



Nelson City Council

te kaunihera o whakatū

Development contributions and financial contributions

Guide to residential building and small scale subdivision

The following information is a guide for small scale subdivision and standard residential building. It does not cover activities such as cross-leases, boundary adjustments, multiple units, commercial or industrial activities.

Definition of contributions

Development, financial, or reserve contributions are charges imposed on development (subdivision and/or building) to cover costs associated with that development.

These charges help pay for roads, solid waste, sewerage, water supply, stormwater (infrastructure), and reserves/community services (reserves).

The purpose of these contributions is to ensure that the cost of the new services arising out of new development is borne by those who create the need for, and benefit from, the additional new services. The contributions are charged on a city-wide basis, and the costs are equally shared by all new developments.

Development contributions apply for infrastructure where the subdivision application to create the lot is received and formally accepted by Council after 31 December 2006.

Financial contributions apply for infrastructure where the section/lot already existed before 31 December 2006, or where the subdivision application to create the lot was received and formally accepted by Council on or before 31 December 2006.

Reserve contributions apply at both subdivision and building stage, no matter what date the subdivision occurred.

How the contributions differ

Development contributions for infrastructure apply where the subdivision application to create the lot is received and formally accepted by Council after 31 December 2006.

Financial contributions for infrastructure apply where the section/lot already existed before 31 December 2006, or where the subdivision application to create the lot was received and formally accepted by Council on or before 31 December 2006.

Reserve contributions apply at both subdivision and building stage, no matter what date the subdivision occurred.

Why there are different systems and policies

The Local Government Act 2002 gave Councils the authority to use development contributions as a means to fund the costs of development. Nelson City Council adopted the Development Contributions Policy with the aim of providing sufficient funding to meet the costs of new growth without having to increase general rates to do so.

Council's authority to levy these charges

The Resource Management Act 1991(S.108(10)) enables the Council to impose financial contributions as set out in Chapter 6 of the Nelson Resource Management Plan (NRMP).

Right of objection

A resource consent application is needed to reduce or waive the standard financial contributions. Financial contributions can also be objected to as a condition of consent. A formal objections process is in place for development contributions and information about this process can be found [here \(http://nelson.govt.nz/building-and-property/property-land-use/development-contributions/#Reconsideration-DC\)](http://nelson.govt.nz/building-and-property/property-land-use/development-contributions/#Reconsideration-DC). There are no remissions available.

Who to talk to

Working out which contributions may need to be paid is not always straightforward. Before you lodge your application, check with our staff first so we can assess your specific situation or seek advice from a lawyer, planning consultant, or surveyor.

For more information phone +64 3 546 0200 and ask for the Senior Engineering Officer – Development or email development.contribution@ncc.govt.nz

Household Unit of Demand (HUD)

An important term which is used throughout the information below is 'Household Unit of Demand (HUD).' HUD has the same meaning as a Residential Unit in the Nelson Resource Management Plan. A HUD is equivalent to one residential title containing one residential unit.

A single HUD is a flat rate of \$10,696, broken down as follows:

- Transport \$998
- Wastewater \$4,319
- Water \$2,984
- Stormwater \$2,394

New Subdivisions

Infrastructure Development Contribution:

Flat rate of \$10,696 per allotment*.

Reserves Contribution:

5.5% of allotment value (per allotment)

Invoiced/payable at s.224 of subdivision stage
 All fees quoted are exclusive of GST

Notes:

*This figure is adjusted annually for inflation, as at 1 July. Where this refers to 'per allotment,' contributions are usually imposed on additional lots (not the first lot) or additional HUDs

New dwelling

This includes the building of a new structure that is a one household unit.

Stage: Building

	Financial Contributions	Development Contributions	
	<i>Title (on which house to be built) already exists at 31 December 2006;</i>	<i>Subdivision application to create lot (on which house to be built) received or accepted by Council after 31 December 2006</i>	<i>Second and subsequent dwellings on a title</i>
Infrastructure	2% of estimated building value, less \$92,747 (1)	N/A if paid at subdivision stage, or \$10,696 (1) for every additional HUD	0.5 HUD for 1 bedroom unit 0.75 HUD for 2 bedroom unit 1 HUD for 3+ bedroom unit
Reserves contribution	0.5% of estimated building value, less \$92,747 (1)	0.5% of estimated building value, less \$92,747 (1)	0.5% of estimated building value, less \$92,747 (1)
Invoiced/payable when building consent issued; must be paid prior to issue of code compliance certificate			
All fees quoted are exclusive of GST			

Note:

(1) This figure is adjusted annually for inflation, as at 1 July.

Alterations or additions to a dwelling

This includes additions and/or alterations to an existing structure.

Reserves Contribution = 0.5% of estimated building value of the alterations or additions less \$92,747

What happens if contributions are not paid?

In the case of financial contributions, building work cannot commence and/or the Council can withhold a s.224 Certificate and can enforce conditions of the resource consent.

In the case of development contributions, the Council can withhold a s.224 certificate or a code compliance certificate, or refuse to make a service connection.

For further information

The information in this online guide is a summary of Nelson City Council financial and development contributions policies and is intended as a guide only for small scale subdivision and standard residential building activity.

For other activities, such as large scale subdivision, multiple units, commercial or industrial building activities or large earthworks, more detailed information and advice should be sought from Nelson City Council staff on +64 3 546 0200.

Note, the contributions listed are those for the 2016/17 financial year. They are adjusted annually for inflation, using a process consistent with that specified in s106(2C)(a) of the Local Government Act 2002.