

WORKSHOP MATERIAL

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Workshop: Long Term Plan 2024-2034 – All Councillors

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Background Information on Development Contributions

Tasman District Council's 2021-2031 Policy is available on our website:

[Development and financial contributions policy | Tasman District Council](#)

Introduction to Development Contributions

Development contributions are charges that may be levied under the Local Government Act 2002 (LGA) that enable councils 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".

This recognises that most growth-related developments will create a need for new or increased infrastructure capacity.

Development contributions can be levied on people undertaking development such as subdivisions, new homes, changes in land use and, new or altered non-residential buildings. Development contributions may be required upon the granting of a resource or building consent (or a certificate of acceptance), or a service connection authorisation if a development is generating a demand for an activity covered in a council's Development Contributions Policy for that area (see discussion below on assessment).

Development Contributions Policy

Every council must adopt a policy on development (and financial) contributions as part of a suite of funding and financial policies under the LGA. The policy must be reviewed at least every three years. However, the choice of whether to use development contributions (and to what extent) is for each council to make. This choice is guided by a Council's overall approach to funding its activities as outlined in its Revenue and Financing Policy and the scale of growth, and growth-related costs, expected. Development contributions are more suitable when growth and growth costs justify the operating costs of developing and administering them.

If development contributions are used, the Development Contributions Policy (which includes the charges) and supporting processes must comply with a range of requirements in the LGA, including the overarching principles set out in section 197AB. The principles affect:

- The calculation of development contribution charges and the liability of individual developments for paying them (s.197AB paragraphs (a), (b), (c) and (g)).
- Policy transparency and accountability (s.197AB paragraphs (d), (e) and (f)).

Collectively, the principles encourage councils to develop Development Contributions Policies that provide:

- **Fairness and equity:** Ensure that those who create a need for new or additional assets/capacity, contribute a proportionate share of the cost of providing those assets/capacity.
- **Simplicity:** Ensure that the Development Contributions Policy is easy to understand and administratively simple to apply.
- **Certainty and transparency:** Provide developers with a clear understanding of what will be funded from development contributions, what they will have to pay towards those costs, and when.
- **Consistency:** Ensure that like developments are treated in a like manner.

Development contributions used to fund growth infrastructure

Development contributions can be used to partly or fully fund the total cost of capital expenditure incurred by a council on **community facilities**, provided they are needed to provide for growth.

Community facilities means:

- **Reserves:** The acquisition of land or development of parks and reserves.
- **Network infrastructure** means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
- **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.

Development Contributions Policies must state the activities (water, wastewater etc) that development contributions will be required for. The names and coverage of the activities can be chosen by each council provided they come within the meaning of community facilities.

A council may also have more than one catchment affecting the same area for similar activities - but not to fund the same assets. For example, a council can set a district-wide charge to fund a wastewater treatment plant that serves the whole district, as well as set separate charges in smaller catchments for local wastewater infrastructure provided.

A fundamental aspect of development contributions is that they are based on recovering the identified total cost of capital expenditure for growth for particular activities and catchments. This can include expenditure that has already been incurred in anticipation of development; capital expenditure identified in the long-term plan; and capital expenditure beyond the period covered by the long-term plan (as long as it is identified in the Development Contributions Policy). Any finance or interest costs associated with the growth programme can also be capitalised and recovered through development contributions.

As individual contributions are collected, the revenue raised is applied to that capital programme.

How are Development Contributions determined?

Development contribution charges for each activity reflect a share of the cost of providing capacity in that activity for new developments – quantified via a common unit of demand (discussed below). In this respect, the calculation relies on a simple relationship.

$$\text{Development contribution charge per unit of demand} = \frac{\text{Infrastructure growth costs}}{\text{Growth capacity provided (measured in units of demand)}}$$

While simple in principle, development contribution charges can be difficult to calculate and administer in practice. The calculation relies on good information about expected growth, the programme needed to support that growth, and defensible estimates of growth costs and the capacity life of the assets in the programme. The proportion of the cost of each asset attributed to growth must be determined according to, and be proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets.

The calculation may also need to account for inflation, interest costs, and depending on your funding model, indexing.

Need to determine a unit of demand

Each council must also determine the unit of demand to use in the policy and the calculations. The most common unit of demand used by councils is based on the demands a nominal household places on infrastructure. For example, 650 litres per day for water, 8 trips per day for transport, or 300 metres of impervious surface area for stormwater. Tasman District Council’s Policy uses a **Household Unit of Demand (HUD)**.

The demand on infrastructure that different types of developments generate is assessed relative to a HUD. The policy must specify how many HUDs to attribute to particular developments or types of development on a consistent and equitable basis. Typically, that means specifying the different types of development that are subject to the policy, and pre-determining the HUD rates that will apply. In addition to residential development, common development types used are commercial, industrial and retail. For example, commercial developments may be assessed at 0.4 EHUs per 100m² of gross floor area for water and wastewater activities.

The higher the number of HUDs a development or development type is assessed at, the higher the charges that will be levied. The formula below and applied separately for each activity. The charges for each activity are then summed to give a total charge for a particular development.

Tasman District Council's current Development Contributions Policy charges for stormwater, water, wastewater and transportation. Stormwater, water, wastewater charges use a catchment approach but transportation is a district-wide charge.

