

STATEMENT OF PROPOSAL

Proposed Amendments to the Policy on Development Contributions

Proposal

In accordance with section 102 (4) (b) of the Local Government Act 2002 (LGA), the Queenstown Lakes District Council (QLDC or Council) has begun consultation on amendments to the Policy on Development Contributions. The reason for the amendment is to update the contribution amounts as a result of the capital programme adopted within the Long Term Plan 2024-34. As well as the tri-annual update of capital cost and contribution levels, the additional proposed amendments are intended to simplify and clarify certain areas of the policy.

The proposed amendments to the Policy on Development Contributions include:

1. Updated land valuations for reserve land contributions.
2. Updated Contributing Area Maps.
3. Additional definitions in the glossary.
4. Amended the differentials for Residential Flats and Multi Unit Residential developments.
5. Changing to the grouping of contributing areas in and around Queenstown to reflect how the areas are serviced for water supply and wastewater.
6. Include a provision for QLDC to apply the highest development contribution for any development that fits into more than one land use category.
7. Added a clause referencing Te Ture Whenua Māori Act 1993 requirements.
8. Included clarity on the annual development contribution increase permitted under the LGA 2002.

Consultation Timeline

The LGA allows Council to amend the Policy on Development Contributions at any time in accordance with section 102 (4) (b) of the Local Government Act 2002. The consultation undertaken must be in accordance with section 82 (Principles of Consultation). There is no requirement to use the Special Consultative Procedure (SCP), however, we do intend to handle the consultation in a similar manner:

27 June 2024	Approval to commence consultation
28 June 2024	Commence consultation
28 July 2024	Consultation ends
26 & 27 August 2024	Hearing of submissions
19 September 2024	Final decision on proposal

Submissions can be made through the following channels:

- Online: complete the online submission form at letstalk.qldc.govt.nz
- Email: send your submission to letstalk@qldc.govt.nz with the subject line 'Long Term Plan submission'
- Post: to 'Long Term Plan submission', Queenstown Lakes District Council, freepost 191078, Private Bag 50072, Queenstown 9348
- In person: drop your written submission into a Council office or library in the Queenstown Lakes District

PROPOSED CHANGES TO THE POLICY SUMMARY OF PROPOSED AMENDMENTS TO DEVELOPMENT CONTRIBUTIONS

The following changes are proposed to the Policy on Development Contributions in order to provide greater clarity around certain aspects of the policy. The ongoing objective is to make the policy administration more efficient and effective.

It is proposed that these changes will apply to any application for resource consent, building consent or application for service connection lodged on or after 1 October 2024.

Amendment 1 - Updated land valuations for reserve land contributions

Within the current policy, the following categories of land are used with their respective values. APL have undertaken an updated June 2024 land valuations for the median price of land in locations within these areas. Previously the average land value was used, this is typically higher than the median value. The median is considered a fairer and more equitable representation of the land value as it is not skewed by outliers.

	2021 DCP	Proposed 2024 DCP
Wakatipu Area		
Queenstown, Fernhill, Sunshine Bay, Kelvin Heights, Frankton, Arrowtown	\$721/m ²	\$1,064/m ²
Eastern Corridor & Southern Corridor	\$657/m ²	\$855/m ²
Glenorchy & Kingston	\$278/m ²	\$423/m ²
Wānaka Area		
Wānaka & Albert Town	\$656/m ²	\$881/m ²
Luggate, Cardrona, Hāwea & Makarora	\$263/m ²	\$602/m ²

The status quo in the current policy to define where reserve land contributions (land or cash) are required will remain.

Amendment 2 - Updated Contributing Area Maps

The contributing areas maps have been updated to reflect the provision of infrastructure. The changes are splitting Southern Corridor and Ladies Mile into their own defined contributing areas. Previously Southern Corridor and Ladies Mile were included within other broader contributing areas. e.g. Queenstown. See amendment 5 for more information.

