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Utu Whakawhanake- Development Contributions Policy 2025 – includes proposed amendments

The Far North District Council
Resolution in Council 7 October 2025
Under section 102(1) of the Local Government Act 2002 the Far North District Council adopted the following policy about Development Contributions.

Commencement Date changed to 1 July 2026
Resolution in Council 1 April 2026.

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Introduction to the Policy

How to read this Policy

This Development Contributions Policy document contains the following key elements:

- The 'operational' part of the Development Contributions Policy (Policy) – the 'what', 'when', and 'how much' for assessing and calculating development contributions.
- Related information, relevant provisions of the Local Government Act 2002 (LGA), or examples that assist the reader or user of the Policy to understand how it is applied and used on a day-to-day basis.
- Council's chosen policy direction. These are the elements of the Policy that Council can determine, but which must be aligned with the legislative requirements.

About this policy

The LGA requires Territorial Authorities to have a policy on development contributions or financial contributions. A territorial authority may only charge and collect development contributions from developers as provided for in a development contributions policy.

Development contributions are charges levied by councils on developments that create additional demand for infrastructure within their districts. These contributions help fund the provision of new or expanded infrastructure – such as reserves, roads, water supply, wastewater, stormwater drainage, and community facilities – required to service growth. This includes the demand generated by new subdivisions, buildings, or changes in land use that require resource consent, or building consent (e.g., converting a residential property into a commercial one).

Development contributions ensure the cost of growth-related infrastructure is shared fairly by those who create the need for, or benefit from, that infrastructure – rather than falling disproportionately on existing ratepayers.

In 2003, Council introduced a Development Contributions Policy to assist with the funding needed to support the growth of the District. In 2014 this policy was amended to stop charging development contributions, due a period of slowed growth, partly influenced by the global financial crisis.

The Far North District is experiencing sustained growth. In response, Council must plan and invest in infrastructure in a prudent, effective, and timely manner to meet current and future needs.

To support this, Council has adopted a new Development Contributions Policy as a tool to recover a portion of the capital costs associated with growth. Development contributions represent a critical funding source to help ensure that key infrastructure can be delivered as the District continues to grow.

This Policy sets out the framework for how and when development contributions will be required.

Related Information
The LGA provides the statutory framework and policy content requirements for a development contributions policy and Council has developed the Council Policy in accordance with these requirements.
This document is detailed in nature so that it meets all the legal requirements set out in the LGA. It provides clear, transparent information for people undertaking development (as per the LGA definition) to understand how development contribution fees are calculated and invoiced as well as what their development contribution payments are being used for.

The Policy

Part A: Preliminary Provisions

1. Title

1.1. This policy is the Far North District Council Utu Whakawhanake – Development Contributions Policy.

1.2. This Policy is made pursuant to ss 102(1) and 102(2)(d) of the LGA.

2. Commencement

2.1. This policy comes into force on 1 July 2026.

3. Application

3.1. This policy applies to the district of the Far North District Council.

4. Purpose s197AA

4.1. The purpose of the Policy is to enable Council to recover from persons undertaking development a fair, equitable and proportionate portion of the costs of capital expenditure necessary to service growth within the Far North District.

5. Policy objectives s197AB

The objectives of this Policy are to:

5.1. Clearly state what development contributions fees will be charged by Council, and in what circumstances, to provide certainty for developers and the community.

5.2. Ensure that those undertaking development contribute fairly to the funding of infrastructure and facilities to service growth.

5.3. Provide development contributions revenue as part of the overall funding mix for infrastructure and facilities to support new development, while ensuring that only a fair and equitable portion of capital expenditure is recovered.

5.4. Provide transparency about how development contribution fees are calculated, including the underlying methodology and assumptions.

5.5. Promote fairness, transparency and sustainability in the application of development contributions, and support Council's broader responsibility to promote the social, economic, environmental and cultural well-being of its communities now and into the future.

6. Date of effect s198(2A)

6.1. This Policy applies to any building consent or resource consent application or request for authorisation for a service connection submitted, with all required information, on or after 1 July 2026.

6.2. Applications or requests submitted (accompanied by all required information) before 1 July 2026 even if granted on or after that date, will not be subject to this Policy.

7. Statutory Context

This Policy has been prepared and adopted in accordance with the relevant provisions of the LGA in particular:

7.1. Section 102(2)(d), which is the requirement for Council to have a policy on development contributions or financial contributions;

7.2. Section 106, which sets out the matters that must be included in a development contributions policy;

7.3. Section 102(4)(b), which allows Council to adopt and amend the Policy at any time after consulting in a manner that gives effect to s82;

7.4. Section 201A(5), which allows Council to make changes to the Schedule of Assets for which development contributions will be used at any time without consultation subject to those changes meeting the necessary legislative requirements;

7.5. Sections 197-199, which provide for a territorial authority to require development contributions;

7.6. Section 201, which sets out the required content of a Development Contributions Policy;

7.7. Sections 197AA and 197AB, which outline the purpose and principles for development contributions;

7.8. Section 201A(1) sets out the matters that must be included in the required Schedule of Assets contained in the development contributions policy.

7.9. Schedule 13, which sets out the methodology for calculating contributions

7.10. Under the LGA, development contributions are a funding tool that allows territorial authorities to recover a fair and proportionate share of capital expenditure necessary to service growth. They are intended to ensure that those who create demand for infrastructure contribute to the cost of providing it.

7.11. This Policy must be adopted in accordance with the special consultative procedure under s83 of the LGA. Once adopted, the Policy forms part of Council's broader financial and infrastructure planning framework, including the LTP and any infrastructure strategy.

8. Policy Review

ss82m 106, 201A(5)

8.1. The Policy must be reviewed at least every three years. A review of the Policy must include consultation that gives effect to the requirements of s82 of the LGA (LTP). Usually, Council undertakes a review of the Policy in conjunction with the review of the Long -Term Plan (LTP), however amendments to the Policy between LTP cycles can also occur if required. These amendments must also be consulted on.

8.2. Council may make changes to the Schedules of Assets in Section 1 of this Policy without consultation, subject to those changes meeting the necessary legislative requirements.

8.3. There is also provision in s106(2B) and (2C) of the LGA for Council to increase the development contributions payable in relation to changes in the Producer Price Index (PPI). No consultation is required but the details of the increase must be made publicly available before it takes effect.

9. Supporting documentation s106(3)

9.1. Council is required under s106(3) of the LGA to make available for public inspection the full methodology that demonstrates how the calculations for development contributions charges are made.

9.2. The Cost Allocation Methodology summarised in clause 45 of the Policy is available for public inspection at all Council offices.

9.3. A viewing of the full methodology as stipulated in s106(3) of the LGA can be arranged on request.

10. Financial Contributions s106(2)

10.1. Council's ability to collect financial contributions is enabled by the RMA 1991 and supported by the LGA. While financial contributions are imposed through conditions on resource consents under the RMA (s108), the LGA (s102(2)(d)) requires that any Council intending to use financial contributions must adopt a Financial Contributions policy as part of its wider suite of funding and financial policies.

10.2. The District Plan sets out the specific purposes and circumstances under which financial contributions may be imposed as a condition of a resource consent. These typically relate to avoiding, remedying, or mitigating the adverse effect of development on the environment and existing infrastructure. Financial contributions may be required in the form of money or land and are generally applied where the impacts of a development cannot be appropriately addressed through other regulatory or funding mechanisms.

10.3. Examples of where financial contributions may apply include upgrades to roads, water supply, stormwater infrastructure, or the provision of reserves. Where explicitly provided for in the District Plan, they may also apply to the provision or enhancement of community facilities such as libraries, community halls, where those assets are directly impacted by new development.

Interpretation

11. Abbreviations

11.1. The following abbreviations mean the following:

CAM	Cost Allocation Methodology
GAC	Growth Attributable Cost
GFA	Gross Floor Area Gross Floor Area
GST	Goods and Services Tax
HUE	Household Unit Equivalent
IS	Infrastructure Strategy
LGA	Local Government Act 2002.
LOT	Allotment
LTP	Te Pae Tata – Three Year Long Term Plan.
RMA	Resource Management Act 1991.
's' or 'ss'	means the relevant section(s) of the LGA, unless otherwise stated. (i.e., section 106 or s106; sections 199A-199P or ss199A-199P).
'sch'	Means the relevant schedule of the LGA.
VMPD	Vehicle movements per day

12. Glossary of terms

12.1. The definitions below apply for the purposes of this Policy.

Accommodation units	Has the same meaning as defined in s197 of the LGA and means units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation.
Activity	For the purposes of this Policy means a grouping of the Council services, facilities and amenities as listed in Part B, clause 14 of this Policy.
Aged care room	Means any dwelling unit in a 'rest home' or 'hospital care institution' as defined in s58(4) of the Health and Disability Services (Safety) Act 2001

Allotment	Has the same meaning as defined in s218(2) of the RMA as: (a) any parcel of land under the Land Transfer Act 2017 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, under another Act; or (ii) a subdivision consent for the subdivision shown on the survey plan has been granted under this Act; or (b) any parcel of land or building or part of a building that is shown or identified separately (i) on a survey plan; or (ii) on a licence within the meaning of subpart 6 of Part 3 of the Land Transfer Act 2017; or (c) any unit on a unit plan; or (d) any parcel of land not subject to the Land Transfer Act 2017.
Ancillary activity	Means an activity that supports and is subsidiary to a primary activity
Average	For the purposes of this Policy refers to a calculated mean value used to distribute the total cost of growth-related infrastructure across units of demand (e.g., per dwelling, per lot, per Household Unit Equivalent), to ensure a fair and consistent basis for development contributions.
Average household	An Average Household represents the average demand for Council services generated by a typical detached Dwelling Unity occupied by a single household. For this Policy means the occupancy rate of 2.6 people.
Base units	The demand of an average dwelling unit for each Activity
Capital expenditure	Has the same meaning as defined in s197 of the LGA and includes any funding provided by the responsible levy authority to contribute to the constriction costs of eligible infrastructure that has been, or intended to be, transferred to the authority under s90 of the Infrastructure Funding and Financing Act 2020.
Catchment	A separately defined area of the District, defined by Activity and location for funding purposes
Commercial activity	Any activity trading in goods, equipment or services. It includes any ancillary activity to commercial activity (for example administrative or head offices).
Commercial accommodation	Units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation
Community activities	Land and buildings used by members of the community for recreational, sporting, cultural, safety, health, welfare, or worship purposes. It includes provision for any ancillary activity that assists with the operation of the community facility. This is used in Tables 1 to 4.
Community facilities	Has the same meaning as defined in s197(2) of the LGA and means reserves, network infrastructure, or community infrastructure for which

	development contributions may be required in accordance with s199 of the LGA.
Community infrastructure	Has the same meaning as defined in s197(2) of the LGA as: (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
Cost allocation	The allocation of the capital costs of a project to the various drivers for the project, such as renewal, level of service and additional capacity to meet growth.
Cost allocation methodology	Means the framework that determines how the costs of projects are split between existing and new users, based on the causes of demand and distribution of benefits. It ensures that contributions are calculated in a fair, transparent, and legally compliant matter.
Council	Means the Far North District Council and includes staff acting in accordance with delegated authority.
Credits	Means a credit to be applied to a development contribution assessment under clause 18 of this Policy.
Crown	Includes all government departments, Ministries, and Crown entities (e.g., Kāinga Ora) undertaking development for public purposes to which s8 of the LGA applies.
Developer	A person, who is an applicant for a resource consent or certificate under the RMA or building consent or certificate under the Building Act 2004, or a request for service connection authorisation.
Development	Has the same meaning defined in s197(1) of the LGA: a) any subdivision, building (as defined in s8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but b) does not include the pipes or lines of a network utility operator
Development agreement	Has the same meaning as defined in s197(2) of the LGA: a voluntary contractual agreement made under ss207A to 207F of the LGA between 1 or more developers and 1 or more territorial authorities for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves in 1 or more districts or a part of a district
Development contribution	Has the same meaning as defined in s197(2) of the LGA and means a contribution- (1) provided for in a development contribution policy of a territorial authority; and (2) calculated in accordance with the methodology; and (3) comprising— (i) money; or (ii) land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land

	within the meaning of Te Ture Whenua Maori Act 1993, unless that Act provides otherwise; or (iii) both
Development contributions objection	Has the same meaning as defined in s197(2) of the LGA: an objection lodged under sch13A, clause 1, LGA against a requirement to make a development contribution
Development contributions commissioner	Has the same meaning as defined in s197(2) of the LGA: A person appointed under s199F LGA.
Development contributions policy	Is a formal policy adopted by Council's under the LGA. It sets out how and when the Council will require payments, known as development contributions, from developers or those undertaking new developments.
Depreciation	The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted for by the allocation of the cost (or re-valued amount) of the asset less its residual value over its useful life.
District plan	Far North District Council Operative District Plan
Dwelling unit	For the purposes of this Policy, a Dwelling Unit means any building, group of buildings, or part of a building that is used or designed to be used as a self-contained residential space. A Dwelling Unit must include, within its exclusive occupancy, facilities for sleeping, cooking, bathing, and toilet use. A Dwelling Unity may be part of a larger building (such as an apartment or granny flat) or stand-alone building (such as a detached house). (Non-exclusive self-contained residential space for one household.)
Financial contributions	Has the same meaning as defined in s108(9) of the RMA and is a contribution of money, land, works, services or combination of these. Financial contributions are used to offset or mitigate the adverse impacts on the natural and physical environment including utility services, of a new development.
First principle basis	The basis on which non-residential development contribution assessments can be made when the Tables 1 to 4 within the Policy are not sufficiently accurate. Where possible the actual (potential) demand a commercial development will place on infrastructure will be established using reports from suitably qualified persons.
Freight and distribution	Land use and the associated infrastructure which enables the movement of goods.
Funding model	The model used to ensure an equitable development contributions assessment based on the funding requirements needed to support growth. The primary output of the funding model is a set of development contribution fees, land or both.
Gross floor area	The sum of the total area of all floors of a building or buildings (including any void area in each of those floors, such as service shafts, lift wells or stairwells);