2021 - 2031 Policy - Development Contribution Charge per HUD 1 July 2022 (GST inclusive)

Service	Catchments			
	Waimea	Motueka	Golden Bay	Rest of District
Stormwater	\$10,138	\$4,616	\$340	N/A
Water	\$10,700	\$3,822	N/A	N/A
Wastewater	\$11,050	\$6,532	\$8,151	N/A
Transportation	\$3,006	\$3,006	\$3,006	\$3,006

Assessment and payment

To be able to require a development contribution for a subdivision, building, land use, or work when granting a consent or authorisation, a council must first confirm:

- It is a development as defined by LGA02 s.197 (i.e., it generates a demand for reserves, network infrastructure, or community infrastructure).
- The effect of the development (either alone or cumulatively with other developments) is to require new or additional assets or assets of increased capacity and, as a consequence, the council will incur (or has already incurred) capital expenditure to provide appropriately for reserves, network infrastructure, or community infrastructure (LGA02 s.199 – often referred to as the 'causal nexus test').

- The development is subject to development contributions under the council's Development Contributions Policy (LGA02 s.198(2)).

In addition, the purpose or infrastructure for which a contribution is required must not be funded or provided in some other way, that would result in the requirement being contrary to LGA02 s.200. For example, if the council has already charged a financial contribution for the same purpose for the same development.

Councils may undertake a separate assessment at each step in the development process – resource consent, building consent, and service connection for example. However, it must recognise credits for any previous assessment or payments.

The assessment for a development contribution is potentially subject to three separate challenge processes – an internal reconsideration process, an objection heard by independent commissioners, and judicial review.

Councils are free to determine the timing of payment of development contributions once an assessment is made. Until development contributions have been paid, councils may:

- Prevent the commencement of a resource consent.
- Withhold a certificate under section 224(c) of the RMA.
- Withhold a code compliance certificate under section 95 of the Building Act 2004.
- Withhold a service connection to the development.
- Withhold a certificate of acceptance under section 99 of the Building Act 2004.
- Register the development contribution under the Land Transfer Act 2017, as a charge on the record of title of the land in respect of which the development contribution was required.

[Financial Contributions versus Development Contributions](#)

The RMA allows councils to require a financial contribution to achieve the sustainable management purpose of the RMA (refer to s.108). Financial contributions generally address the direct impacts of a particular development, and their purpose is to help pay for measures that will avoid, remedy or mitigate adverse effects on the environment, or offset adverse effects in some other way. Whether a development represents “growth” may be of limited relevance when determining if a financial contribution should be required.

Financial contributions can only be imposed as a condition on a resource consent or designation.

There are significant differences between development contributions and financial contributions in relation to:

- Their purpose and how charges are determined.

- The range of developments that can be charged.
- The amount of effort required to develop and administer the charges.

Despite being more onerous to develop and administer, development contributions are generally regarded as a better tool for funding infrastructure upgrades required to meet cumulative demand growth arising from multiple unrelated developments.

Development Contributions	Financial Contributions
Operate under the Local Government Act 2002	Operate under the Resource Management Act 1991
Can only be used by territorial authorities (including unitary authorities)	Can be used by territorial authorities and regional councils
Fully integrated with growth, asset management and financial planning	No required integration with asset management or financial planning
Imposed based on share of fiscal effect of growth for a development (past or planned capital expenditure related to growth, also allowing for cumulative effects)	Imposed based on the environmental effects of a development (allowing for cumulative effects). The environmental effects need not be related to growth
Imposed through a requirement to pay upon granting of a resource consent, building consent (or certificate of acceptance), or authorisation to connect to a service - but not a condition of the consent or authorisation	Imposed as a condition of resource consent or designation
Cannot be charged to the Crown	Able to be charged to the Crown, except for the Ministry of Education or the Ministry of Defence
Must be documented in the council's DCP	Must be in the District Plan or Regional Plan – and be summarised in the council's DCP
Objection process: <ul style="list-style-type: none"> • Judicial review (policy adoption) • Reconsiderations, objections, and judicial review (policy application) 	Objection process: <ul style="list-style-type: none"> • Appeals (plan adoption) • Objections and appeals (plan application)

Draft SUIP definition

A separately used or inhabited part of a rating unit (“SUIP”) includes any portion of a rating unit inhabited or used by the owner, or a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license or other agreement.

A SUIP includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner or rented (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are considered as ‘used’.

Rating units used for commercial accommodation purposes, such as hotels, hostels, camping grounds, and motels, will be treated as having one separately used or inhabited part, unless there are multiple businesses within the rating unit. If these units have co-sited residential units which are a prerequisite part of the business or commercial function, no extra SUIP will be charged for this residential accommodation. A similar approach will be applied to other types of operation including hospitals, ports, storage container businesses, and parking lots.

Rating units where the owner of the unit resides and operates a business from the same rating unit will be considered as being one SUIP, including when the business is a farm, vineyard, forestry or horticultural block. Additional stand-alone businesses or separately occupiable residential parts on the rating unit will be considered extra SUIPs.

At a minimum, the land or premises intended to form a separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use. For a residential property to be classified as having an additional SUIP, it must have an integrated set of sleeping, ablution, and cooking facilities. Retirement villages with multiple long term occupancies or licenses to occupy will have multiple SUIPs.

For the avoidance of doubt, every rating unit contains at least one SUIP.