Amendment 3 - Additional definitions in the glossary

The changes to the glossary include updating Community Facilities and Community Infrastructure definitions to be consistent with the latest LGA 2002 terminology.

Community facilities means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199.

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.

A definition of bedrooms has been added to the glossary to provide clarity around the new method for assessing Multi Unit Residential and Residential Flat land use categories.

Bedroom - An area of a residential unit that is not:

- a) the kitchen, bathroom(s), laundry or 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.

A definition of reserve improvements is also included in the glossary.

Reserves Improvements - Recreation infrastructure on a reserve that enables the public to obtain the benefit and enjoyment of the reserve, excluding basic requirements for a reserve as required by the QLDC Land Development and Subdivision code of practice.

The following land use category definitions have also been amended to provide more clarity on how developments will be assessed.

PDP Category	Definition	DC Land Use Category
Residential Visitor Accommodation	Means the use of a residential unit including a residential flat by paying guests where the length of stay by any guest is less than 90 nights. Excludes: Visitor Accommodation and Homestays and any consent with visitor accommodation rights of 180 days or more.	Mixed Use Visitor Accommodation
Visitor Accommodation	Means the use of land or buildings to provide accommodation for paying guests where the length of stay for any guest is less than 90 nights; and i. Includes camping grounds, motor parks, hotels, motels, backpackers' accommodation, bunkhouses, tourist houses, lodges, timeshares and managed apartments; and ii. Includes services or facilities that are directly associated with, and ancillary to, the visitor accommodation, such as food preparation, dining and sanitary facilities, conference, bar recreational facilities and others of a similar nature if such facilities are associated with the visitor accommodation activity. The primary role of these facilities is to service the overnight guests of the accommodation however they can be used by persons not staying overnight on the site. iii. Includes on site staff accommodation. iv. Excludes Residential Visitor Accommodation and Homestays.	Visitor Accommodation

	<p>Visitor accommodation developments will be assessed on a 'per stay unit' basis. That is, the DCN will be assessed based on the maximum number of stay units.</p> <p>Any property with visitor accommodation rights of 180 days or more per year will be assessed as Visitor Accommodation. This reflects the peak day demand that the council's infrastructure networks are designed to cater for.</p>	
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Amendment 4 - Amend the differentials for Residential Flats and Multi Unit Residential developments

The existing policy uses gross floor area to quantify the dwelling equivalent (DE) paid for residential units within the Multi Unit Residential and/or Residential Flat land use category. This is based on the typical residential dwelling being 180m². The size of residential units is decreasing, so to ensure QLDC recovers an equitable contribution from all residential units, a 'per bedroom' assessment will be included in the policy. The greater of the gross floor area and the 'per bedroom' assessment will be levied. The proposed additional land use differentials based on the number of bedrooms are:

- 1 bedroom 0.50 DE
- 2 bedroom 0.75 DE
- 3 or more bedrooms 1.00 DE

This new 'per bedroom' approach will only be applied to developments that met the definition of a Multi-Unit Residential and/or Residential Flat. A standard residential lot, or the first residential unit on a lot will still be levied 1 DE. These changes are summarised in the land use differentials table appended to this SOP. A definition for a bedroom has been added to the glossary as outlined in Amendment 3.

Amendment 5 - Changing to the grouping of contributing areas in and around Queenstown to reflect how the areas are serviced for water supply and wastewater

Southern Corridor and Ladies Mile have been split into their own defined contributing areas. Previously Southern Corridor and Ladies Mile were included within other broader contributing areas. This change is considered a more transparent reflection of the infrastructure costs to develop these areas.

Amendment 6 - Include a provision for QLDC to apply the highest development contribution for any development that fits into more than one land use category

There are instances where a development may fall into more than one land use category. The following clause has been added to section 3.4 to reflect council's approach which ensures a fair and equitable contribution is levied.

If a development falls into more than one land use category, council will levy the highest development contribution to reflect the peak day or maximum demand created.

