to the Watercare Board of Inquiry decision.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report; and
 - b) determines that Hamilton City Council will not participate and/or become a party to the appeal in relation to the Watercare Board of Inquiry decision.

Executive Summary - *Whakaraapopototanga matua*

3. At the 4 February 2021 Council meeting, Council resolved to participate in the government appointed Board of Inquiry which was been established to hear the Watercare water allocation application from the Waikato River.
4. The Council submission reflected a position of 'conditional opposition' through a high-level strategic approach and made it clear that if the matters of concern to Hamilton City Council are satisfactorily addressed by Watercare, and/or the Board of Inquiry, then the opposition may be resolved, and the HCC position may move to neutrality, or possibly support.
5. The principal outcome sought is one where the immediate needs of Auckland are met, while preserving allocable flow for the medium to long-term to enable Council to meet its needs over this extended timeframe, all in a manner which ensures that the health and wellbeing of the river is restored and protected. It is not Council preference that the Watercare application be declined.
6. Hamilton City Council has also filed expert evidence to support its submission.
7. Board of Inquiry proceedings have now concluded and the final Board decision has been issued.
8. The staff and legal view is that the final conditions of consent, determined by the Board of Inquiry, addresses the matters raised by Hamilton City through its evidence and participation in the Board of Inquiry process. There are no issues in the decision that give grounds for an appeal by Council.

9. Since the Board of Inquiry Decision was issued, an appeal to the High Court was filed by Te Whakakitenga o Waikato Incorporated.
10. The appeal does not seek to overturn the Board of Inquiry's decision as a whole but is directed to solely amend the Board's decisions on matters that lie outside the scope of Hamilton City's matters of interest. In particular, the structure and details of a committee responsible for consent monitoring and river restoration and protection.
11. Staff recommend that Council does not participate and become a party to the appeal in relation to the Watercare Board of Inquiry decision given that the matters raised by Council in the Board of Inquiry process have been addressed, and the subject of the appeal is outside the scope of Council's interests.
12. Staff consider the decision in this report has low significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

13. This is the fourth report to the Council relating to the Board of Inquiry on the Watercare water allocation application from the Waikato River.
14. At its 4 February 2021 meeting the Council considered participation in the government appointed Board of Inquiry which has been established to hear the Watercare water allocation application from the Waikato River.
15. The following was resolved at the 4 February 2021 Council meeting in the public excluded section, noting that the resolution was subsequently approved for public release by the Chief Executive:

"That the Council:

- a) approves Hamilton City Council's participation on the Board of Inquiry appointed to hear the Watercare water allocation application from the Waikato River;*
 - b) approves an initial position of opposition to the Watercare water allocation application;*
 - c) requests the Chief Executive to prepare and lodge the necessary documentation to effect the above (a) and (b);*
 - d) notes that the initial position of opposition may be reviewed as the Board of Inquiry process proceeds, alongside a collaborative approach with the applicant, Auckland Council and other submitters;*
 - e) notes an initial unbudgeted cost estimate of \$200,000 this financial year to cover preparation and lodgement of the HCC submission, and to undertake any initial discussion/mediation;*
 - f) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive; and*
 - g) that the proposed Hamilton City Council submission to the Board of Inquiry hearing on the water application be reported to Council for approval prior to lodgement."*
16. The Hamilton City Council team is comprised of 5 experts in addition to the legal services of Lachlan Muldowney, supported by Shaye Thomas. The experts were:

Andrew Parsons (HCC)– Overall strategic position

Luke O'Dwyer (HCC) – Strategic planning and growth context

Thomas Haarhoff (Mott MacDonald) – Water demand management

Dr Douglas Fairgray (Market Economics) - Economic effects analysis

Ian Mayhew (CM Planning) – Statutory planning

17. Key documents can be found at the Environmental Protection Authority webpages should Elected Members want to review the detailed information.
- i. The full suite of documents comprising the Watercare application can be found [here](#).
 - ii. A copy of all submissions can be found [here](#).
 - iii. A copy of all submitter evidence and Watercare's rebuttal evidence can be found [here](#).
 - iv. The final Board of Inquiry decision can be found [here](#).