The following are examples of the application of the above definition:

Type	# SUIPs
Dwelling with attached fully self contained flat that has sleeping, ablution, and cooking facilities	2
Two apartments, flats or dwellings on one title	2
Dwelling with a sleepout without kitchen or cooking facilities	1

Residence with home based business	1
Residence that rents out rooms for Air B & B	1
Farm with two dwellings- one occupied by the landowner	2
Dwelling with a sleepout or granny flat that doesn't have independent kitchen or bathroom facilities	1
Business premises with flat above required to run the business	1
8 individually tenanted retirement townhouses on one rating unit	8
Commercial building with availability to lease or sub lease to 13 tenants	13
Council pensioner flat block with 7 apartments on one title	7
Parking lot with individually leased car parks	1
Storage units on one title	1
Dwelling with self contained flat and evidence has been provided to the Council's satisfaction that the flat is not being separately used	1
12 Individually surveyed lots of land on one title offered for sale	12
A block of vacant land on one title	1
Hotel with a café accessible by the public	2
Farm with one occupied dwelling and one dilapidated dwelling being used as a hay shed	1

Separately Used or Inhabited Parts of a Rating Unit (SUIP)

26 November 2019

Background

- February 2019: Full Council directed staff to prepare a report to Council to review the rating policy as it relates to retirement villages or like operations.
- May 2019: Full Council authorised expenditure on preliminary work for Stage 1 of a fixed charge rating review (SUIP vs rating unit)
- We are providing you an update on work performed in this review to date, along with some further background and what's coming up next
- There is no budget or resourcing set aside for work after Stage 1

What is a Rating Unit?

- Defined by Rating Valuations Act 1998
- Basically, the land for which there is a record of title (E.g. Richmond Mall, Retirement villages on one title, rural or urban properties with multiple dwellings on one title etc.)

What is a SUIP?

- Separately used or inhabited part of a rating unit
- No definition in the Rating Act- however this doesn't mean councils have full discretion to define
- If rating by SUIP, each “part” of a rating unit is rated
- How do you define a part? Best practise and sector guidance.
- SUIPs would apply to all parts of a rating unit across all sectors (e.g. retirement villages on one title, blocks of flats on one title etc.)

Examples:

Two apartments, flats or dwellings on one title: 2 SUIPs

Dwelling with a sleepout that has sleeping, ablution and cooking facilities occupied by family member: 2 SUIPs*

*-depending on facts

Pros & Cons of SUIP compared to rating units for fixed charge rates

- There is no “right” answer – legislation permits policy choice. Council is required to consider LGA S 101 considerations when making rating and funding decisions
- Generally better equity with SUIP, however comes with significant administration and costs, and challenges including lack of perfect information

ADVANTAGES	DISADVANTAGES
Generally a good proxy for households & stand alone businesses – therefore for rates which benefit households or stand alone businesses as a basis of demand the rating outcome is a more equitable reflection of demand on services	Has to be based on use- not how a property is capable of use. There are no powers in legislation to request proof of use, or enter onto land to verify the number of SUIPs. The Rating Act doesn't require ratepayer disclosure of all info relevant to setting the rate when change occurs- therefore difficult to set rates consistently
In some cases, the SUIP is a better proxy for user/exacerbator pays than rating units	More costly and resource intensive to administer -will increase rates overall & will need more staff to manage
	More complicated for ratepayer to understand- potential risk of higher requests for refunds for prior rating years
	Does not incentivise land use intensification
	In some cases, the rating unit is a better proxy for user/exacerbator pays than SUIPs

SUIP Definition

- What have we done to date?
 - Reviewed a number of other Council definitions
 - Review best practise guidance issued at sector conferences
 - Drafted a definition factoring in both of the above and area specific considerations
 - Received legal advice on the draft definition & further modified it
 - Considered feedback from QV about the definition

What's coming next?

- In December QV will start work on determining potential # of SUIPs in the District
- We expect they'll report back in April-May next year- we'll come back to you with results & modelling
- You'll be able to decide at that time whether you wish to further proceed with a SUIP review
- In 2020 you'll also be asked to consider key Revenue & Financing Policy issues as part of the Long Term Plan (e.g. rural water supply funding)
 - Engaging in a rating review for fundamental policy change such as implementing SUIP is a significant step and would require additional resourcing such as in-house staff and extra external resource. These resources aren't currently in place beyond Stage 1 of the review.

Definition

- See handout

Questions?