Amendment 7 - Added a clause referencing Te Ture Whenua Māori Act 1993 requirements

The following clause has been included in the policy.

Section 102(3A) of the Local Government Act 2002 provides that this policy must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

These principles include recognition that land is a taonga tuku iho of special significance to Māori people, and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū. Council considers that this policy supports those principles.

Amendment 8 - Included clarity on the annual development contribution increase permitted under the LGA 2002

The LGA 2002 includes a provision that enable council's to update the development contributions annually using a prescribed inflation index, but without consultation, formality, or a review of the development contributions policy. The updated contributions will be made publicly available showing the newly adjusted development contribution and how the increase complies with the legislation. Council's ability to apply this provision has been made clear in the policy.

These charges may be adjusted for inflation annually in line with the Producers Price Index outputs for Construction, as permitted by sections 106 (2B) and (2C) of the LGA 2002.

Amendment 9 - Updated capital costs in the Long Term Plan 2024-2034

The capital costs for both recent actual capital expenditure and the forecast capital expenditure in 2024 Long Term Plan have been updated leading to updates to the dollar value of Community Facilities per dwelling equivalent (DE) in contributing areas. The schedule of development contributions per DE required by contributing areas is found below:

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS PER DWELLING EQUIVALENT REQUIRED BY CONTRIBUTING AREA (EXCLUDING GST)

SCHEDULE OF DEVELOPMENT CONTRIBUTIONS PER DWELLING EQUIVALENT REQUIRED BY CONTRIBUTING AREA (EXCLUDING GST)										
Contributing area ⁵⁴	Water Supply	Wastewater	Stormwater	Reserve Improvements	Premier Sportsground - Reserve land contribution	Community Infrastructure	Transportation	Transportation - EAR ⁵⁵	Total Cash Contribution	Local/Community Reserve Land
Queenstown	\$5,192	\$12,326	\$4,808	\$1,182	\$500	\$3,604	\$5,339	\$960	\$33,911	17.5m ² /DE in applicable areas ⁵⁶
Frankton Flats	\$5,192	\$12,326	\$5,130	\$1,182	\$500	\$3,604	\$5,339	\$960	\$34,233	
Arrowtown	\$6,303	\$5,930	\$266	\$1,182	\$500	\$3,604	\$5,339		\$23,124	
Glenorchy	\$14,494	^	\$258	\$1,182	\$500	\$3,604	\$5,339		\$25,377	
Lake Hayes	\$5,192	\$7,252		\$1,182	\$500	\$3,604	\$5,339		\$23,069	
Shotover Country	\$5,192	\$5,468		\$1,182	\$500	\$3,604	\$5,339		\$21,285	
Arthurs Point	\$3,568	\$12,326		\$1,182	\$500	\$3,604	\$5,339		\$26,519	
Kingston Township # %	^	^	^	\$1,182	\$500	\$3,604	\$5,339		\$10,625	
Kingston - KVL zone *%	\$2,265	\$3,115	\$1,590	\$1,182	\$500	\$3,604	\$5,339		\$17,594	
Ladies Mile	\$10,958	\$13,323	\$15,642	\$1,182	\$500	\$3,604	\$5,339		\$50,548	
Southern Corridor	\$9,539	\$9,721		\$1,182	\$500	\$3,604	\$5,339		\$29,885	
Wānaka	\$8,425	\$13,047	\$5,641	\$2,232		\$3,106	\$2,444		\$34,895	
Hāwea	\$12,992	\$20,395	\$238	\$2,232	\$0	\$3,106	\$2,444		\$41,407	
Albert Town	\$8,425	\$13,047	\$238	\$2,232	\$0	\$3,106	\$2,444		\$29,490	
Luggate	\$14,476	\$13,047	\$224	\$2,232	\$0	\$3,106	\$2,444		\$35,529	
Cardrona	\$17,486 #	\$16,820 #		\$2,232	\$0	\$3,106	\$2,444		\$42,088	
Cardrona – MCS zone *	\$24,990	\$13,180		\$2,232	\$0	\$3,106	\$2,444		\$45,952	
Other Whakatipu				\$1,182	\$500	\$3,604	\$5,339		\$10,625	
Other Wānaka				\$2,232		\$3,106	\$2,444		\$7,782	
* Different contributions payable in Mount Cardrona Station zone and Kingston Village Limited (KVL) zone as per PDA										
% In Kingston a targeted rate of \$1,601 will also be charged for all three waters. This will be indexed each year at 2.5%p.a.										
# Includes 20% funding from small townships scheme										
^ Development contribution to be confirmed when final planning, design and costing has been completed										