	(a) where there are exterior walls, measured from the exterior faces of those exterior walls (b) where there are walls separating two buildings, measured from the centre lines of the walls separating the two buildings (c) where a wall or walls are lacking (for example, a mezzanine floor) and the edge of the floor is discernible, measured from the edge of the floor. GFA is measured from the exterior of walls and the centre line of a wall adjoining two or more buildings.
Growth	Means the increase in demand for infrastructure and facilities that arises as a direct result of new development activity, identified for the purpose of determining the share of infrastructure costs to be recovered from new developments through development contributions.
Growth attributable cost	Means the portion of the total capital cost of an infrastructure project that is directly attributable to, and allocated for, meeting the demand generated by growth, as determined using the Council cost allocation methodology. GAC forms the basis for calculating development contributions and excludes costs for renewal or existing service shortfalls.
Growth model	Means the framework or set of projections used by the Council to estimate the scale, timing, location, and type of future development within the district or defined catchments, providing the basis for infrastructure planning and the calculation of development contributions. This information is used to assist in determining 'Household Unit Equivalents' (HUEs).
Goods and services tax	Has the same meaning found in the Goods and Services Tax Act 1985
Health and educational facilities	Buildings or places used for the delivery of education or health services.
Hospitality	Bars, restaurants, cafes and food outlets (including takeaway).
Household unit equivalent	A Household Unit Equivalent (HUE) is a measured unit of demand for Council services, representing the demand generated by a development, expressed as an equivalent to that produced by an average Household Unit. (Demand from any unit, expressed as a fraction/multiple of a Household Unit.)
Infrastructure Strategy	Is the Infrastructure Strategy adopted by Council as part of the LTP.
Industrial activity	An activity that manufactures, fabricates, processes, packages, distributes, repairs, stores, or disposes of materials (including raw, processed, or partly processed materials) or goods. It includes any ancillary activity to the industrial activity (excludes however retails, commercial and residential Activities).
Large mass buildings	A Large Mass Building is any non-residential building, or part of a building, that has a significant floor area and/or height relative to typical residential or commercial structures. This includes, but is not limited to, warehouses, showrooms, bulk retail outlets, and similar premises

	designed primarily for storage, display, or distribution of goods, rather than residential occupancy. (Large Mass Buildings are differentiated from Dwelling Units and Residential Units by their scale, use and nature of the demand they place on Council infrastructure and services.)
Level of service	The standard of services that Council provides or will provide for each Activity undertaken, as described in applicable measurable terms in the LTP.
Māori land	Māori land is comprised of the following: 1. Freehold Māori land, as determined in Te Ture Whenua Maori Act 1993 2. Crown land reserved for Māori as defined in Te Ture Whenua Maori Act 1993 3. General land owned by Māori that is beneficially owned by more than 5 Māori owners either individually or through a Māori incorporation, Māori Trust Board, Settlement Trust, subsidiary or other similar legally incorporated Māori entity, 4. General land that ceased to be Māori freehold land under Part 1 of the Maori Affairs Amendment Act 1967; and where the land is still beneficially owned by the persons, or by the descendants of the persons, who beneficially owned the land immediately before the land ceased to be Māori land.
Methodology	For the purposes of this Policy refers to the methodology for calculating development contributions set out in clauses 44 to 45 of this Policy.
Network infrastructure	Has the same meaning as defined in s197(2) of the LGA and means: the provision of roads and other transport, water, wastewater, and stormwater collection and management
Network utility operator	Has the same meaning as in s166 of the RMA
New growth / New expenditure	The anticipated growth demand and planned capital costs for the ten-year period covered in the current LTP document.
Non-residential	Any development or part of a development including land and/or buildings that do not fall under the definition of residential.
Objector	Has the same meaning given to it under s197 LGA and means: a person who lodges a development contribution objection.
Papakāinga developments	Means Residential activity undertaken to support traditional Māori cultural living for tangata whenua residing in the Far North District on: a. Māori land; b. Treaty Settlement Land. For clarification Treaty Settlement Land does not include commercial redress land identified in a Treaty Settlement Act.
Part	Means a reference to a part of this Policy.
Person	An individual or a representative of an organisation or group who has applied to the Council for a resource consent or certificate under the

	RMA or building consent or certificate under the Building Act 2004, or a requested for service connection authorisation.
Policy	The Far North District Council Utu Whakawhanake – Development Contributions Policy unless otherwise stated.
Project	Includes planned or completed programmes and projects of capital expenditure intended to deliver defined Levels of Service for that programme or project.
Public storage	Facilities where individuals or business can store belongings.
Resource consent	Has the same meaning given to it under s2(1) of the RMA and includes a change to a condition of a resource consent under s127 of the RMA.
Remissions	For the purposes of this Policy means: a discretionary percentage reduction or waiver of all or part of a development contributions otherwise payable, granted in accordance with the criteria and conditions set out in this Policy.
Renewal	The replacement of an existing asset at the end of its design life with an equivalent asset of the same nature, function and capacity.
Rental accommodation	Means short-term rental for no longer than 90 consecutive days. Rental accommodation for more than 90 consecutive days is considered long term rental accommodation and will be treated as a dwelling unit in alignment with the Residential Tenancy Act 1986.
Reserves/Parks	Land acquired or purchased for a reserve or park, including the cost of providing any improvement/s necessary to enable that land to function for its intended purpose including its purpose under the Reserves Act 1977.
Residential activity	The use of land and building(s) for people's living accommodation, including residential units, serviced apartments and unit/strata title developments.
Residential unit	A Residential Unit is a building used for residential activity exclusively by one household. It must include sleeping, cooking, bathing and toilet facilities. (Exclusive self-contained residential building for one household.)
Retail activity	This means activities selling, exposing, displaying or offering: of goods, merchandise or equipment for sale or direct hire to the public. It includes any ancillary activity to the ~~retain~~ retail activity (for example administrative or head offices)
Retirement unit or village	Any property, building, or premises with two or more residential units that provide, or are intended to provide, residential accommodation together with services or facilities (or both), predominantly for people in their retirement (and their spouses or partners), where residents pay a capital sum for the right to occupy the unit.

	This applies regardless of the legal form of occupation (such as freehold, lease, licence to occupy, or tenancy), and includes common areas and facilities accessible under occupation right agreements.
Rural	Means the area of the District comprising the Rural Zones in the District Plan.
Rural activities	Means activities, industry or business undertaken in a rural environment that directly supports, services, or is dependent on primary production.
Service connection	A physical connection to a service provided by or on behalf of Council
Site	Has the same meaning as in the District Plan: (a) An area of land which is: (i) composed of one allotment in one certificate of title or two or more contiguous allotments held together in one or more certificates of title in such a way that the allotments cannot be dealt with separately without the prior consent of the Council; or (ii) contained in a single allotment on an approved survey plan of subdivision for which approvals under s223 and/or s224 of the RMA have been obtained and for which a separate certificate of title could be issued without further consent of the Council. (b) Except that in the case of: (i) land subdivided under the Unit Titles Act 2010, or stratum subdivision, "site" shall be deemed to be the whole of the land subject to the unit development or stratum subdivision; and (ii) land subdivided under the cross lease or company lease systems (other than strata titles), "site" shall be defined as an area of land containing: • any building, accessory buildings, plus any land exclusively restricted to the users of those buildings; or • a remaining share or shares in the fee simple creating a vacant part of the whole for future cross lease or company lease purposes. (c) In the case of Māori land within the meaning of Te Ture Whenua Maori Act 1993: (i) includes a parcel of land created by a partition under s289, provided that its area complies with the Residential Intensity rule for the zone in which the land is located; or (ii) parcels of land partitioned and given effect to, by approval of Te Kooti Whenua Māori - Māori Land Court, before 28 April 2000.
Subdivision	Has the same meaning as 'subdivision of land' in s218 of the RMA and means: (a) the division of an allotment: (i) by an application to the Registrar-General of Land for the issue of a separate certificate of title for any part of the allotment; or (ii) by the disposition by way of sale or offer for sale of the fee simple to part of the allotment; or (iii) by a lease of part of the allotment which, including renewals, is or could be for a term of more than 35 years; or

	(iv) by the grant of a company lease or cross lease in respect to any part of the allotment; or (v) by (the deposit of a unit plan or) an application to the Registrar-General of Land for the issue of a separate certificate of title for any part of a unit on a unit plan; or (b) an application to the Registrar-General of Land for the issue of a separate certificate of title in circumstances where the issue of that certificate of title is prohibited by s226 RMA.
Visitor accommodation	Accommodation that intended for periods not exceeding 50 days in continuous term of occupancy for the purpose of providing overnight, temporary, or rental accommodation.
Unallocated (Cost allocated to)	In any analysis process, there is the need to recognise that some cost share outcomes may not readily be allocated to a funding source.

12.2. The Legislation Act 2019 applies to this Policy.

12.3. Where a word in this Policy has the same meaning as defined in legislation or other regulatory documents, any changes to the meaning of that word in the legislation or regulatory document will apply to this Policy as well

12.4. Any explanatory notes and attachments are for information purposes, and do not form part of this Policy. They may be inserted, amended, or revoked without formality. Explanatory notes are provided within the 'Related Information' boxes throughout this Policy

Related Information

Compliance with the Policy does not remove the need to comply with all other applicable Acts, regulations, bylaws, the Far North Operative District Plan and the Regional Plan for Northland. Where there is any conflict between this Policy and any Act or Regulation, the Act or Regulation will take precedence.

Part B: Development contributions assessments

13. Determining development contributions

13.1. When assessing development contributions, Council will confirm that the proposed development generates demand for the Activities specified under clause 14 in this Policy. Development contributions will be required where this demand results in the need for new assets or increased capacity, and where Council has incurred, or will incur, capital expenditure either in anticipation of, or to service, the development.

14. Activities for which a development contribution fee~~s are~~ is charged ss199, 106(2)(d)

14.1. Council can require development contributions for the following Activities:

a. Reserves

b. Network infrastructure

c. Community infrastructure

14.2. Within these Activities Council has, in accordance with s106(2)(d) of the LGA, identified the following sub-Activities for which development contributions can be charged:

a. Reserves

i. Parks and reserves

b. Network infrastructure

i. Water supply
ii. Wastewater
iii. Transport and roading
iv. Stormwater

c. Community infrastructure

i. Libraries including the land on which the library is situated
ii. Sports fields
iii. Public toilets

Related Information

Any reference to Activity or Activities in this Policy includes the sub-Activities listed in clause 14.2. The use of the term activity or activities should be inferred from the context.

The Parks and Reserves, Libraries, Sports fields and Public toilets Activities are included in clause 14.2 above to ensure policy completeness and flexibility. At present, no development contributions are required for these Activities. Their inclusion in the table does not commit Council to charging development contributions for these Activities. For further clarification:

- the presence of these Activities in clause 14.2 above is intended to maintain policy robustness and provide a framework should Council wish to consider development contributions for these Activities in the future.
- Council has not made a decision to introduce or charge development contributions for Parks and Reserves, Libraries, Sports fields and Public toilets Activities at this time.

15. Test for development

ss. 197, 198, 199, 200

15.1. Council may require a development contribution only if all of the following apply:

a. the activity constitutes a 'development' as defined in s197 LGA, including subdivision, building work, or other development that creates additional demand for or on Council infrastructure.

b. the individual or cumulative effect of the development generates demand that causes Council to incur, or to have incurred, capital expenditure either in anticipation of, or to service, the development for:

i. new or additional assets; or
ii. assets of increased capacity,
iii. reserves, network infrastructure, or community infrastructure.

c. as a consequence of the development, the Council incurs, has incurred, or will incur, capital expenditure to appropriately provide for those assets.

d. this Policy provides for the requirement of a development contribution in such circumstances;

e. the development contribution is not prohibited by s200 LGA.