Discussion - *Matapaki*

18. By way of reminder, the evidence of Andrew Parsons to the Board of Inquiry best summarises the overall Hamilton City Council position and intent. Key aspects of his evidence are repeated below:
- a) *It is not HCC's preference that the Watercare application be declined. HCC recognises that Watercare has an immediate need for water in the short term, and that meeting this need is critically important in both a regional and national context. However, as explained above, HCC will need more water in the future to meet the growing demand in Hamilton and the MSP area, and this must be a consideration in the current context.*
 - b) *Watercare's application indicates that Watercare only intends to use the additional take 'as necessary'. It further indicates that alternative water supplies will be brought on-line over time to meet projected demand in Auckland.*
 - c) *Accordingly, HCC's position is that Watercare's reliance on the Waikato River should gradually be reduced, consistent with the assurances given in the application and in the evidence of Mr Bourne and Mr Fisher on behalf of Watercare. However, this is not sufficiently addressed in the consent conditions that have been proposed by Watercare.*
 - d) *In light of the potential shortfall in water supply, granting long-term resource consents for water abstractions would lock in unsustainable water use. The large volume of water sought means that the full allocation may not be utilised for some time with the consequence that this water will not be available for allocation. With HCC's existing consent expiring in 2044, it makes sense to broadly align the expiry of the Watercare allocation with this timeframe so that the ongoing needs of the Auckland population and those living within the MSP area can be considered in an integrated manner.*
 - e) *For these reasons, HCC seeks that Watercare's consent be limited to a duration of 20 years. It also seeks a requirement embedded in the consent that alternative sources for water supply will be explored and implemented by set deadlines. I am also aware that consent conditions can be formulated to gradually reduce the consent holders' reliance on the resource over time, effectively a 'sinking lid'. I support this approach as it creates a 'real world' accountability around Watercare's signalled intent to secure an alternative long-term water supply.*
 - f) *Watercare recognises that securing an alternative water source is an inevitability. The relief sought by HCC simply means that Auckland's immediate water needs are met for the foreseeable 20 years while requiring Watercare to advance its alternate service/source scenario by approximately 10 years under HCC's recommended approach. The broad economic impact on the Waikato Region is mitigated and Watercare will face the incremental financing cost of delivering its 30-year investment 10 years earlier than otherwise planned. This represents a balanced and sustainable mitigation of effects in the context of the likely cost of finance versus the cost to the Waikato Regional economy.*
 - g) *HCC seeks an outcome which sees the immediate needs of Auckland met, while preserving allocable flow for the medium to long-term to enable HCC to meet its needs*

over this extended timeframe, all in a manner which ensures that the health and wellbeing of the river is restored and protected.

- h) *HCC considers that, through the relief it seeks, these issues can be resolved in a way that serves the joint interests of Auckland, Hamilton, and Iwi.*
- 19. The staff and legal view is that the final conditions of consent, determined by the Board of Inquiry, addresses the matters raised by Hamilton City through its evidence and participation in the Board of Inquiry process.
- 20. Since the Board of Inquiry Decision was issued, an appeal to the High Court was filed by Te Whakakitenga o Waikato Incorporated.
- 21. The appeal does not seek to overturn the Board of Inquiry's decision as a whole but is directed to solely amend the Board's decisions in relation to the following matters:
 - a) Provide greater clarity for administration and monitoring of the consent
 - b) Strengthen the provisions for the committee (required by the Board of Inquiry as a condition of consent) to specify representatives of Te Whakakitenga o Waikato Incorporated and Te Taniwha o Waikato as invited members and,
 - c) Include in the purpose and functions of that committee, all matters relating to:
 - i. reduction in reliance on the Waikato River for the supply of water to Auckland;
 - ii. reduction in the volume (both relative and absolute) of water taken from the Waikato River;
 - iii. increased resilience of the Waikato River to human activities and their effects; and
 - iv. in that context, recognition of the rights and interests of tāngata whenua in fresh water.

Options

- 22. Staff have assessed that there are two reasonable and viable options for the Council to consider. The options are set out below:

Option 1 - Non-participation (Recommended)

- 23. Council decides not to participate and become a party to the appeal in relation to the Watercare Board of Inquiry decision given that the matters raised by Council in the Board of Inquiry process have been addressed.
- 24. The outcome of the appeal, whichever way it goes, will have no material effect on Council.

Option 2 - Participation (Not Recommended)

- 25. Council decides to participate in the appeal process.
- 26. Notwithstanding the unbudgeted time and cost implications for Council, any participation in the appeal will go beyond the original scope of the Council submission and therefore require Council to be very clear about its mandate and scope for an appeal.
- 27. The strong staff and legal view is that participation in the appeal is to be avoided and the details of the committee structure and representation are matters best left to Te Whakakitenga and Watercare.