Rates Remission Policies and Development Contributions Policy

11 May LTP Workshop

Thriving and resilient Tasman communities

 **tasman** | Te Kaunihera o
district council | **te tai o Aorere**

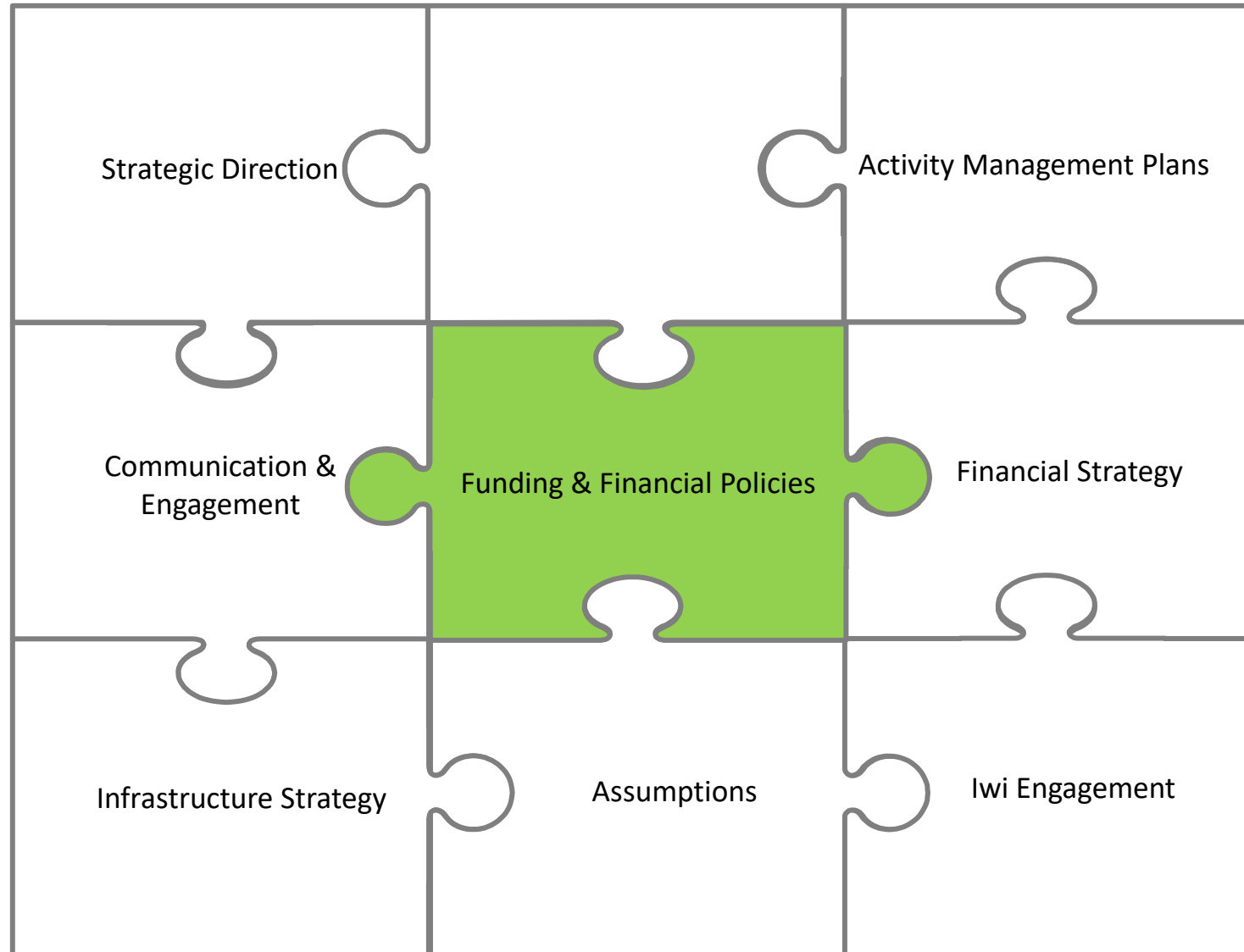


Introduction

The purpose of this presentation is:

- Seek direction for proposed changes to Rates Remission Policies
- Seek direction on proposed changes to the Development and Financial Contributions Policy
- Outline potential increases in Development Contribution charges
- Outline legislative changes that will impact all these policies

Where does this fit in the LTP Jigsaw?



Where are we in the Policy Review process



Rates Remission Policies – Key concepts and current environment



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 **tasman** district council | Te Kaunihera o **te tai o Aorere**

Introduction

The purpose of this presentation is:

Part 1: Provide Councillors with information and context

- Current policies
- Remission statistics

Part 2: Direction setting

- Confirm retention of current policies
- Review and get direction on staff recommended changes
- Further direction, areas for review & questions

Current Policies

We currently have 9 rates [remission policies](#) plus our [Maori Freehold land Policy](#)

Remission Policies

Excess metered water

Rates for school wastewater charges

Uniform Charges on Non-contiguous rating units owned by the same owner

Penalties

Rates for sporting, recreation or community organisation

Rates on low value properties

Rates for land occupied by a dwelling that is affected by natural disaster

Rates for land subject to Council initiated zone changes

Rates on abandoned land

Remission vs. Rebate

- Central Government, through the DIA, funds rates rebates for low-income ratepayers. The amount of the rebate depends on income, rates expense, and number of dependants. Currently this is a maximum of \$700.
- Having remission policies, and which remission policies are offered, is a decision by each Council and are funded through rates.
- Having a policy in relation to Māori Freehold Land is a legislative requirement.

2021/22 Financial Year Remission Statistics

Remission	Number of Applications	Dollars (\$)
Excess metered water	119	110,954
Rates for school wastewater charges	41	115,485
Uniform Charges on Non-contiguous rating units owned by the same ratepayer	109	57,639
Penalties	884	62,626
Rates for sporting, recreation or community organisation	30	35,442
Rates on low value properties	20	10,600
Rates for land occupied by a dwelling that is affected by natural disaster	0	0
Rates for land subject to Council initiated zone changes	1	4,727
Rates on abandoned land	0	0
TOTAL	1,204	397,473

Direction Setting



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Direction Setting Process

- Confirm that Councillors wish to retain the current 9 remission policies.
- Discussion and direction to be given at the end of each slide.