15.2. If the development meets the provisions under clause 15.1 in the affirmative, Council may require a development contribution when:

a. a resource consent is granted under the RMA, for subdivision or land use;

b. a building consent or certificate of acceptance is granted under the Building Act 2004

c. a Project Information Memorandum is issued

d. an authorisation for a service connection is granted

15.3. On receiving an application or authorisation for any of the consents, certificates, or authorisations listed in clause 15.2, Council will:

a. confirm whether the application relates to a 'development' as defined in s197 of the LGA;

b. check that Council is not prohibited by s200 of the LGA from requiring a contribution in relation to the development.

c. determine whether alone or in combination with other developments the effect of the development under consideration is to require new or additional assets or assets of increased capacity and, as a consequence, Council will incur (or has already incurred) capital expenditure to provide appropriately for this; and

d. establish whether this Policy requires a development contribution in the circumstances.

15.4. If Council is satisfied that a development contribution is required, it will assess the application in accordance with clause 16 below.

16. Assessment

16.1. Council will assess the development contributions payable in relation to an application as follows:

a. Identify the Catchments in which the proposed development is located.

b. For each relevant Catchment and Activity, calculate the number of HUEs generated by the development (see clause 17).

c. Identify in HUEs any credits, that apply for each Activity.

d. Deduct credit HUEs from the total demand HUEs to determine the net increase in demand (additional HUEs) for each Activity.

e. Calculate the development contribution for each Activity by multiplying the net additional HUEs by the applicable fee for that Activity and Catchment, as set out in the Development Contribution Fee Schedule (see clause 19).

f. Sum the amounts calculated for each Activity to determine the total development contribution payable.

g. Add GST to the total amount.

16.2. Assessments will generally be made at the time of the earliest application for consent or authorisation for service connection relating to a development.

16.3. If Council does not require development contributions on the first consent or service connection authorisation, this does not prevent Council from assessing contributions on a subsequent consent or authorisation for the development. Council may also require an additional development contribution for the same purpose if there is an increase in the scale or intensity of the development since the earlier contribution was required.

16.4. Applicants may request an indicative calculation of development contributions when applying for a Project Information Memorandum or Certificate of Acceptance under the Building Act 2004, or at a pre-application meeting under the RMA. This indicative calculation provides an early estimate of potential liability but is not binding. A development contribution will only be required at the time specified in clause 15.2 and will be invoiced in accordance with Part C of this Policy.

16.5. All growth-related community facilities and infrastructure within the identified catchment are considered to be available to service any allotment within that catchment, up to a uniform service level, at any time. For assessment purposes, the availability of a network connection now or in the future, is the basis of evaluation, regardless of whether a connection to the services currently exist.

17. Determining Household Unit Equivalents (HUEs) Schedule 13 cl 2

17.1. A HUE is the unit of demand that equates to the typical demand on infrastructure by an average household for the Activities that development contributions are collected for.

17.2. A second independent accommodation or residential unit will be treated as a household unit for the purposes of calculating development contributions. To avoid any doubt, visitor accommodation units that are separate unit-titles shall be considered as separate household units.

17.3. Using HUEs to assess development contributions provides an efficient method to meet the requirement to attribute units of demand to particular development Activities or types of development on a consistent and equitable basis.

17.4. HUEs are determined:

a. as per the categories of development in this Part of the Policy under clause 17.8; and

b. depending on what type of consent, certificate or service connection application has led to an assessment in accordance with clause 15 of this Policy.

17.5. Charges based on the number of HUEs are calculated in accordance with the Development Contribution Charges Schedule in clause 19.

17.6. Depending on the specific Activity or service, Tables 1- 4 in clause 20 provide additional data to support HUE calculations, as they describe HUEs in appropriate unit demands for the specific Activities.

17.7. In some cases, the circumstance of a development means an assessment in accordance with the typical development Activities in clause 17.8 below is not appropriate, and in these cases a special assessment calculation will be made (clause 17.9).

17.8. This clause of the Policy identifies typical developments and assessment considerations.

a. Residential subdivision

i. Council has determined that it is appropriate to assess in accordance with clause 16 and require development contributions for residential subdivision.

ii. Each new residential lot created by subdivision attracts development contributions at the rate of one HUE per relevant Activity.

iii. Where two or more vacant lots held in one certificate of title are divided into separate titles and no previous development contributions or financial contributions under the RMA have been paid, development contributions will be required.

iv. The first single dwelling unit built on an ~~vacant lot~~allotment with a registered title, or for which a certificate under section 224(c) of the RMA has been issued, ~~in existence~~ prior to ~~29 May~~1 July 2026. Development contributions will be calculated in accordance with the credit provisions in clause 18.8.a.i, for which one HUE credit per Activity for undeveloped lots. ~~will be assessed as having a credit of one HUE.~~

v. Notwithstanding 17.8.a.iv if an existing lot does not have connections to Council's water or wastewater services, then on application for a connection, development contributions will be required for those Activities.

b. Second/subsequent dwellings and multi-unit developments

i. Additional dwellings after the first dwelling on a lot will attract development contributions at the rate of one HUE per dwelling. Dwellings for the purposes of this Part in the Policy include but are not limited to integrated, attached, and detached units, sleep outs and minor dwellings.

ii. If an additional dwelling is 70 m² of gross floor area (GFA) or less and in, the Council's opinion, is likely to generate less demand than an average dwelling, Council may apply a pro-rata m² rate reduction in development contributions.

iii. Any pro-rata reduction applied as per clause 17.8.b.ii ~~17.8.b.ii~~ above will not be less than 40% of a HUE. This is to reflect that smaller than average dwellings will still be occupied, and it is occupancy rather than floor space alone that generates demand.

iv. Where a pro-rata reduction has been applied in accordance with clause 17.8.b.ii above and a subsequent application is then made to expand that dwelling, the development contribution required will be assessed accordingly.

v. For multi-unit developments, Council may apply a pro-rata m² reduction in a development contribution, where it can be demonstrated that one or more units will generate lower demand than an average dwelling.

c. Home - based commercial activities

i. Home-based businesses, and residential dwellings converted to commercial use will be assessed for additional demand greater than the existing residential use. If development contributions are required, these will be required in accordance with the charges for non-

residential land use (clauses 17.8~~.d.i~~ and 18.8.b).

d. Non-residential subdivision

i. Non-residential subdivision will attract development contributions for each new lot created at the rate of one non-residential HUE per new lot.

ii. Any development contributions paid as per clause 17.8.d.i above will be applied as a credit (clause 18) when assessing development contributions for a subsequent building consent or land use resource consent on the same lot.

e. Non-residential land use

i. Non-residential land use will attract development contributions based on the demand a proposed development will place on Council's network infrastructure using the demand factors outlined in factors in Tables 1- 4 in clause 20.

f. Rural subdivision and land use

i. For clarity, residential subdivision in the rural area is covered by residential subdivision in clause 17.8.a of this Policy and will be assessed accordingly. Non-residential subdivision in the rural area is covered by clause 17.8.d.

ii. Non-residential developments other than subdivision in the rural area, including, but not limited to milking sheds, packing houses, and growing houses, etc. (i.e., any development that has a proposed activity that will impact on infrastructure and services), will be assessed for development contributions in accordance with clause 17.8.e apart from commercial accommodation which will be assessed in accordance with clause 17.8.g.

iii. For clarity, non-residential sheds, and other farm buildings (including, but not limited to, hay sheds and minor storage sheds) will not attract development contributions if they are assessed to have no additional impact on infrastructure.

g. Commercial accommodation

i. Commercial accommodation is assessed on the number of transitory accommodation rooms. A transitory accommodation room is for a maximum of 2.6 people. The calculation of HUE equivalents for commercial accommodation is based on each transitory accommodation room being the equivalent to 40% of an average dwelling.

ii. Managers units will be assessed as a residential land use activity as they are a permanent dwelling.

h. Tangata Whenua Development – Residential Activity

i. To support traditional Māori cultural living for Tangata Whenua residing in the Far North District residential activity development undertaken on the follow land titles will not be required to pay any development contributions:

- Māori freehold land;
- Treaty Settlement Land - excluding commercial redress land identified in a Treaty Settlement Act;
- general title land if converted from Māori freehold land title under the Maori Affairs Amendment Act 1967.

i. Retirement Villages

i. The impact of retirement villages including care facilities is assessed on the following basis:

Activity	HUEs per Retirement Village (maximum 3br)	HUEs per Aged Care Bed
Transport	0.3	0.1

Water	0.44	0.4
Wastewater	0.44	0.4
Parks and Reserves	0.0	0.0
Libraries	0.0	0.0
Sports fields	0.0	0.0
Public toilets	0.0	0.0

Related Information

Example only of commercial accommodation assessment
The total development contributions arising from a commercial accommodation development with 20 rooms and
1 managers' unit would be:

- Transport and Roading Activity = 9 HUES (20 rooms x 40% of a HUE=8 HUEs + 1 HUE (Managers unit)
- Parks and Reserves = 1 HUE (Managers unit)
- Libraries = 1 HUE (Managers unit)

17.9. Special assessment calculations

a. Council may consider that a specific development will generate impact on infrastructure which materially differs from that used for typical assessments under clause 17.8.

b. Generally, a special assessment will be done when the demand for an Activity is expected to be either greater or lesser than double the identified average value for that type of Activity, or where a land use is not adequately described within the Land Use Activity Tables (clause 20) of the Policy.

c. It is solely a matter for Council, in its discretion, whether to carry out a special assessment.

d. A special assessment uses a 'first principles assessment' approach. This means that the development will be assessed on its actual (proposed) demand, as opposed to the average demand identified in the Land Use Activity Tables in clause 20.

e. A special assessment may require the applicant to provide detailed calculations of the expected demand of the development. These calculations will need to be provided by a suitably qualified person.

f. The information supplied in clause 17.9.e above will be converted to HUEs to undertake an assessment in accordance with clause 17.

g. Council may consider a development agreement an appropriate mechanism to document the outcome of a special assessment should the development fall within the criteria and circumstances under clause 30 of this Policy.

Related Information

Examples of land use types that may require a special assessment

- sports or convention centres that may generate large volumes of traffic at specific peak times
- trucking and courier activities that may have a consistent above average road use,
- concrete plants that use significant amounts of water as part of their manufacturing process
- a quarry or quarry extension because it can generate significant vehicle movements but at the same time may not have a building associated with the activity.

Council encourages developers to provide information (required in clause 17.9.e) at the feasibility stage of their project prior to lodging an application.

18. Credits

18.1. Credits may be recognised by Council, for previously paid development contributions, financial contributions under the RMA, or historical impact. Credits are calculated in HUEs and reflect the existing or historical (i.e., pre-development) level of demand associated with a site, including but not limited to:

a. existing residential dwelling units on site;

b. historical credits of one HUE per Activity on vacant land with a registered title at 1 July 2026;

c. GFA of existing non-residential buildings on the site;

d. previous lawfully established activities or consented buildings on a site.

18.2. The number of credits (in HUEs) for a site will be determined using the same methodology as for calculating additional demand under clause 17.

18.3. Credits are only available for lawfully established activities.

18.4. Credits are site specific and may not be transferred to another site.

18.5. Credits are not transferable between Activities (e.g., credits for Transport and Roading apply only to those Activities; credits for Reserves apply only to Reserves etc.).

18.6. Surplus development contribution credits are not redeemable for land or money.

18.7. Council established a base line demand as at 1 July 2026. All credits are benchmarked against the level of demand generated by lawfully established activities or consented buildings on the site at that date.

18.8. The following clauses detail the specific approaches for determining credits for residential and non- residential developments.

a. Residential

i. Any undeveloped ~~existing lot~~allotment with a registered title, or for which a certificate under section 224(c) of the RMA was issued prior to ~~as at 29 May~~ 1 July 2026, is deemed to have one HUE credit per Activity for which a development contribution would otherwise be required, except for:

- small road severances that are not intended for development; or
- ~~titles~~ allotments that ~~are unable~~cannot be lawfully ~~to be~~ built on due to physical constraints, legal restrictions, or planning provisions..

ii. Where a cross lease or unit title is converted into 'Fee Simple' title, no additional development contributions ~~will be~~are required ~~if~~ provided the conversion does not ~~increase demand~~create additional residential capacity beyond what was lawfully established ~~for Council infrastructure.~~prior to 1 July 2026.

b. Non-residential

i. Any undeveloped ~~lot~~ allotment with a registered title, or for which a certificate under section 224(c) of the RMA was issued prior to ~~as at~~ 1 July 2026, is deemed to have one HUE credit per Activity for which a development contribution would otherwise have been required, except for:

- small road severances that are not intended for development; or

- ~~titles~~ allotments that ~~are unable to~~cannot lawfully be built on due to physical constraints, legal restrictions, or planning provisions.

ii. For ~~developments involving extensions or demolition and rebuilding at the same or higher intensity, credits will be assessed based on the pre-existing development~~the purpose of clause 18.8.b.i 'undeveloped allotmen" means an allotment with no existinig non-residentail activity prior to 1 July 2026.

iii. Credits for non-residential development are calculated based on GFA of existing lawful non residential buildings on the allotment as at 1 July 2026, using the demand factors in Tables 1-4 (Clause 20). Sites where buildings were demolished or destroyed prior to ~~29 May~~1 July 2026 will be treated as vacant lots for the purpose of credit allocation.

Related Information:
Clarification:
Clause 18.8.a.i: An undeveloped lot is considered to have a potential demand for services and is therefore allocated one HUI credit per Activity, even if no services are currently being used.
Clause 18.8.b.ii: As with residential, the allocation of one HUE credit per Activity reflects the potential for future demand, not current service use.
Rationale: This ensures that credits are only allocated where there was a recognised and assessed demand at the time, aligning with the principle of fairness and consistency.