⁵⁴ Development in any area with funding assistance from the Housing Infrastructure Fund (HIF) may qualify for a reduced development contribution, e.g. Quail Rise

⁵⁵ The contributing area for the Eastern Access Road (EAR) is not the same as the contributing area for Frankton Flats Stormwater network. Refer to the Contributing Area Maps in the Development Contributions

⁵⁶ In accordance with part 3.6.5 of this policy and subject to parts 3.6.7. and 3.6.8. of this policy.

Updated Dwelling Equivalent Calculation table

3.4. LAND USE DIFFERENTIALS AND CATEGORIES

Land use differentials enable all development and subdivision categories (residential and non-residential) to be considered in terms of a common unit of demand, which in this case is the dwelling equivalent (DE). The following table summarises the conversion factors or land use differentials used to convert all activity or development categories into dwelling equivalents based on gross floor area, number of bedrooms or per stay units for visitor accommodation.

If a development falls into more than one land use category, council will levy the highest development contribution to reflect the peak day or maximum demand created.

3.4.1. DWELLING EQUIVALENT CALCULATION TABLE								
Units (per...) Land Use Category	Water supply	Wastewater	Stormwater (per 100m ² ISA)	Transportation	Community infrastructure	Local/ community park reserve land	Premier Sportsground reserve land	Reserve improvements
DE per lot/house								
Residential	1.00	1.00	1.00 per lot/house	1.00	1.00	1.00	1.00	1.00
DE per stay unit								
Visitor Accommodation	0.33	0.50	0.38	0.33	0.33			
DE per retirement unit (apartment/villa/house)								
2 or more bedrooms	0.60	0.58	0.38	0.29	0.65	0.41		0.41
1 bedroom	0.40	0.38	0.38	0.19	0.43	0.27		0.27
the greater of DE per 100m ² GFA or DE per bedroom								
Multi-Unit Residential and Residential Flat						0 for Res Flat	0 for Res Flat	
DE per 100m ² GFA	0.56	0.56	0.38	0.56	0.56	0.56	0.56	0.56
DE per bedroom (b/r) for each unit	1 b/r = 0.5 2 b/r = 0.75 3+b/r = 1.0	1 b/r = 0.5 2 b/r = 0.75 3+b/r = 1.0	0.38	1 b/r = 0.5 2 b/r = 0.75 3+b/r = 1.0	1 b/r = 0.5 2 b/r = 0.75 3+b/r = 1.0	1 b/r = 0.5 2 b/r = 0.75 3+b/r = 1.0	1 b/r = 0.5 2 b/r = 0.75 3+b/r = 1.0	1 b/r = 0.5 2 b/r = 0.75 3+b/r = 1.0
DE per 100m ² GFA								
MU-Visitor Accommodation	0.62	0.73	0.38	0.62	0.62			
MU-Commercial	0.46	0.47	0.38	0.92				
Industrial - dry	0.09	0.13	0.38	0.44				
Industrial - wet	0.30	0.41	0.38	1.00				
General Commercial	0.16	0.22	0.38	2.00				
Large Format Retail	0.09	0.13	0.38	1.33				
Restaurant/Bar	1.49	2.03	0.38	2.00				
Child-care Centres	0.55	0.74	0.38	3.58				
Other/unusual developments	To be individually assessed at the time of application							