Land occupied by a dwelling that is affected by natural disaster

Current Policy: Criteria requires that a s124 has been issued for the dwelling.

- Section 124 relates to a dangerous, affected, or insanitary building, under the Building Act.

Recommended changes:

- Include emergency response procedures where a S124 is not issued, e.g. when a state of emergency is declared.
- Define what is meant by uninhabitable as:
“a dwelling that cannot be used for the purpose it was intended due to a notice issued by the Council/emergency management prohibiting residents from staying overnight”

Land occupied by a dwelling that is affected by natural disaster (cont)

Current Policy:

"The Council is unlikely to grant a remission where the land affected is in a known hazard prone location"

Note: Under the current policy hazard prone is not defined. Staff believe that is appropriate as it allows Council to consider each case where there have been multiple events on its merits.

Given that Council is still developing its response to climate change, as is the insurance industry we believe revisiting this for the next LTP will be appropriate.

Penalty Remissions – new criteria

Add in additional criteria for rates invoice not being received, limited to a maximum of one reduction in penalties every two years

Rationale: Becoming a common reason to not pay rates on time with blame apportioned to Council

Add in an additional criteria where the sole ratepayer is deceased and the solicitor is waiting on probate, limited to a maximum 12 month period of penalties being remitted

Rationale: Reduces pressure on others to cover rates while probate is granted

Penalty Remissions – amended criteria

Recommend change to the following criteria to make it clear it is a one-off reduction of the most current penalty only, and add the word significant.

*“Where the ratepayer has been ill or in hospital or suffered a family bereavement or **significant** tragedy of some type and has been unable to attend to payment, on compassionate grounds a **one-off reduction** of the current penalty will be applied”*

Recommended change to the criteria for facilitating the collection of overdue rates, resulting in the full payment of arrears.

State that this is a *“one-off reduction per ratepayer”*

Sporting, recreation or community organisations

Current Policy: land owned by Council, the crown, or a non-profit organisation

Recommended Change: include “owned by an association of persons (whether incorporated or not)”

Rationale: *We have land owned by an association of people, that is only used by community organisations, and is not for profit but do not qualify for remission.*

The above definition is used elsewhere within the Rating Act.

Excess Water Remission – amended criteria

Recommendation that a registered plumber is not required to repair water leaks for the customer to qualify for a remission.

Rationale: Many customers believe this is not necessary and removing this requirement makes policy more workable for staff. However, it is recommended that a registered plumber is used to reduce the risk of further leaks.

Excess Water Remission – amended criteria

Recommendation that non-residential customers do not need to monitor their water usage monthly to qualify for a remission.

Rationale: Hardly any non-residential customers have qualified for a remission as none of them monitor their water use and staff spend a lot of time explaining the policy and reasons for monitoring. However, it is still recommended that all customers monitor their water meters to ensure water leaks are quickly identified.

Excess Water Remission – amended criteria

Recommendation that charities and not-for-profits to be treated as residential for the purposes of the policy

Rationale: By their very nature charities and not-for-profits have difficulty paying for water leaks. Would need to define charities and not-for-profit organisations for the purposes of this policy.

Low Value Properties

The threshold in this policy is reviewed as part of the LTP process due to the three-yearly property revaluation.

Last LTP this was increased from \$7,000 to \$7,500.

Suggest that this is reviewed and increased. Options to be brought back to Council once the impact of the revaluation is known.

Contiguous and Non-contiguous rating

We seek direction on:

Investigating the impact of remitting uniform charges on non-contiguous rating units with the same ratepayer for land with the same use.

- Currently needs to be same ownership to apply under our remission policy.
- The above policy was updated to exclude same ratepayer through 2021-2031 LTP Process.

Investigating the impact of remitting uniform charges on contiguous rating units with the same ratepayer for land with the same use.

- Currently needs to be same ownership to apply under the Rating Act.
- We have no remission policy

Social Housing

We seek direction on:

Investigating the impact of remitting a portion of general rates on social housing for providers where they are a not-for-profit organisation.

Rationale: We have social housing providers who currently do not qualify under the Rating Act for remission of rates as they need to be willing to accept people regardless of their ability to pay (free maintenance).

Social Housing providers who operate a not-for-profit service where residents are required to pay a portion of their costs do not qualify under the Rating Act. These providers generally set rent as a portion of income, rather than based on expenses/profit.

New Stopbank Annual Compensation Payment

On 22 September 2022 Council passed a resolution to create a Annual Compensation policy for a landowner with stop-banks on their property.

This would be based on a per meter charge.

A new policy will be developed and will come back to Council in due course. It will be consulted on as part of the Long Term Plan.