19. Development Contribution Fees Schedule

ss201(2), 202

19.1. This Schedule is provided in accordance with ss201(2) and 202 of the LGA, and details the fees charged per HUE by Activity and Catchment.

19.2. All fees below are GST exclusive.

2024 - 2027 Development Contributions Charges

Roading and Transport	Catchment	District Wide	Total Charges
Bay of Islands - Whangaroa	3,320	-	3,320
Stormwater			
Kaikohe	409	-	409
Kawakawa	-	-	-
Kerikeri/Waipapa	-	-	-
Wastewater			
Kaikohe	37,136	-	37,136
Kawakawa	25,571	-	25,571
Kerikeri/Waipapa	11,376	-	11,376
Water supply			
Kaikohe	6,222	-	6,222
Kawakawa	1,980	-	1,980
Kawakawa/Moerewa	6,719		6,719
Kerikeri/Waipapa	7,901	-	7,901

Parks and Reserves			
District	-	-	-
Libraries			
District	-	-	-
Sports fields			
District	-	-	-
Public toilets			
District	-	-	-

Related Information

For the table above - Council may require full payment of a development contributions in accordance with this when approving:

- a building consent, including a certificate of acceptance
- a resource consent
- an authorisation for a service connection
- a certificate of acceptance

The Parks and Reserves, Libraries, Sports fields and Public toilets Activities are included in the Table above to ensure policy completeness and flexibility. At present, no development contributions are required for these Activities. Their inclusion in the table does not commit Council to charging development contributions for these Activities. For further clarification:

- the presence of these Activities in the Table above is intended to maintain policy robustness and provide a framework should Council wish to consider development contributions for these Activities in the future.
- Council has not made a decision to introduce or charge development contributions for Parks and Reserves, Libraries, Sports fields and Public toilets Activities at this time.
- the inclusion signals that Council may, at its discretion and following appropriate processes (under the applicable provisions of the Local Government Act 2002) consider whether to introduce development contributions for these Activities in the future.

20. Land Use Activity Tables

20.1. Table 1 – base demand units for residential HUE

a. This table assumes an average household occupancy rate of 2.6 people per dwelling, based on 2023 Census information. See significant assumptions for further explanation of the occupancy rate.

Activity	Base Unit per HUE	Demand per HUE	Comment
Transportation and Roading	10 vehicle movements per day	-	Vehicle movements are 1 in 1 out
Water Supply	m^3 per day	0.75 m^3 or 750 litres	Based on average flow (design average)

Wastewater	m^3 per day	0.8 m^3 or 800 litres	Based on peak flow and providing sufficient capacity to discharge
			wastewater safely and effectively.
Community	per capita basis		Based on assumed average occupancy
Libraries	per capita basis		Based on assumed average occupancy

Related Information:
The Community and Libraries Activities are included in Table 1 for completeness. Like the Related Information box above, no development contributions are currently required for these activities. Their inclusion into Table 1 does not commit the Council to charging development contributions but allows for the option to consider this in the future, subject to a separate Council decision and in accordance with applicable provisions in the Local Government Act 2002.

20.2. Table 2 – base demand units for commercial HUE

Activity	Base Unit per HUE	Demand per HUE	Comment
Transportation and Roading	10 vehicle movements per day	See Table 3 & 3 A Demand calculated per 100m^2 GFA	Based on average trip generation tables per land use type
Water	m^3 per day	0.75 m^3 or 750 litres	Based on average flow by land use type see table 4
Wastewater	m^3 per day	See Table 4 Note that wastewater is based on peak flow of 0.8 m^3 or 800 litres Council must provide adequate capacity to safely and effectively discharge wastewater	See Table 4 Based on average usage by land use type

20.3. Table 3 – Transport and roading

a. To establish transport and roading contributions, Council uses Table 3 below, which shows average Vehicle Movements per Day (VMPD) per 100m^2 of Gross Floor Area converted to HUEs.

b. However, some Land Use activities do not rely on GFA, these are separately identified in Table 3A below.

c. If an Activity is not covered by the categories within Tables 3 and 3A, or has identified demand significantly different from the tables, Council may request an assessment be provided by a qualified Traffic Engineer and reserves the right to have any such assessments peer reviewed at the applicant's expense.

Land Use Activity	HUEs Per 100m2 of GFA
Rural activities	0.31
Commercial activity	1.5
Community activity	1.16
Freight and distribution	4.92
Health and educational facilities	0.83
Industrial activity	0.6
Visitor accommodation	0.41
Public storage	0.08

20.4. Table 3A – The following Activities use the indicated factors (instead of GFA) to convert to HUEs

Activity	Factor	HUEs
Independent Dwelling Unit	per dwelling unit over 70m²	1.00
Child Care Facilities	per child	1.2
Petrol Stations	per pump	7.9
Rest Homes	per bed	2.3

Related information

Transport and roading contributions are calculated on trips generated by a development activity. The unit of measure is based on the average annual daily trips for a weekday. The traffic activity used for this Policy is established from the New Zealand Trips and Parking Surveys database and locally established traffic activity by location and land use. The trips data has been adjusted to reflect that the trips observed at the gate are influenced by the start and end destinations.

For example, a car driven from home to a place of work has activity equally allocated to both the residential and the work elements of the trip. It is further recognised that some level of traffic activity has multiple causes, and this is reflected in these calculations.

20.5. Table 4 – Water and wastewater HUEs is based on the "average" usage per household in the district divided by the average occupancy per household. The design average for residential household water usage is 0.75m³ or 750 litres per day and 800m³.

a. Calculation of water and wastewater use for a commercial land-use activity is based on the district-wide average water used by an industry type and then converted to a HUE value per 100m² of GFA.

Commercial HUEs for water and wastewater per 100m² GFA	
Health and educational facilities	0.28
Office and commercial premises	2.11
Retail activity	0.24
High water use activity (car washes, garden centres, food processing, etc)	3.88

Commercial HUEs for water and wastewater per 100m² GFA	
Industrial activity	0.29
Large mass buildings	0.03
Hospitality	1.05
Community activity	0.28
Freight and distribution	0.24

21. Goods and Services Tax (GST)

21.1. The total end-to-end process for calculation of development contributions is exclusive of GST. Once all the calculations are complete, GST is added to the final amount to be invoiced (see clause16).

Part C: Invoices, timing of payments and enforcement

22. Invoices s198

22.1. The applicant may request an invoice to be issued for development contributions payable on any occasion that contributions are assessed. Except where: the developer has requested, and the Council has already issued an invoice.

22.2. The Council will invoice for a development contribution at the following times:

Type of consent/certificate/authorisation	Timing of invoice
A resource consent for subdivision	• At the time of application for a certificate under section 224(c) of the RMA • An invoice will be issued for each stage of the development for which a separate certificate under 224(c) of the RMA is applied for, even where separate stages are part of the same consent.
A resource consent for land use for: a. Any non-residential development for which a subdivision consent or building consent will not be necessary for the development to proceed; or b. Any residential development for which a subdivision consent or building consent will not be necessary for the development to proceed; or c. Any development for which an invoice cannot be issued on a building consent or subdivision consent.	• At the time of request for an invoice; or • immediately upon unauthorised commencement of the land use consent; whichever is the earlier.

A building consent for residential use	• At the time a request is made for a code of compliance certificate; or • certificate of public use; or • six (6) months after the time of granting the building consent – whichever is the earlier
A building consent for non-residential use	• At the time a request is made for a code of compliance certificate or • certificate of public use, or • 24 months after granting, whichever is the earlier.
Certificate of acceptance	At the time of granting of the certificate of acceptance
Authorisation for service connection	At the time of approval for connection

23. Timing of payment s198

23.1. Invoices become due for payment immediately upon issue.

23.2. Invoicing and payments including any payment arrangements will be processes in accordance with the Council's financial and debt recovery practices.

23.3. This Policy makes no provisions for a payment of a development contribution invoice to be postponed. However, Council may, at its sole discretion, agree to a payment arrangement in the context of debt recovery where contributions have not been paid by the due date. This will be administered by Councils Debt recovery team.

24. Enforcement s208

24.1. Where an invoice remains unpaid beyond ten (10) working days after the invoice is issued, the Council may invoke normal debt collection practices to recover outstanding debt including the costs associated with the debt collection; and take additional enforcement measures in the table below.

Type of consent/ certificate/ authorisation	Enforcement option
A resource consent for subdivision	Withhold a certificate under s224(c) of the RMA and may register the development contributions under Subpart 5 of Part 3 of the Land Transfer Act 2017 as a charge on the title of the land
A resource consent for land use for: Any non-residential development for which a subdivision consent of building consent will not be necessary for the development to proceed; or Any residential development for which a subdivision consent or building consent will not be necessary for the development to proceed; or Any development for which an invoice cannot be issued on a building consent or subdivision consent.	Prevent the commencement of the land use consent under the RMA and may register the development contribution under Subpart 5 of Part 3 of the Land Transfer Act 2017 as a charge on the title of the land

A building consent / certificate of acceptance	Withhold a code of compliance certificate under s95 of the Building Act 2004, withhold a certificate of acceptance under s99 of the Building Act 2004 and may register the development contribution under Subpart 5 of Part 3 of the Land Transfer Act 2017 as a charge on the title of the land
Authorisation for service connection	Withhold service connection to the development and may register the development contribution under Subpart 5 of Part 3 of the Land Transfer Act 2017 as a charge on the title of the land

Part D: Remissions, postponements and refunds

25. Remissions s201(1)(c)

25.1. In general, the policy does not provide for remissions or reductions to development contributions for the following reasons:

a. the greater the number and range of remissions, the less transparent the administration of development contributions becomes.

b. where Council decides to advance particular strategic objectives, it is important that it does so transparently and effectively via a separate means, rather than through remitting or reducing development contributions.

26. Postponements s201(1)(c)

26.1. This Policy does not provide for postponements on payment of development contribution invoices.

26.2. Council reserves sole discretion to enter into agreements to delay payments in extraordinary circumstances on written application.

27. Refunds ss201(1)(c), 209, 210(1)

27.1. The Council will refund to the consent holder any development contribution monies or return land as it is required to do under ss209 and 210 of the LGA.

27.2. If a development contribution has been paid for a specified reserve purpose, Council will refund the money received for that purpose if the money is not applied to that purpose within 20 years of receiving the money

27.3. If land was acquired in lieu of a cash development contribution for a specified reserve purpose and has not been used for that purpose, Council will return that land in accordance with s210(1)(b) LGA.

27.4. Except in relation to development contributions or land taken for a specified reserve purpose as provided in this Policy, Council will not refund a contribution where a specific Capital project does not proceed but instead will apply the contribution to assets or projects of the same general function and purpose.

27.5. The amount of any refund will be the contribution paid, less any costs incurred by Council in relation to the development and its discontinuation, but may include any interest earned, depending on the circumstances of the case.

Related Information

S209 outlines the circumstances in which Council is required to refund money paid or return land, including who the refund must be paid to, or the land must be returned to.

S210 prescribes the circumstances for refunds of money or return of land where this was required for a specified reserve purpose.

Part E: Reconsiderations, and objections

28. Reconsiderations ss199A, 202A(2)

28.1. Section 199A(1) of the LGA allows a person who has been charged development contributions to request a reconsideration of the charges where they believe:

a. the amount was incorrectly calculated or assessed under the Policy

b. the Council incorrectly applied the Policy; or

c. the information used to assess the development contributions payable by the person seeking reconsideration was incorrect, has been recorded or used incorrectly, or was incomplete or contained errors.

28.2. To seek a reconsideration, the developer must:

a. lodge a written request for reconsideration to Council within 10 working days after the date on which a person has received a development contributions notice from Council; and

b. state the ground/s under clause 28.1 for which the applicant requests the Council to reconsider their development contribution charges; and

c. provide any additional information that supports the request for reconsideration

28.3. ~~Council will take the following steps:~~Where a person requests a reconsideration under clause 28.1:

a. Council will review the ~~original assessment and prepare a report that will include, but is not limited to, consideration of the following matters~~development contributions requirement in accordance with clause 28.2:

~~i. the grounds on which the request for reconsideration was made, including any new information provided;~~

~~ii. the purpose and principles of development contributions under ss197AA and 197AB LGA;~~

~~iii. the provisions of the Policy;~~

~~iv. any other relevant matters.~~

b. the reconsideration request ~~and report will be provided as part of an agenda report for a public meeting of the Council with the relevant delegations and Terms of Reference to consider the request.~~will be determined by a panel of 3 suitably delegated officers that may or may not include the Chief Executive in accordance with Council's Delegations Register;

c. ~~Council will consider the information provided and will make a decision.~~In making a determination under clause 28.3.b the panel will have regard t the information provided by the requester, the original assessment, the requirements of this Policy, and any relevant technical or legal advice;

d. ~~the~~ Council will notify the person who requested the review in writing of its decision ~~, in accordance with s199B LGA, notify the person of the outcome of the reconsideration~~ within 15 working days of receiving the request, unless clause 28.3.e applies, including reasons for the decision and~~after the day it receives all required~~ information on the right to object under clause 29; and~~in relation to the request~~

~~d.~~**e.** the panel may, at its discretion, refer any reconsideration to a commissioner, for determination if the matter raises significant Policy interpretation, precedent, or public interest issues..