Financial Considerations - *Whaiwhakaaro Puutea*

- 28. The initial estimate of costs advised to the Council to participate in the Board of Inquiry was \$500,000 over 2020/21 and 2021/22 financial years. This estimate was only able to be confirmed as the Board of Inquiry process proceeded.

29. The actual cost to 28 February 2022 to cover preparation and lodgement of the Hamilton City Council submission including discussion/mediation, appearance and full participation/cross examination etc was \$313,920. This cost was not part of the 2021/22 Annual Plan, however this value is reflected in the financial strategy through the 2020/21 and 2021/22 financial forecasts.
30. Should Council decide not to participate in the appeal process, there are unlikely to be any further costs incurred by HCC other than the minor administrative cost associated with formalising the council's decision today.
31. Should Council decide to participate in the appeal process, there will be further costs incurred.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

32. Staff confirm that the staff recommendations comply with Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

33. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
34. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
35. The recommendations set out in this report are consistent with that purpose.
36. There are no known social, economic, environmental or cultural considerations associated with the matters outlined in this report.

Risks - *Tuuraru*

37. There are no known risks associated with the staff recommendation.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

38. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

39. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Item 14

Committee: Council

Date: 17 March 2022

Author: Tyler Gaukrodger

Authoriser: David Bryant

Position: Governance Advisor

Position: General Manager People and Organisational Performance

Report Name: Community Committees Trial Update

Report Status	Open
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Purpose - *Take*

1. To inform the Council of the progress of the community committee project and seek approval from the Council to defer the final report to a future Council meeting.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
 - a) receives the report; and
 - b) defers the final report concerning the process to establish a trial for two Community Committees to a future meeting of the Council.

Executive Summary - *Whakaraapopototanga matua*

3. At the 11 November 2021 Council meeting the Council resolved for staff to report back to the Council by April 2022 on a process to establish a trial for two Community Committees, one in the East Ward, one in the West Ward.
4. Since the meeting staff have undertaken to understand the community impacts of creating Community based Committees / Advisory Groups by speaking with Elected Members, iwi, other local Councils, staff, and active members of our community. This work has not been completed.
5. Staff are seeking a resolution to defer the final report it to allow staff additional time to complete the work required to enable a comprehensive report on the process to establish a trial for two Community Committees following the 2022 local authority elections.
6. Staff consider the decisions in this report have low significance and that the recommendations comply with Council's legal requirements.

Background - *Koorero whaimaarama*

7. Following a legislation change in February 2021, Hamilton City Council resolved in May 2021 to establish Maaori Wards for the 2022 and 2025 Local Council Elections.
8. The decision to establish Maaori wards triggered the requirement to undertake a wider Representation Review to determine the representation arrangements for at least the 2022-25 triennium.

9. Following a robust wider representation review and consultation/hearings process, the Council resolved its final representation arrangements proposal at its 11 November 2021 Council meeting as below:
 - i. Retain the current general ward arrangement of six councillors elected in the East Ward, and six councillors elected in the West Ward
 - ii. Increase the total number of Councillors to 14
 - iii. Introduce a city wide Maaori ward with two Maaori ward councillors
 - iv. No Community Boards
10. From 17 November to 17 December 2021, anyone who made a submission on Council's initial proposal was able lodge an appeal against the Council's decision. Five appeals were received during this period and were referred to the Local Government Commission along with the Council's final representation proposal.
11. Of the five appeals: two were concerning the decision to not include community boards; two were concerning the number of Maaori ward Councillors; and one was concerning the process and sought a mixed representation model.
12. Two of the appeals were determined by the Local Government Commission to be valid. A hearing had been scheduled to take place on 8 March 2022.
13. A verbal update will be provided at the meeting concerning the hearing.
14. The Local Government Commission will make their determination by 11 April 2022. Should there be a change in Council's representation arrangements this will be reported to the Council.