Other suggestions and Questions



Development and Financial Contributions Policy



Thriving and resilient Tasman communities

Introduction

The purpose of this section is to:

- Provide a brief overview of the Development and Financial Contributions Policy
- Provide information on potential increases to DC charges
- Seek direction on four proposed optional changes

[Link to Development and Financial Contributions Policy 2021-2031](#)

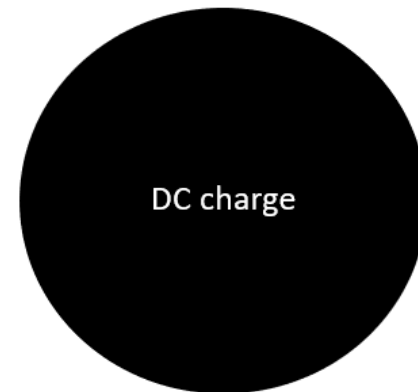
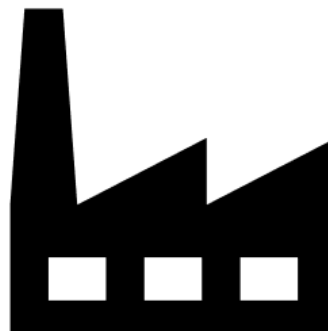
Development Contributions Policy

PURPOSE OF THE POLICY

- To ensure that a fair, equitable, and proportionate share of the cost of growth infrastructure is funded by new development (subdivision, new buildings).
 - Development Contributions (DCs) under LGA
 - Three Waters and Transportation
 - Financial Contributions (RFCs) under RMA
 - Reserves and Community Services Assets
- Must review the Policy every three years.

Development Contributions

- Charged according to how many units of demand a development uses.
- HUD: Household Unit of Demand
- Set by categories: Residential, Retail, Commercial, Industrial
- When do charges apply?
 - Resource consent
 - Building consent
 - Connection requests
 - Certificate of acceptance



Proposed Changes to the Policy

Potential for increases in DC charges:

- Waka Kotahi Subsidy Assumption
- Increased costs

Proposed changes:

- DCs for Community Infrastructure
- Amend bedroom-based approach and charge more if 4 or more bedrooms
- Payment/penalty amendments
- Special assessments

Potential increases in DC charges



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Transport Subsidy Assumption

- Propose a more conservative approach to Waka Kotahi subsidy assumption for Transport growth projects.
- This may mean higher DC charges for Transportation.



Cost increases may also increase Charges

- Note we have assumed Three Waters projects will transfer in 2026.
- Preliminary costs for some LTP 2021 projects are significantly higher than the LTP 2021 budget.
- DC charges for Three Waters and Transportation are therefore likely to be significantly higher.

Proposed Changes to the Policy



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DCs or RFCs for Community Infrastructure

- Create a DC charge to cover growth component of future Community Infrastructure projects or confirm use of RFCs.
- LGA definition of Community Infrastructure: “land or assets for purpose of providing public amenities”
- Examples: Community Facility, Pool, Placemaking Projects, Regional Cemetery,
- Parks, reserves, sportsfields, playgrounds – will continue to fund these from RFCs.



RFCs for Community Infrastructure?

TRMP Definition: Community Services means any service or facility provided by the Council for a public purpose and includes associated work.

Advantages	Disadvantages
TRMP definition is broad enough	Low balances in GB, Lakes-Murchison and Motueka RFC accounts
Large RFC balance for Richmond and Moutere-Waimea	TRMP limited to 5.62%
Easy to understand and administer	
Could include Saxton Field	

Or DCs for Community Infrastructure?

Advantages	Disadvantages
Not constrained, no maximum	More work to set up
Consistent with NCC	Need to determine projects and their growth component and catchment
Opportunity for increased funding	Political risk of a new charge
Useful for large one-off projects, e.g. pool or community facility	Large RFC balance for Richmond and Moutere-Waimea

Direction

Agree for staff to

1. come back with recommendations on changes to include DCs for Community Infrastructure?

Or

2. confirm the use of RFCs for Community Infrastructure; and
3. come back with recommendations to include Saxton Field with RFCs

Amend bedroom-based approach

Current Policy gives a discount for smaller dwellings with two criteria:

	Minor	Small	Standard
Criteria A: Dwelling Size (building footprint area m ²)	<85	<110	≥110
Criteria B: No. of Bedrooms	1	≤3	≥4
HUD Discount (all services)	50%	25%	Nil

Remove Dwelling Size Criteria

Current Policy: includes dwelling size (building footprint area m²) in the assessment criteria for small homes.

Issue: Rationale for footprint measure was relevant to the impact of new development on stormwater services. Assume stormwater projects transfer to WSE in 2026.

Recommended Change: Remove the dwelling size criteria.

Amend bedroom-based approach

Current Policy: defines Small dwelling as ≤ 3 bedrooms and Standard dwelling as ≥ 4 bedrooms (as well as the dwelling size criteria).

Issue: Need to revisit definition if remove footprint measure. Still want to incentivise smaller dwellings. Census data shows strong relationship between number of bedrooms and number of residents.

Recommended Change: Define Small dwelling as 2 bedrooms and Standard dwelling as 3 bedrooms.

Charge more for larger dwellings

Issue: Strong relationship between number of bedrooms and number of residents. The more people in a dwelling, the greater level of Council services that dwelling demands.

Recommended Change: Define a Large Dwelling as 4 or more bedrooms. Charge the standard DC charge plus an extra 25%.

Rationale: Better reflects true infrastructure demands and improve the equitable spread of the development contributions burden across the residential sector.

Census 2018 Data, Tasman District

Number of bedrooms	Average number of residents
1	1.5
2	1.7
3	2.4
4	3

Amend bedroom-based approach

	Minor	Small	Standard	Large
No. of Bedrooms	1	2	3	≥4
HUD Conversion Factor	.50	.75	1	1.25

- A Minor Dwelling would pay 50% of the standard DC charge (ie. get a 50% discount).
- A Small Dwelling would pay 75% of the standard DC charge (ie. get a 25% discount).
- A Large Dwelling would pay the standard DC charge plus an extra 25%.