29. Objections ss199C-199K, Schedule 13A

29.1. Section 199C of the LGA allows a person to object to the assessed amount of development contribution that Council requires from them in:

a. a notice issued to the person from Council; or

b. if a notice has not been issued to the person from Council then any other formal advice of the requirement that Council has given to the person.

29.2. Council will acknowledge any objection made on one of the grounds contained under s199D of the LGA

29.3. In accordance with s199E and Schedule 13A Part 1(1) the person making the objection must:

a. Serve notice of the objection on Council within either:

i. 15 working days after the date on which the person received the requirement of development contributions notice from Council; or

ii. 16 working days from the date at which the person received Councils decision from a reconsideration review (under clause 28).

29.4. The notice of objection to be served to Council must:

a. be in writing; and

b. set out the ground/s under s199D and reasons for the objection; and

c. state the relief sought; and

d. state whether the person making the objection wishes to be heard on the objection.

29.5. The decision on any development contribution objection is to be made by a development contribution commissioner or commissioners named in the approved register and selected by the Council.

29.6. In accordance with s150A of the LGA, if a person objects to a development contribution the Council will recover from the person its actual and reasonable costs in respect of the objection.

Part F: Other matters

30. Development Agreements ss207A-207F

30.1. Development agreements allow Council and developers to agree on an alternative way of providing or contributing to the cost of infrastructure outside of the Policy.

30.2. Where a request is made by a developer to enter into a development agreement, Council must consider that request without unnecessary delay.

30.3. Council may, at its sole discretion, enter into a development agreement where Council considers that such an agreement will be in the best interests of all parties; and

30.4. Ther development agreement complies with the statutory framework provided under ss 207A – 207F of the LGA.

30.5. Section 207D determines that no development agreement obliges the Council or any other consent authority to:

a. grant a resource consent under the RMA 1991; or

b. issue a building consent under the Building Act 2004; or

c. issue a code of compliance certificate under the Building Act 2004; or

d. grant a certificate under s224 of the RMA 1991; or

e. grant authorisation for a service connection.

Related Information
A Development Agreement is defined in the LGA. Sections 207A-207C provide the framework within which Council can consider a request to enter into a Development Agreement, or by which Council can request a person to consider entering into a Development Agreement with Council. This also includes that Council must consider any request without unnecessary delay.

31. Acceptance of land or works in place of development contributions

31.1. Council requires development contributions to be paid in cash rather than land. In exceptional circumstances, and at the sole discretion of Council, an offer of land instead of cash may be considered, as part of a Development Agreement (clause 30).

31.2. Council will only accept land in lieu of a cash development contribution if the following criteria are met:

a. Council considers a piece of land offered would adequately meet the purposes for which the contribution is sought and;

b. the land in question will be vested as a recreational, scenic or historic reserve under the Reserves Act 1977; and

c. all other matters relating to the acceptance of land in lieu of a cash are satisfactorily agreed in a Development Agreement.

31.3. For clarity, Council will not accept land in lieu of a cash development contribution for esplanade reserves for the purpose set out in s229(a) of the RMA or for a local purpose reserve (drainage reserve) under the Reserves Act 1977.

31.4. For clarity, undertaking works in compliance with Council's Engineering Standards and/or specific conditions of consent imposed under the RMA may not be offset against the requirement to pay development contributions.

32. Exemptions

32.1. Council is exempt from paying any development contributions on any development that is funded by Council if the project itself is a capital project for which development contributions would otherwise be required.

32.2. The LGA does not bind the Crown (s8 LGA) and therefore the Crown is exempt from paying development contributions.

32.3. This exemption applies exclusively to residential development on Māori land, as defined by the Te Ture Whenua Maori Act. It is based on the legal status of land, in line with statutory requirements and Council's strategic principles. Commercial and industrial activities are not exempt.

Part G: Legislative Framework and Policy Approaches

33. Legislative framework

ss101, 102, 106, 197AA-211, Schedules 13 and 13A

LGA Policy requirement	Policy Part / Clause / Section	Meets statutory compliance
Adoption of a Development Contributions Policy (**s102(1)**)	Clause 1 (Title) Clause 2 (Commencement) Clause 7 (Statutory Context)	Yes
Consultation (s**82, s83**)	Clause 8 (Policy Review) Clause 7.11 (Consultation requirement)	Yes
Review at least every 3 years (**s82, s106(5)**)	Clause 8.1	Yes
Clear methodology for calculating DCs (**s106(2)(d), s197AB**)	Clause 44 (Cost Allocation) Clause 45 (Summary) Part J (Clauses 17-20)	Yes
Schedule of Assets for which DCs are required (**s201A(1), s106(2)(d)**)	Section 1 (Clause 56 - Schedule of Assets)	Yes
Calculation based on growth capital expenditure only (**s199, s197AB(g)**)	Clauses 42 (Capital Expenditure), 44, 45 (Cost Allocation)	Yes
Fair, equitable, and transparent cost allocation (**s197AB, Schedule 13**)	Clauses 44, 45, 46 (Funding Model)	Yes
Use of Household Unit Equivalents or other demand unit (**Schedule 13**)	Clause 17, Clause 20 (HUE calculation and Table)	Yes
Provisions for reconsideration and objection (**ss199A-199K**)	Clause 28 (Reconsideration), 29 (Objections)	Yes
Clearly state activities and catchments where DCs apply (**s106(2)(d), s201A(1)**)	Clause 14 (Activities), Section 2 (Catchment Areas)	Yes
Public availability of methodology and charges (**s106(3)**)	Clause 9 (Supporting Documentation), Clause 19 (Fees Schedule)	Yes

Exemptions per legislation (Council discretionary decision to align with **s102(3A)** for Māori land)	Clause 32 (Exemptions) Clause 32.3 (Councils use of discretionary decision-making powers to exempt housing development on Māori land)	Yes
Integration with LTP and Infrastructure Strategies (**s101, s102(4)(b)**)	Clause 7.11, Clauses 42, 48, references throughout	Yes
No duplication with Financial Contributions under the RMA (**s200**)	Clause 10 (Financial Contributions)	Yes
Enforcement Provisions (**s208**)	Clause 24 (Enforcement)	Yes
Treaty of Waitangi (**s 4**)	Clauses 4, 5.5, 32.3, 33.3 Māori land exemptions and consultation commitment	Yes
Purpose of Local Government (**s10**)	Clause 5.5, 39-41(Community Well-being), Policy Objectives, Key strategic documents and LTP linkage	Yes
Principles: Transparency, Stewardship (**s14**)	Clauses 8, 9, 14, 19, 36, 39-42 (Transparency, accountability, prudent stewardship, sustainable development)	Yes

33.1. Council's development contributions framework is required and guided by the Local Government Act 2002 (LGA), particularly sections 101, 102, 106, 197AA-211, and Schedules 13 and 13A. The LGA mandates that territorial authorities adopt a policy governing how and when development contributions are to be assessed and levied and specifies both process and policy content.

33.2. In developing this Policy, Council has:

- **a.** Ensured compliance with section 102(2)(d) (requirement for a DC policy),
- **b.** Addressed procedural matters under section 106, including consultation and public availability of methodologies,
- **c.** Followed the requirements for calculation, content, and schedule of fees and assets, as per sections 197-211 and Schedule 13,
- **d.** Referenced section 201A(1) in separating Schedules of Assets into catchments, clearly articulating the allocation between growth and non-growth.

33.3. All processes under this Policy, including reviews, amendments, and collection, are subject to public consultation (special consultative procedure, s83 LGA), and integration into Council's core financial planning documents, namely Te Pae Tata Three Year Long Term (LTP), the

Infrastructure Strategy, and guiding documents such as FN2100 and the Te Pātukurea–Kerikeri Waipapa Spatial Plan (Spatial Plan).

33.4. Per section 204(1) LGA, contributions collected must only be spent on the intended activity, promoting transparency and reinforcing Council's stewardship role.

34. Policy approaches and drivers

197AA, Schedule 13

The Council has determined, through the adoption of this Policy, that development contributions are a preferred funding mechanism for growth-related capital expenditure. Council's approach to development contributions is shaped by policy rationale, best practice, and statutory requirements, all tailored to Far North's growth context:

34.1. Use of Development Contributions as a Core Funding Tool:
Development contributions are a preferred funding mechanism for growth-driven capital expenditure. This aligns with the purpose and principles in ss197AA-197AB LGA, ensuring that those creating demand (developers) pay a fair, equitable, and proportionate share of costs, protecting existing ratepayers from disproportionate burdens. The purpose of the development contributions provisions 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.

34.2. Integration with Council's Strategic Planning:
The Policy is grounded in, and helps, implement the vision and directions of the Te Pae Tata – Three Year Long Term Plan (LTP), Infrastructure Strategy, Far North 2100 (FN2100), and Te Pātukurea– Kerikeri Waipapa Spatial Plan (Spatial Plan). This ensures that funding for infrastructure keeps pace with growth, enabling sustainable development and achieving key Council outcomes such as resilient communities, Māori partnership, and prosperity. Growth within the District drives a significant portion of Councils capital works. Council considers it equitable that those undertaking a development should contribute to the costs that Council has or will incur to service such growth.

34.3. Transparency and Equity:
Transparent cost allocation is achieved using Household Unit Equivalents (HUEs) being used to determine Council's units of demand, as directed by Schedule 13 LGA. Using demand modelling and robust data to apportion costs fairly between renewal, growth, and backlog, the methodology and results are made available as required by s106(3) LGA.

34.4. Targeted Exemptions and Equitable Outcomes:
Exemptions for the Crown, and Council are statutorily established under the LGA, but these statutory exemptions do not extend to Crown Entities and State-Owned Enterprises. Accordingly, developments undertaken by these entities within the District will be subject to a development contribution assessment to determine their liability.

The Council has exercised its discretionary decision-making powers to exempt residential housing and papakāinga developments exclusively on Māori land from development contributions. In reaching this decision, Council has taken into consideration its broader statutory obligations and its key strategic documents, including Te Pae Tata – Three Year Long Term Plan, the Infrastructure Strategy, Far North 2100, and Te Pātukurea – Kerikeri Waipapa Spatial Plan. Council is satisfied that the exemption is consistent with sections 4, 10, 14, 101 and 102 of the LGA (see table in clause 33), and that this decision aligns with its strategic direction and supports the principles of the Preamble to Te Ture Whenua Maori Act 1993. This approach

acknowledges and responds to the historic and ongoing legal, regulatory, and practical barriers of development on Māori land titles - barriers that do not exist for general land.

This exemption applies solely to residential development on Māori land as defined by the Te Ture Whenua Maori Act 1993 and is based on the legal status of the land.

Commercial or industrial activities or non-housing developments on Māori land are not exempt and will be assessed for development contributions in accordance with the provisions of this Policy. This ensures that the exemption is legally robust (aligned with s102(3A) LGA) and maintains fairness by not extending to developments for profit.

The exemption provides certainty, transparency, and equity by clearly limiting its scope to support Māori housing aspirations as outlined in central and local government priorities. It also explicitly excludes non-residential activities, providing assurances to all landowners and the wider community that the Policy is consistent with statutory principles.

34.5. No Remissions or Postponements:
This Policy does not provide for remissions or postponements of DCs, prioritising the integrity of growth-related funding. However, payments plans may be considered as part of Council's internal debt recovery processes, ensuring fiscal prudence in alignment with section 201(1)(c) LGA.

34.6. Comparative Benchmarking and Review:
Council has benchmarked this Policy's charges against peer councils (e.g., Kaipara, Whangārei, Queenstown Lakes, etc.), ensuring that the final charge levels are proportional, justified, and defensible.

Council's evidence-driven, transparent and statutorily compliant approach ensures the Utu Whakawhanake - Development Contributions Policy 2025 is fair, enables sustainable community growth, and aligns with the objectives of the district's most significant planning documents.

Part H: Rationale for funding growth with development contributions

35. Introduction

ss106(2)(c), 101(3)

Council's rationale for using development contributions is underpinned by statutory requirements and best practice:

35.1. Growth communities should bear a proportionate share of capital costs for infrastructure needed due to development, protecting existing ratepayers from unsustainable increases and supporting fair, sustainable growth (s101(3) and s106(2)(c) LGA).

36. Community outcomes

s101(3)(a)(i)

36.1. Funding growth through development contributions supports the community outcomes stated in the LTP, including social and economic well-being, resilience, and cultural vitality. By directly linking infrastructure to new demand, Council can better deliver strategic priorities and enable thriving, inclusive communities.

37. Distribution of Benefits

37.1. Council analyses the distribution of benefits for each infrastructure activity, as required under s101(3)(a)(ii) LGA:

- **a.** growth-generated assets benefit both the new (growth) and existing communities
- **b.** the apportionment of costs is based on identified benefits; and
- **c.** modelling tools ensure robust cost and benefit allocation, integrating best practice and sector norms.