Discussion - *Matapaki*

15. Further to the above decision, the Council resolved that staff were to report back to the Council by April 2022 on a process to establish a trial for two Community Committees, one in the East Ward, one in the West Ward. Work is underway to prepare a paper for Council, however competing priorities, staffing and the identified need to engage with Elected Members and other stakeholders on the development of a proposal has meant a March/April reporting date cannot be met.
16. Below is an outline of the steps that the project team are working through:
 - i. **Collation of information and evidence** - Discussions with internal stakeholders, other councils, external stakeholders such as community houses and TROK, and Workshop with Elected Members and Maangai Maaori. *A workshop has been tentatively scheduled for 6 April 2022*
 - ii. **Preparation Material** – Consideration of the decision of Local Government Commission (if required), continued stakeholder engagement (if required) and address points from workshop with Members.
 - iii. **Briefing with Elected Members and Maangai Maaori** - Present options and information. Direction provided on preferred level of delegation, budget and purpose of community committees.
 - iv. **Report to the Council** – Option and process to establish a trial for two Community Committees following the 2022 local authority elections.

Financial Considerations - *Whaiwhakaaro Puutea*

17. The cost of the project is able to be funding from an existing Governance budget in 2021/22. Further information on the estimated operational costs of Community Committees will be provided as part of further reporting to Council.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

18. Staff confirm that the staff recommendations comply with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

19. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
20. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
21. The recommendations set out in this report are consistent with that purpose.

Social and Cultural

22. Hamilton City Council is obliged under section 18 of the Local Government Act 2001 (LGA) to provide fair and effective representation for the individuals and communities of Hamilton.
23. Effective representation means individuals and communities can better participate in Council processes and decision-making that may have an impact on cultural wellbeing.
24. This additional work on this project will enable further consideration to be put as to how individuals and communities are included and able to participate in the decision-making processes of Council that affect their daily lives.

Economic and Environmental

25. The matters considered in this report have no significant direct impact on economic or environmental wellbeing. However, effective representation does enable individuals and communities are able to better participate in Council processes and decision-making that may have an impact on economic and/or environmental wellbeing.

Risks - *Tuuraru*

26. There are no known risks associated with the decisions sought via this report.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

27. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

28. Given the low level of significance determined, the engagement level is low. No engagement is required.
29. Some Community views and preferences are already known through initial engagement and further engagement is planned with key stakeholders, including members of the local community and mana whenua, and will be reported to the Council in the next report.

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Council Report

Committee: Council **Date:** 17 March 2022
Author: Tyler Gaukrodger **Authoriser:** David Bryant
Position: Governance Advisor **Position:** General Manager People and Organisational Performance
Report Name: Recommendations from Open Committee Meetings

Report Status	<i>Open</i>
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Purpose - Take

1. To seek the Council's approval of the following recommendations from Committee Meetings:
 - a) Finance Committee meeting of 10 February 2022 (Agenda [Here](#), Minutes [Here](#)), in respect of:
 - i. Financial Performance & Strategy Report to 30 November 2021
 - b) Economic Development Committee meeting of 1 March 2022 (Agenda [Here](#), Minutes [Here](#)), in respect of:
 - i. WLASS/Co-Lab - additional shareholder and replacement HCC director on Co-Lab Board;
 - ii. Licence to Occupy - Spark New Zealand - FMG Waikato Stadium;
 - iii. Event Sponsorship Activity - Policy Review and Fund Update; and
 - iv. General Manager's Report
 - c) Community Committee meeting of 2 March 2022 (Agenda [Here](#), Minutes [Here](#)), in respect of:
 - i. One Victoria Trust (Meteor Theatre) - Property Renewals Funding Request
 - d) District Plan Committee meeting of 10 March 2022 (Agenda [Here](#), Minutes [Here](#)), in respect of:
 - i. General Manager's Report

Recommendations from the Finance Committee meeting of 10 February 2022 Financial Performance & Strategy Report to 30 November 2021

2. That the Council:
 - a) approves the capital movement as identified in paragraph 30 of the 10 February 2022 Capital Portfolio Monitoring Report;
 - b) approves the significant forecast adjustments as set out in paragraphs 51 to 52 of the staff report; and
 - c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 54 to 56 of the staff report.