Direction

Agree/Disagree for staff to come back with recommendations on changes to:

1. Remove dwelling size criteria
2. Define Small dwellings as 2 bedrooms and Standard as 3 bedrooms
3. Charge extra for larger dwellings (4+ bedrooms)

Payment/Penalty Amendments

Current Policy: Must request postponement at the time consent is granted.

Issue: increasing number of requests for payment arrangements to pay DCs.

Recommended Change: Allow for request for postponement to be at least one month before payment is due.

Also add clause re debt collection fees to be added to any debt.

Use of a Statutory Land Charge to secure the debt at the developer's expense.

Direction

Agree/Disagree for staff to come back with recommendations on changes to payment options and debt collection?

Special Assessment: Non-Residential

Current Policy: Standard assessments determine HUD number based on pipe size (Water), number of pans (Wastewater), impervious surface area (Stormwater) and Gross Floor Area (Transportation). Council may, at its discretion, decide to make a special assessment of the HUDs applicable to the development.

Issue: Some non-residential developments are providing a special assessment, especially for transportation, creating significant administrative work.

Transportation, Roads and Footpaths	Trips per day	8 trips per day = 1 HUD	See non-residential assessment rates below.
Industrial		4 HUDs per 100m ² GFA** except for warehousing, which is assessed at 0.3 HUDs per 100m ² GFA	
Commercial		3 HUDs per 100m ² GFA	
Retail		6 HUDs per 100m ² GFA	
Other non-residential		Special assessment	

Special Assessment: Non-Residential

Recommended Change:

- Clarify that the standard assessment rate will apply (based on Gross Floor Area (GFA)).
- Require an application in writing for a special assessment.
- Set thresholds for when a special assessment can be considered (e.g. large scale or atypical development)
- Levy a fee to recover costs.

Direction

Agree/Disagree for staff to come back with recommendations on changes to Special assessments?

Legislative Changes



Thriving and resilient Tasman communities

Transition to Removal of Three Waters

- Three water related remissions will cease, although consideration may need to be given to the level of financial support sought from Council after transition, if no remission relief provided by the WSE
- Assume all account balances transfer to WSE on 1 July 2026
- WSE will be able to charge Infrastructure Contributions
- Assume Council continue to collect DCs until then
- DC Policy needs to consider how to manage the transfer to WSE

Support of Te Ture Whenua Māori Act

Need to consider how we support the principles of the Preamble to Te Ture Whenua Māori Act 1993:

- to recognise that land is a taonga tuku iho of special significance to Māori people and, for that reason;
- to promote the retention of that land in the hands of its owners, their whanau, and their hapu, and to protect wahi tapu; and
- **to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapu.**

Support of Te Ture Whenua Māori Act

In practical terms that means:

- **positive** action by local authorities towards supporting the desired outcome
- there can be a broad range of options for local authorities but allows an overall balancing consideration

Will discuss legal advice and guidance at August workshop.

COASTAL ASSETS AND RIVER MANAGEMENT



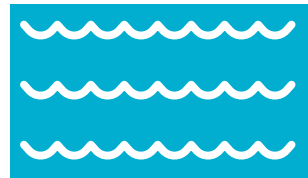
Long Term Plan 2024-2034
Key Issues and Levels of Service

INTRODUCTION



Coastal Asset Management

- 2 wharfs, 4 jetties, 20 water access ramps
- Navigational aids
- 40 coastal protection sites extending over 27 km of coast
 - Only for erosion protection, not inundation
- Many areas at risk from ongoing coastal erosion and sea level rise



River Management

- 285 km of major rivers and many smaller rivers, streams and creeks
- Statutory requirements under Soil Conservation and Rivers Control Act 1941
- Our rivers are important natural resources
- Several rivers cause significant flood risks to our communities

KEY ISSUES

OVERVIEW



- **Coastal Assets:**

- Managing coastal hazards with our coastal assets

- **River Management:**

- Adequacy of rating system
- Unsustainable and inequitable protection
- Catchment management approach

KEY ISSUES



OVERVIEW – COASTAL ASSETS

- The role of our coastal assets in managing coastal hazards, now and in the future
 - Demand for coastal protection is increasing, which is not in line with national guidance on coastal management
 - Uncertainty for coastal assets in the face of a changing climate, expect to see Climate Adaptation Act towards the end of 2022, which is expected to include guidance on coastal hazard risk management
 - Council may inherit a range of “abandoned” structures throughout the District, compounding asset burden

KEY ISSUES



PROTECTION STRUCTURES AND MANAGING COASTAL HAZARDS

Council's Interim Coastal Protection Policy (summarised):

- We will only maintain or repair existing Council-owned protection structures
- We will only consider new protection works where there are significant Council-owned assets/infrastructure that are impractical to relocate
- We will not maintain or create new Council-owned coastal assets to protect private property, or accept responsibility to repair/maintain existing private coastal assets

KEY ISSUES



PROTECTION STRUCTURES AND MANAGING COASTAL HAZARDS

Our approach to Coastal Assets

Response options		Comments
Statutory obligations (must do)	<ul style="list-style-type: none">• Harbour Authority – navigational safety and aids for local ports• No obligation to provide coastal protection structures	Community expectation to maintain current structures in good working order, but also expectation to upgrade structures to accommodate increasing hazard, including inundation.
Strategic alignment (can do)	<ul style="list-style-type: none">• Undertake strategic planning to direct our coastal assets activity• Continue with our interim coastal protection policy	Our current interim policy is a good start to “not making things worse”. However, the environment is continually changing for the worse in terms of coastal hazards, and an acceptable solution will likely take decades to implement – the sooner we identify the solution the better.