37.2. The process of cost and benefit allocation uses a modelling tool, which calculates and records:

- **a.** the decisions made about the drivers of a Project, i.e., the reasons Council has undertaken the Project and who will benefit from the Project
- **b.** the allocation of costs between the beneficiaries
- **c.** the share of infrastructure cost that can be attributed to the existing and growth communities, through rates and development contributions respectively.

37.3. In summary, how the capital expenditure and benefit allocation is identified for analysis can be seen in the table below:

Capital Expenditure	Explanation
Renewal expenditure	Benefits the existing community only and replaces the existing asset base.
Increased Levels of Service	Capital expenditure that benefits all the community including the growth community.
New service expenditure	Capital expenditure to provide benefits to both the existing and the growth community on a pro-rata basis.

Growth expenditure	That which benefits and is needed to meet projected growth in the community, estimated over the next 10 years. Asset capacity which provides benefits beyond that period will be allocated to future growth communities and may form part of future development contributions.

37.4. The Level of Service supplied for most Activities generates a benefit that is enjoyed by the whole community, both existing and growth. There is no mechanism to exclude one group from the higher service level at which the Activity is provided.

37.5. The existing community and the expanding existing community will fund any excess until future demand beyond 10 years occurs and the development contributions include recovery of that excess.

37.6. There is recognition of transitional benefits to the existing community and the incoming growth community that may occur in some circumstances because of excess capacity provided in anticipation of growth. This is often perceived as an improvement in Level of Service, but if there has been no change in the planned Level of Service this is an 'improvement' that will be eroded over time as growth takes up that additional capacity.

37.7. It is recognised that there are components built into the existing network with excess capacity which will benefit the growth community. These components are not included in the development contributions calculations. Therefore, the growth community benefits from some significant past capital expenditure without incurring any additional charges.

38. Benefits period

s103(3)(a)(iii)

38.1. Council determines:

- **a.** within individual Asset/Activity Management Plans, the length of time over which an asset created will provide a benefit to the community; and
- **b.** the capacity of that asset; and
- **c.** the amount of capacity that will be utilised by the growth community.

38.2. The benefit period used aligns with asset lifespans and capacity plans within Activity/Asset Management Plans and the LTP. Both existing and growth communities share asset benefits across time, and both are charged according to the periods during which they enjoy those benefits, maintaining intergenerational fairness (s101(3)(a)(iii) LGA).

39. Contributions to the need for the Activity

s101(3)(a)(iv), Schedule 13

39.1. Modelling undertaken by Council (Schedule 13 LGA) demonstrates that the need for new/expanded infrastructure arises predominantly from growth (measured in HUEs), justifying the use of DCs as the primary funding source for the growth portion of projects.

39.2. Where infrastructure addresses backlog or lifts levels of service, these elements are funded from rates and other sources, not DCs.

40. Transparency of funding

ss101(3)(a)(v), 197AB, 101(3)

40.1. Council has structured the policy and catchment definitions for maximal transparency-as required by ss101(3)(a)(v), 197AB, 106(3) LGA, enabling all stakeholders to see:

a. how projects are funded (growth vs. renewal vs. backlog)

b. what catchments are affected and why; and

c. how and why rates and DCs are allocated.

40.2. Activities

a. Funding at an Activity level allows:

i. for improved transparency and efficiency, and assists in defining the appropriate share of actual costs to be paid by the growth community

ii. the decision making to be more transparent and accountable by providing reasoning as to why a Project is being undertaken

iii. consideration of whether ratepayers are being asked to contribute to infrastructure capacity that they do not require. This contributes substantially to intergenerational equity.

b. Council has however, for the reasons of administrative and economic efficiency, allocated some potential-growth related expenditure over all Activities to the existing community. This is because the cost of determining the proportionate growth component would be greater than the costs likely to be recovered through development contributions.

40.3. Catchments

a. In determining catchments, Council has endeavoured to balance service delivery considerations, growth patterns, administrative efficiency, benefits, costs and wider considerations of public good and fairness.

b. The use of catchments assists in transparency and efficiency by identifying the variations in the cost of providing infrastructure according to the characteristics of a particular locality and the nature of the works required.

c. Council has determined to use those catchments detailed in Section 2 of this Policy, having regard to ss101(3) and 197AB, and taking into account a range of considerations, including:

i. the predicted growth within the catchments

ii. the Projects planned within the catchments and who creates the need for, and will benefit from, those Projects

iii. the administrative efficiency of managing assets at a practical level

iv. geographical and technical aspects of Projects

v. Levels of Service

vi. matters of consistency

vii. balancing of practical and administrative efficiencies with fairness and equity

viii. the avoidance of district-wide catchments where practical.

Council will ring-fence development contribution revenues to the catchment in which they are generated, ensuring funds are only spent on infrastructure capital projects for the corresponding service and catchment.

d. In seeking to apportion development contribution charges in a fair and equitable manner Council has identified some specific capital Projects as being unique to certain areas of the district, and the growth in these areas as the primary driver behind Projects. Council has

separated out these areas and the associated Projects as individual catchments (see Section 2 of this Policy). Capital Projects within the catchments will attract defined, catchment related development contribution charges.

e. After considering the distribution of benefits and impact on and from the local and district-wide community on these Projects, Council has decided that the development growth within the catchments should contribute proportionately towards funding the Catchment Projects, and in some cases the District-Wide Projects also.

f. However, the use of particularly small catchments, together with varying market conditions and the decisions of individual developers and purchasers has the potential to create anomalies within the development contributions, and the funding of infrastructure. Council balances administrative efficiency and transparency in determining Catchment size and locality.

g. Should a development straddle more than one Catchment, the HUEs will be allocated on a pro-rata basis.

41. Impact on community wellbeing

s101(3)(b)

41.1. This funding rationale supports well-being across all dimensions:

a. DCs will help fund growth infrastructure in a way that manages affordability for the existing community.

b. The Policy enables infrastructure needed for new housing, communities and economic development, as identified in Council's LTP, Infrastructure Strategy, FN2100 and Spatial Plan;

c. the Policy responds to Māori aspirations and barriers, via targeted exemptions and consultation; and

d. ensures growth pays its way, supporting prudent stewardship, resilience, and prosperity for the District (ss10, 14 LGA).

Part I: Capital Expenditure

42. Expected expenditure and incurred expenditure

s199(2), 201A(1)

42.1. Section 199 of the LGA allows for Council to require a development contribution from a development for capital expenditure:

a. expected to be incurred as a result of or in anticipation of growth; or

b. already incurred in anticipation of growth.

42.2. The total estimated capital expenditure Council expects to incur, as a result of growth, to meet increased demand for community facilities, is summarised in the Schedules of Assets in Section 1 of this Policy.

42.3. The growth element of the Projects selected by Council will be funded or part-funded by development contributions. This amount is arrived at after funding from other sources has been deducted. Level of Service enhancement and renewal portions of capital expenditure will be

funded from sources other than development contributions (e.g. depreciation funding, rates, user charges, etc.).

42.4. Where Council anticipates funding from a third party for any part of the growth component of the capital expenditure budget, then this proportion is excluded from the total estimated growth component to be funded by development contributions.

Part J: Determination of development contribution charges

43. Calculation Summary ss202, 201(a)

43.1. This section of the Policy sets out in summary form an explanation and justification of how the development contributions have been calculated for the Development Contributions Charges Schedule (Section 1 of this Policy).

43.2. From Council's capital expenditure Projects identified in the LTP, Council has:

- **a.** determined the Activities for which development contributions will be required
- **b.** determined the Levels of Service for each Activity
- **c.** recorded the Catchment where the project provides capacity to meet demand (Section 2 of this Policy)
- **d.** summarised the capital Projects (with growth component identified) that are included in determining the development contributions charges.
- **e.** deducted from the project costs all reasonably anticipated funding from third parties and allocated the costs between growth and non-growth
- **f.** recorded the capacity and life of the Projects, the growth cost share that will be assigned to the demand reported in the Growth Model
- **g.** allocated costs to each Household Unit Equivalent; and
- **h.** assessed each Activity, (and Project where appropriate) that is to be funded wholly or in part by development contributions against the considerations in s101(3) of the LGA.

43.3. To undertake a cost allocation analysis using the Cost Allocation Methodology (clause 44) to determine the share of cost to growth, Council has considered:

- **a.** the capacity and demand requirements of the current levels of service identified in the LTP, to determine the growth share of the Project cost as well as the renewal, and level of service investment portions to be funded by rates
- **b.** the outcomes of the Cost Allocation Methodology are summarised in this Policy stating the proportion of capital expenditure to be funded by development contributions and other sources of funding (Section 1 of this Policy).

43.4. The Growth Model (clause 48.1) shows the changes in household numbers, and a similar level of growth is assumed for business floor areas. Based on this, Council has determined for each Activity and Activity Catchment:

- **a.** the changes in demand for service from the existing and growth communities over the capacity life of the Project
- **b.** the measures of household and business demand.

43.5. In undertaking a funding analysis of each Project to determine the total cost of growth for each unit of demand, Council has:

- **a.** determined the growth cost share of individual projects funded by development contributions from each of the projects incoming growth demand units in the Catchments serviced by the Project over the capacity life of the Project; and
- **b.** aggregated the outcomes of the funding analysis for each project by Activity and Catchment to determine the development contributions charge for the Activity and Activity Catchment.

43.6. This process includes internal and external reviews of the Projects, cost allocation analysis and funding analysis to test and verify the assumptions and accuracy of the Project data.

44. Cost Allocation Methodology introduction

s106(3), Schedule 13

44.1. The Cost Allocation Methodology (the CAM) used in this Policy is based on an assessment of the underlying drivers of expenditure. The CAM is applied to the programmes of capital expenditure delivering the levels of services defined in the LTP at an Activity level for capital expenditure set out in the LTP.

44.2. For the purpose of the above, 'programmes' are planned capital expenditure designed to deliver defined Levels of Service, and 'projects' are planned or completed projects delivering the programme. These are described as Projects throughout this Policy. The analysis to determine the cost of growth has been undertaken at both programme and project level as appropriate for that Level of Service and Activity.

44.3. The CAM takes the planned costs of a proposed project and, where applicable, identifies and assigns a growth component. Only the growth component or part of the growth component of a Project is recovered through development contributions.

45. Summary of Cost Allocation Methodology

ss197AB(g), 201(1)(a)

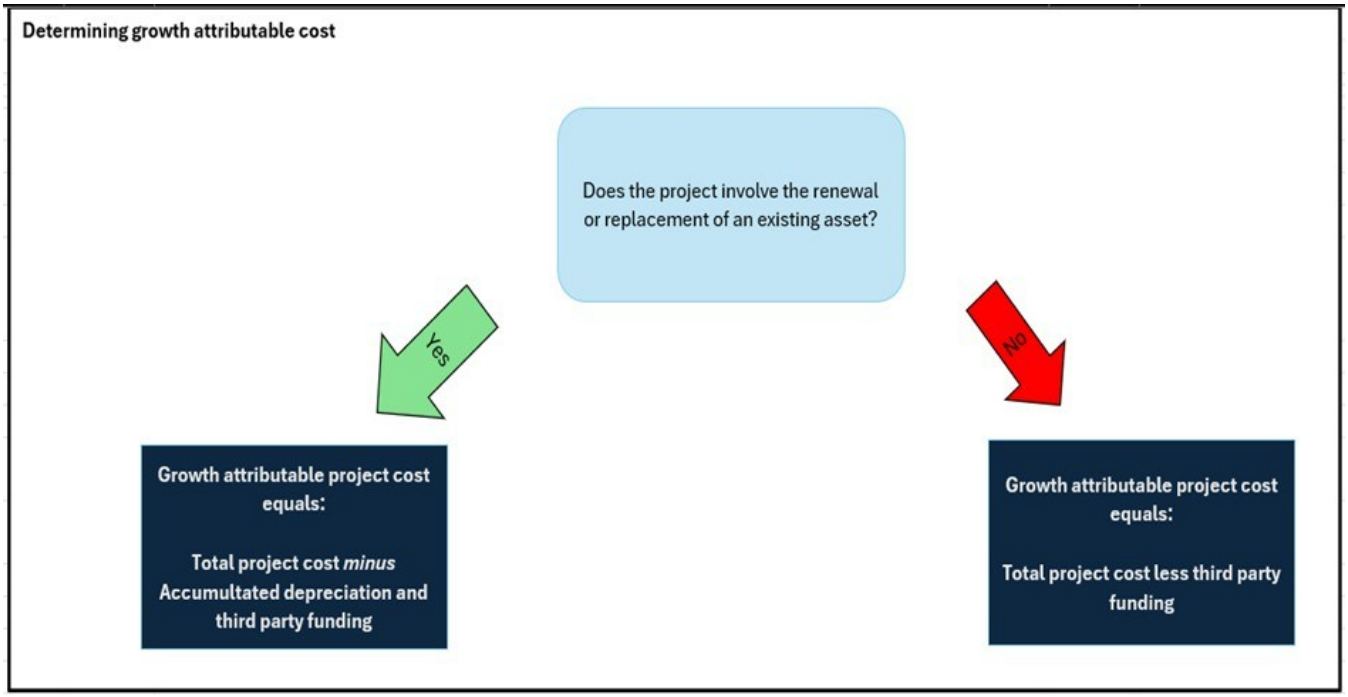
45.1. This section of the Policy provides a summary of the CAM, and a high-level description of the process used to determine the Development Contribution Charges Schedule (Clause 19).