Economic Development Committee meeting of 1 March 2022

WLASS/Co-Lab - additional shareholder and replacement HCC director on Co-Lab Board

3. That the Council:
 - a) approves that Western Bay of Plenty District Council (WBOP) becomes a shareholder of Co-Lab on the following basis:
 - i. WBOP is issued with one (1) ordinary share in the company, for a consideration of \$1,000, noting that the share will remain uncalled;
 - ii. WBOP signs a deed acceding to the Shareholders Agreement dated 5 October 2005;
 - iii. the constitution of the company is amended to reflect that WBOP will, together with Thames-Coromandel, Hauraki and Matamata-Piako District Councils, be entitled to appoint one representative to the company's Board;
 - iv. WBOP will contribute at the rate of 100% (as opposed to the 50% the other BOPLASS shareholding councils do, ie Rotorua and Taupo) to Company Management and Support costs, the Opportunity Development Fund and any other requests for funding in line with the formula previously agreed between the current shareholders; and
 - v. WBOP will contribute a proportionate share to the "value" of opportunities currently under development; and
 - vi. if the required 75% approval of the resolution details in paragraph 2. b) i. to v. above is received, authorise the Co-Lab Board and Chief Executive to:
 - A. approach WBOP to establish whether they are willing to accept the offer on this basis; and
 - B. if so, take the necessary actions to achieve the outcomes noted above; and
 - b) approves the transition of the Hamilton City Council-appointed director of Co-Lab from David Bryant, General Manager People & Organisational Performance to Lance Vervoort, Chief Executive Officer, by 31 March 2022.

Licence to Occupy - Spark New Zealand - FMG Waikato Stadium

4. That the Council approves a new licence for Spark New Zealand for existing telecommunications equipment and antennae located at FMG Waikato Stadium, subject to the following terms and conditions:
 - a) Term – 10 years, commencing 1 June 2022;
 - b) Rental – Market value to be determined closer to commencement; and
 - c) Rent Reviews – 3 yearly CPI.

Event Sponsorship Activity - Policy Review and Fund Update

5. That the Council:
 - a) approves the draft Event Sponsorship Policy (as set out in Attachment 1 of the staff report); and
 - b) approves that any underspend of the 2021/22 Event Sponsorship fund be redirected to "events" re-launch activity targeting CBD activation in partnership with the Hamilton Central Business Association when Governments COVID-19 alert framework moves to Orange and/or Green status in either the current 2021/22 financial year or within the 2022/23 financial year.

General Manager's Report

6. That the Council approves \$138,000 to provide 50% rent relief for eligible Council tenants in the hospitality sector during the Covid Protection Framework effective from 3 December 2021 to 3 June 2022, in accordance with the following criteria:
 - a) tenants need to occupy Council-owned premises and operate in the hospitality sector;
 - b) provide proof of financial hardship and a reduction of more than 50% normal revenue for the period;
 - c) provide proof of any Government subsidies applied for and received; and
 - d) provide proof of any relief funding received from other sources.

Recommendations from the Community Committee meeting of 2 March 2022 One Victoria Trust (Meteor Theatre) - Property Renewals Funding Request

7. That the Council:
 - a) approves a financial underwrite of up to \$20,000 to The One Victoria Trust for bathroom renovations at the Meteor Theatre; and
 - b) notes that if the underwrite is called upon, this unbudgeted amount would be funded through current underspend in an existing Council budget in 2021/22.

Recommendations from the District Plan Committee meeting of 10 March 2022

General Manager's Report

8. That the Council approves the revised work programme and schedule (as detailed in paragraphs 25 to 42 of the staff report).

Attachments - *Ngaa taapirihanga*

There are no attachments for this report.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes of 3 February 2022) Good reason to withhold) information exists under) Section 7 Local Government	Section 48(1)(a)
C2. Confirmation of the Elected Member Public Excluded Briefing Notes - 2 February 2022) Official Information and) Meetings Act 1987)	
C3. Confirmation of the Elected Member Public Excluded Briefing Notes - 9 February 2022		
C4. Confirmation of the Elected Member Public Excluded Briefing Notes - 23 February 2022		
C5. Confirmation of the Elected Member Public Excluded Briefing Notes - 4 March 2022		
C6. Draft 2022-23 Annual Plan Report Considerations		
C7. Rototuna Pool Funding Proposal Report		
C8. Recommendations from Public Excluded Committee Meetings		
C9. Confirmation of the Extraordinary Council (Recommendation from the CE Review Committee) Public Excluded Minutes - 17 November 2021		
C10. Recommendations from Public Excluded CE Review Committee Meeting of 10 March 2022		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C5.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C6.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h) Section 7 (2) (i)
Item C7.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C8.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C9.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C10.	to protect the privacy of natural persons	Section 7 (2) (a)
	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)