KEY ISSUES

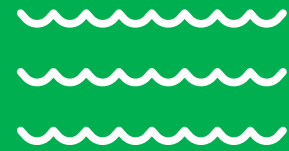


PROTECTION STRUCTURES AND MANAGING COASTAL HAZARDS

Our approach to Coastal Hazard Management (strategic planning)

Response options		Comments
Statutory obligations (must do)	<ul style="list-style-type: none">• Prevent or limit development in areas of high natural hazard (RMA s106)	<p>Maintains the status quo.</p> <p>Risk of being blindsided by rapid policy change in this space.</p>
Strategic alignment (can do)	<ul style="list-style-type: none">• Expand on our interim Coastal Protection Policy to establish a clear long-term direction for hazard mitigation through our coastal assets	<p>Although we expect some guidance from government on this matter later this year, it will not be a “silver bullet”, and will likely require significant strategic thought from Councils. Proactive work can help us to confront the issue before it becomes insurmountable, and to influence the future course of events for Tasman residents (i.e., a Tasman solution). However, this could require bold action that may be unpopular in the short-term.</p>

KEY ISSUES



OVERVIEW – RIVER MANAGEMENT

- The XYZ river rating system does not target prioritisation of works and flood risks in an equitable way, and does not levy sufficient funds to carry out all work under our current approach (which is to maintain status quo as much as possible)
- Unsustainable and inequitable objective for both flood and erosion protection
 - River X – Uneven level of service between Motueka/Riuwaka/Brooklyn and Waimea, many unprotected areas in the District
 - River Y – The drivers for when and how we intervene in cases of active river erosion are changing
 - River Z – Should we allocate River Z resources to work where there is a greater public benefit, rather than the current system of 50% funding for private property repairs?
- Cross-council development of "catchment management plans" is a priority for all departments/operational groups

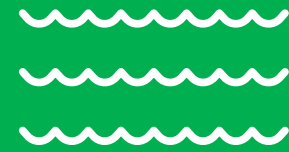
KEY ISSUES

RIVER MANAGEMENT



Response options		Comments
Statutory obligations (must do)	<ul style="list-style-type: none">• Soil Conservation and Rivers Control Act: <i>“It shall be a function of every Catchment Board to minimise and prevent damage within its district by floods and erosion.”</i>	TDC has an obligation to prevent and minimize damage to property and infrastructure by river flooding and erosion. However, there is little guidance on when intervention is required, and how that intervention is done. For example, we are not obligated to protect all floodable areas with stopbanks.

KEY ISSUES



RIVER MANAGEMENT

Response options	Comments
<p>Strategic alignment (can do)</p> <ol style="list-style-type: none">1. Undertake a review of the current rating system2. Develop a flood risk mitigation strategy for the Districts rated (X) and unrated rivers3. Undertake strategic planning to establish clear intervention policies for Y rated rivers4. Rework the Rivers Z programme to allow implementation of “public good” projects not tied to a specific private landowner project5. Undertake planning for our Rivers to develop an overall strategy for their management – requires scope beyond that of river engineering	<ol style="list-style-type: none">1. The current rating system struggles with equity, prioritisation and sufficient funding2. & 3. A clear approach to flood and erosion mitigation serves several important functions:<ul style="list-style-type: none">• Public communication of level of service• Inform necessary rates to provide that LoS• Direct resources to the right areas at the right time• Enables proactive/preventative work4. River Z rates are levied on all ratepayers in the District, but fully half of the levied funds go to targeted interventions on private property on a “first come first served” basis. Is this a good use of public funds?5. Our rivers are becoming increasingly complex to manage and require consideration of a wide range of factors and variables beyond hard engineering. Strategic planning is necessary to move TDC into the next era of river management practice.

DIRECTION REQUIRED



- Do you agree we have captured the key issues?
- What are Council's priorities in addressing the key issues?

MEMORANDUM

TO: All Councillors
FROM: Margie French – Senior Revenue Accountant
DATE: 15 May 2023
RE: Additional Information request – Strategy Day 18 April 2023 & Workshop 11 May 2023

Information requested from the strategy day 18 April 2023 – Financial Strategy and Revenue and Financing Policy

During the discussion on SUIP's Councillors requested seeing the information provided to Councillors during the 2021/31 LTP process.

We have provided the PowerPoint presentation that was presented to Councillors, and the draft definition that is referred to in the PowerPoint.

Information requested from the workshop held 11 May 2023 – Rates Remission Policies.

During the discussion on penalty remissions, Councillors asked how much income is generated from Penalties.

In the 2021/22 Financial Year \$369,521 in rates penalties, and \$51,463 in water penalties were applied for late payment. Of the penalties applied \$62,626 were remitted, we do not split the remission of penalties between rates and water. The rates and water penalties are factored into the councils budgets, so for example reducing or removing penalties would require a corresponding increase in rates.