- **a.** The scope and gross cost of a qualifying Project is reviewed, and any non-capital (operations and maintenance costs) are excluded.
- **b.** Catchments are established after taking into account the principles in s197AB (clause 40).

45.2. To determine the growth component of projects, a two-stage process is followed:

- **a.** first is to identify any renewals component of investment to reach "Growth Attributable Cost" (GAC).
- **b.** secondly, is to determine the underlying drivers for investment to identify which proportion of the GAC is recovered from development contributions.

45.3. The following flow chart is used to identify the renewal component, and GAC of projects which include replacement of existing assets:

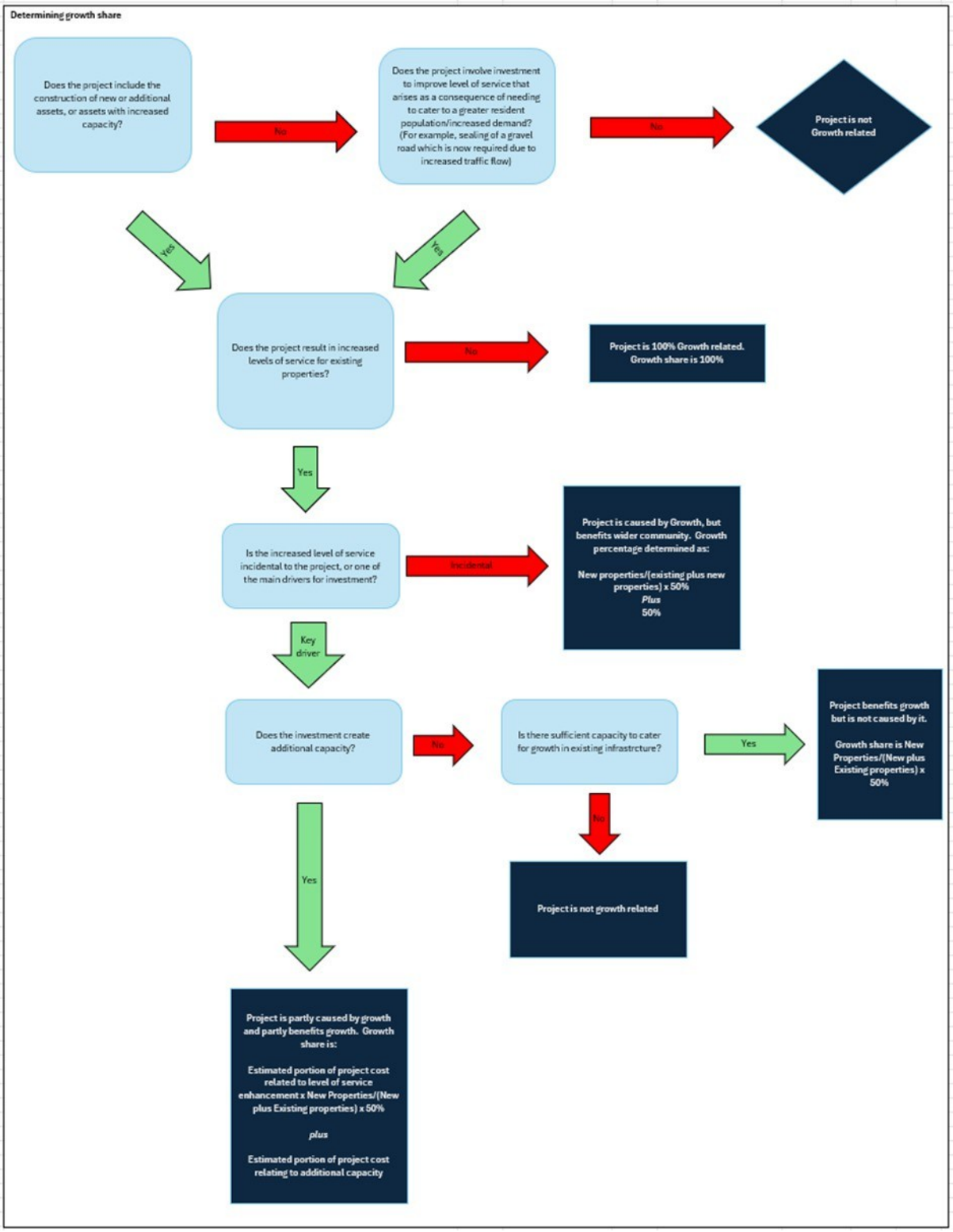


45.4. Once the GAC has been determined, an assessment is completed to determine the growth share of costs.

45.5. The growth share of costs is determined based on the extent to which growth causes the need for infrastructure ('exacerbator pays') and the extent to which the growth community benefits from the infrastructure ('beneficiary pays').

45.6. The exacerbator pays and the beneficiary pays principles have been assumed to be equally applicable for all infrastructure.

45.7. The following flow chart is used to identify the proportion of a project's GAC that is able to be recovered from the growth community:



45.8. Any remaining share is defined as 'unallocated' and is not funded by development contributions. This share is ultimately funded from rates (though debt may be used to finance this investment).

45.9. Capacity, useful life information and funding periods are used to determine the period over which contributions are identified to be collected.

45.10. The Funding Model (clause 46) is then used to identify the appropriate portion of the cost of growth (that which is allocated to the growth community) after considering all the factors outlined in Part J.

46. The Funding Model

Schedule 13

46.1. The purpose of the Funding Model is to ensure an equitable assessment of the funding requirements to support development contributions calculations and to provide a consistent and legislatively compliant methodology in accordance with Schedule 13 of the LGA.

46.2. The Funding Model determines the development contribution charge necessary to fund the total cost of the capital expenditure supporting growth.

46.3. The Funding Model takes that portion of gross costs allocated to the growth community by Project and calculates costs in relationship to the Growth Model projections (clause 48) by Household Unit Equivalents.

46.4. The resulting development contribution charges are calculated in accordance with the Methodology for calculating development contributions and are found in the Development Contributions Fees Schedule at clause19.

46.5. The Funding Model takes into account:

- **a.** the funding requirements to support the cost of growth infrastructure
- **b.** equitable application of those funding requirements to the incoming growth community
- **c.** interest on borrowing to implement growth infrastructure
- **d.** interest on contributions received in advance of provision of growth infrastructure.

Part K: Significant assumptions

47. Introduction

s201(1)(b)

47.1. Section 201(1)(b) LGA requires the Policy to state significant assumptions underlying the calculation of the schedule of development contributions. Throughout the process of determining the development contributions schedules of this Policy, Council has used the best available information at the time.

47.2. All relevant components of the assumptions provided in this section of the Policy are reviewed and updated as part of each statutory review. Any significant change to these assumptions may trigger an out of cycle review.

48. Growth

48.1. The Growth Model for the Far North District has been developed using:

- **a.** projections provided by Infometrics and Market Economics, for areas other than Kawakawa and Kaikohe, with adjustments made where necessary to reflect known areas of higher growth within the Far North District and was last reviewed in June 2022;
- **b.** estimated housing capacity to be unlocked in Kawakawa and Kaikohe through the associated funded capital works, as identified in funding application produced to secure funding from the Infrastructure Acceleration Fund.

48.2. The Growth Model assumes:

a. growth in the Far North is continuing to occur at a fast pace. Growth is particularly focussed in the Kerikeri and Waipapa areas. By 2054 FNDC's population is expected to grow from 73,500 to 83,187. The total business floor area will increase at a similar rate to population growth.

48.3. Growth projections are subject to uncertainties as to the quantum, timing and location of growth. Regular reviews will be undertaken as a key component of planning future network and community infrastructure requirements.

48.4. Te Pātukurea - Kerikeri Waipapa Spatial Plan provides substantial long-term analysis of the anticipated growth in those areas and guides Council's infrastructure planning and strategic activities.

48.5. Council's growth assumptions for the LTP inform the Asset/Activity Management Plans and capital expenditure budgets in the LTP. These have been made based on the best information available at the time of Policy development.

48.6. Additionally, Council's Infrastructure Strategy informs Council decision making in the short and long term and includes scenarios for the LTP and for an additional 2 years (for a total of 5 years).

48.7. The LTP details capital Projects to be undertaken over a 3-year timeframe. Development contributions include capital Projects (with a growth element) included within the LTP. In additions, projects beyond the LTP period where it has been identified that these are necessary to support growth scenarios in Te Pātukurea - Kerikeri Waipapa spatial plan, or where these were previously included in Council's LTP are also included in Policy. A long- term horizon has been used to develop the Growth Model, and various timeframes have been used for the development of Asset/Activity Management Plans in line with the expected life of the asset. Therefore, any single Project has a number of different variables that must be taken into account when calculating a development contribution.

48.8. The predicted rates of growth have been used to calculate growth in terms of HUEs. Predicted HUEs are shown per Activity and per Activity Catchment within the Funding Model. A HUE is defined as being equivalent to the demand generated by an average dwelling. It is recognised that household units vary throughout the District and the demands they generate have a broad range. Given the size of the Catchments used in calculating development contributions an implied averaging is used, this approach is considered appropriate in terms of the principles of development contributions and in accordance with Schedule 13 of the LGA.

49. Risks and growth-related assumptions

49.1. There is a risk that the Growth Model assumptions will not eventuate, resulting in a change to the assumed rate of development. The impact of any such changes on the total development contribution charge for each HUE will depend on the extent of any differences between projected and actual growth. To minimise this risk, Council will review growth assumptions regularly as part of this Policy's review. While these assumptions are reviewed every three years due to statutory review requirements, Council can also choose to undertake a review earlier if circumstances require.

49.2. That the lag between expenditure incurred by Council and contributions received is different from that assumed in the Funding Model and that the costs of capital Projects are greater than expected. This would result in an increased debt servicing cost. Conversely growth at a faster rate would reduce debt servicing and thus incurring lower charges in future policies.

50. Capital Projects – assumptions

50.1. To support anticipated growth, Council has assumed the budgeted capital Projects programme of the LTP and Infrastructure Strategy will be necessary. If the anticipated growth does not occur, it is most likely that the Capital Projects programme will be re-sequenced or subtly accelerated or slowed rather than substantially changed.

50.2. Capital Projects may be substituted within an Activity group or programme of projects that will not necessarily have an effect on the development contributions calculated for that Activity.

51. Estimated cost of capital expenditure

51.1. It is likely that actual expenditure will differ from estimated expenditure due to factors beyond Council's control, including, but not limited to:

- **a.** changes in the price of raw materials and labour; and
- **b.** the timing of capital Projects occurring

51.2. Council makes every effort to incorporate these variables into cost calculations and updates all relevant information to inform future reviews.

52. Interest rates

52.1. The interest rates used within the Funding Model are set in the LTP and are found in the Significant Forecasting Assumptions source documentation for interest received or paid to account for the borrowing Council has undertaken to complete capital projects in anticipation of growth requirements.

53. Level of Service

53.1. A Level of Service is the standard of a service that Council provides for each Activity.

53.2. The Activity/Asset Management Plans and their defined 'Level of Service' statements form the basis of identifying capital Projects required to meet projected growth.

53.3. Any requirement to increase the Level of Service for existing users will be funded by rates and other funding mechanisms and will not be funded by way of development contributions.

53.4. Where a project results in increased level of service for the future growth community, a portion of the project costs relating to that benefit may be recovered through development contributions.

54. Financial assumptions ss106(2B)(2C), 197

54.1. The following financial assumptions have been applied:

- **a.** all future Project costs are based on current known infrastructure prices at present value
- **b.** income generated from rates and user charges will be sufficient to meet the operating costs of growth-related capital expenditure into the future
- **c.** all New Zealand Transport Agency (Waka Kotahi) subsidies will continue at present levels and that eligibility criteria will remain unchanged; and
- **d.** the methods of service delivery will remain substantially unchanged.

54.2. All figures in the Development Contribution Charges Schedule (clause19) are expressed in 2025 dollars and these will be amended as appropriate in accordance with the Producer Price Index Outputs for Construction (PPI) on an annual basis.

54.3. For clarity, and as stated in clause 7.4, Council may vary the Schedules of Assets from time to time in accordance with s201A(5) of the LGA.

Section 1: Schedule of Assets

55. Introduction

55.1. All projects included in the schedules of assets for future capital expenditure are included in either Council's LTP or its Infrastructure Strategy.

55.2. This part contains the Schedules of Assets for which development contributions will be used.

55.3. The calculations and documentation supporting the capital expenditure are available for examination at the offices of Council.

56. Schedule of Assets – Growth related expenditure for current and future Projects included in the LTP

ss201A(3), 106(2)(d)

Planned expenditure covers current and future expenditure on Projects in the LTP (including those costs beyond the LTP period).

Catchment	Programme/ Project name	Planned capital expenditure	Planned capital expenditure funded from development contributions (% attributed to growth model)	Planned capital expenditure funded by other Sources (Project balance after DC)	Project Source
Water supply					
Kerikeri/ Waipapa	Waipapa Water Storage Upgrade	$300,000	$191,982 (64%)	$108,018	KKWSP
Kerikeri/ Waipapa	Kerikeri Water Source Connection Improvements to Lake Waingaro	$2,771,000	$1,773,272 (64%)	$997,728	LTP
Kerikeri/ Waipapa	Kerikeri Water Network Upgrade to Heritage Bypass	$11,757,000	$7,523,769 (64%)	$4,233,231	LTP
Kerikeri/ Waipapa	Kerikeri Water Treatment Plant Upgrade	$7,717,000	$2,469,207 (32%)	$5,247,793	LTP
Kerikeri/ Waipapa	Waipapa Water Treatment Plant Development	$10,000,000	$6,399,395 (64%)	$3,600,605	IS/LTP

Catchment	Programme/ Project name	Planned capital expenditure	Planned capital expenditure funded from development contributions (% attributed to growth model)	Planned capital expenditure funded by other Sources (Project balance after DC)	Project Source
Kaikohe	IAF Water supply reticulation upgrades	$4,085,036	$495,898 (12%)	$3,589,138	LTP
Kaikohe	IAF Water supply treatment upgrades	$10,696,278	$1,070,509 (10%)	$9,625,769	LTP
Kawakawa	IAF Water supply reticulation upgrades	$1,873,192	$416,547 (22%)	$1,456,645	LTP
Kawakawa/ Moerewa	IAF Water supply treatment upgrades	$9,899,612	$1,347,729 (14%)	$8,551,883	LTP
Water supply	**Subtotal**	**$59,099,118**	**$21,688,307**	**$37,410,811**	
Stormwater					
Kerikeri/ Waipapa	Kerikeri Stormwater Network 61 Cobham Road Extension Upgrades	$125,000	- (0%)	$125,000	LTP
Kaikohe	IAF Stormwater Controls and Stop Banks	$1,367,753	$101,508 (7%)	$1,266,245	LTP
Stormwater	**Subtotal**	**$1,492,753**	**$101,508**	**$1,391,245**	
Wastewater Services					
Kerikeri/ Waipapa	Kerikeri Wastewater Treatment Plant Upgrade - Stage 2 and 3 (KK/Waipapa))	$16,000,000	$10,239,032 (64%)	$5,760,968	IS/LTP
Kerikeri/ Waipapa	Kerikeri Wastewater Storage Pump	$600,000	$383,964 (64%)	$216,036	LTP

Catchment	Programme/ Project name	Planned capital expenditure	Planned capital expenditure funded from development contributions (% attributed to growth model)	Planned capital expenditure funded by other Sources (Project balance after DC)	Project Source
	Capacity Improvements				
Kerikeri/ Waipapa	Kerikeri Wastewater Network Upgrades	$28,000,000	$17,918,306 (64%)	$10,081,694	IS/LTP
Kaikohe	IAF Wastewater reticulation upgrades	$15,710,875	$6,582,618 (42%)	$9,128,257	LTP
Kaikohe	IAF Wastewater treatment upgrades	$6,549,031	$2,684,206 (41%)	$3,864,825	LTP
Kawakawa	Kawakawa WWTP Stream Diversion	$399,000	$139,410 (35%)	$307,536	LTP
Kawakawa	Kawakawa Wastewater Network Gravity System Redesign	$225,000	$15,723 (7%)	$259,590	IS/LTP
Kawakawa	IAF Wastewater reticulation upgrades	$11,655,719	$3,249,941 (28%)	$8,405,778	LTP
Kawakawa	IAF Wastewater treatment upgrades	$7,961,937	$1,880,839 (24%)	$6,081,098	LTP
Wastewater Services	**Sub-Total**	**$87,101,562**	**$43,094,038**	**$44,007,524**	
Roading and Transport					
Bay of Islands - Whangaroa	Standalone Kerikeri CBD Bypass	$20,000,00	$10,893,666 (54%)	$9,106,334	IS/LTP
Bay of Islands - Whangaroa	Opua to Paihia (Northland Integrated Cycling Implementation Plan) - Extension of the Twin Coast Cycle trail	$769,542	$138,848 (18%)	$630,694	LTP

Catchment	Programme/ Project name	Planned capital expenditure	Planned capital expenditure funded from development contributions (% attributed to growth model)	Planned capital expenditure funded by other Sources (Project balance after DC)	Project Source
Bay of Islands - Whangaroa	Pou Herenga Tai (Twin Coast Cycle trail) Opua to Taumarere replacement	$8,874,247	$1,590,354 (18%)	$7,283,893	LTP
Bay of Islands - Whangaroa	Waitangi to Kerikeri (Northland Integrated Cycling Implementation Plan)	$1,022,978	$184,576 (18%)	$838,402	LTP
Roading and Transport	**Sub-Total**	**$30,666,767**	**$12,807,444**	**$17,859,323**	
GRAND TOTAL		**$178,360,200**	**$77,691,297**	**$100,668,903**	

Section 2: Catchment Areas

56.1. Catchment areas used for the assessment of development contributions are shown in the maps presented in this section of the Policy. Developments on properties located within these catchment areas, are liable for development contributions:

a. for Roading and Stormwater services

b. for Water and Wastewater services if a council provided water or wastewater scheme that is predominantly located within these areas is available.

56.2. For avoidance of doubt, development occurring outside of the Catchment areas, but which is able to connect to a water or wastewater network that is predominantly located within the mapped Catchment areas, will also be liable for development contributions for the relevant Activity.

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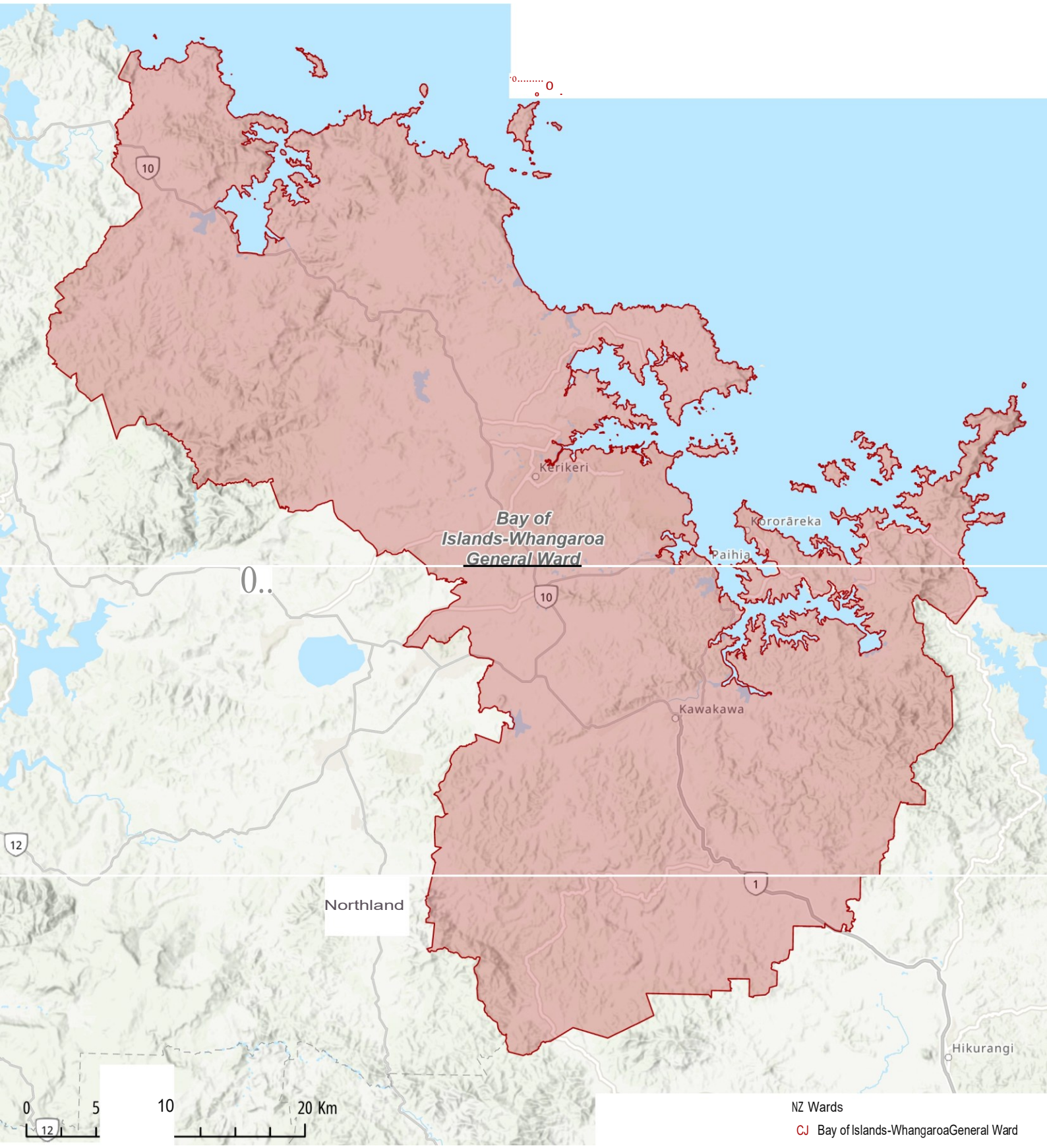
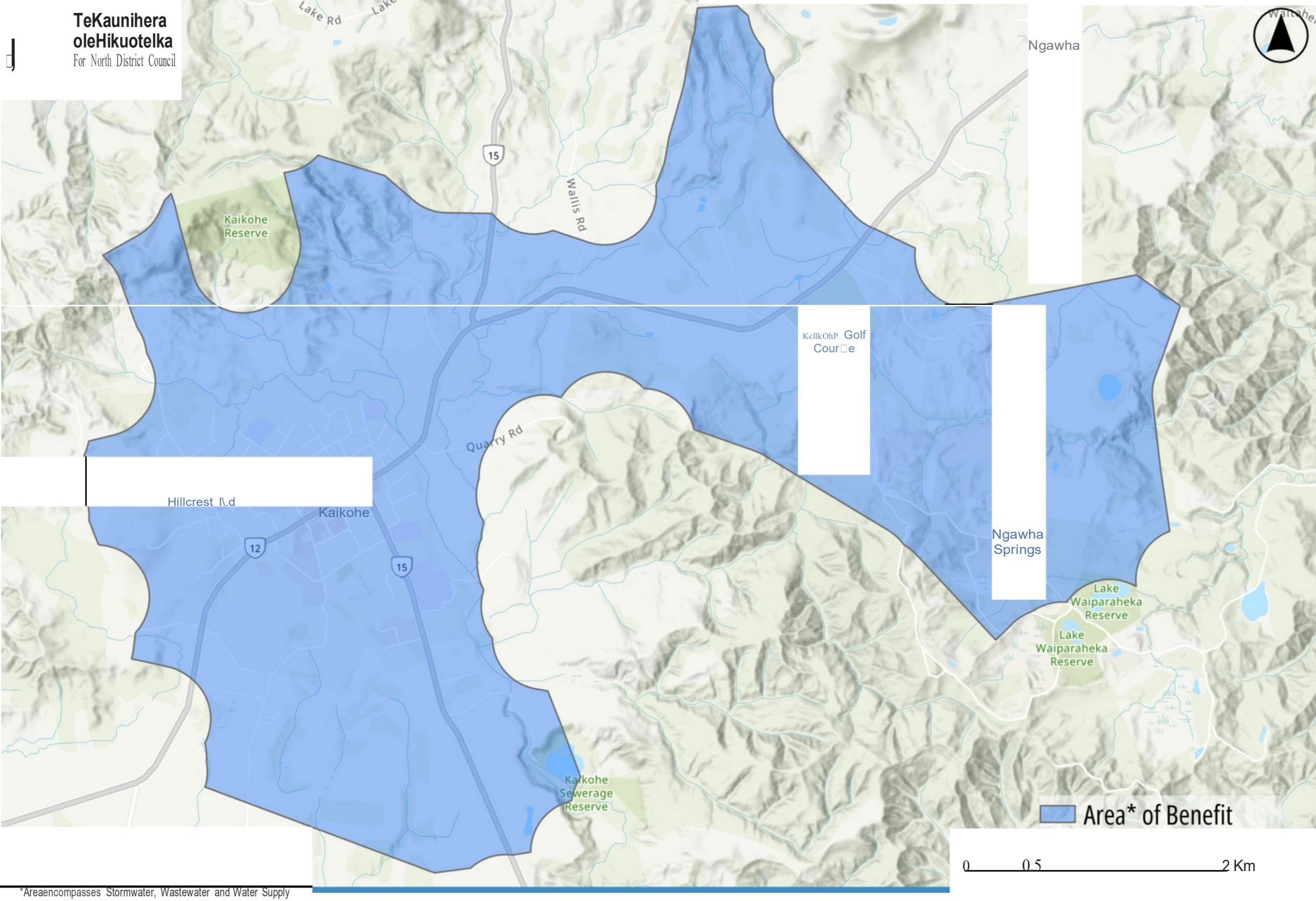


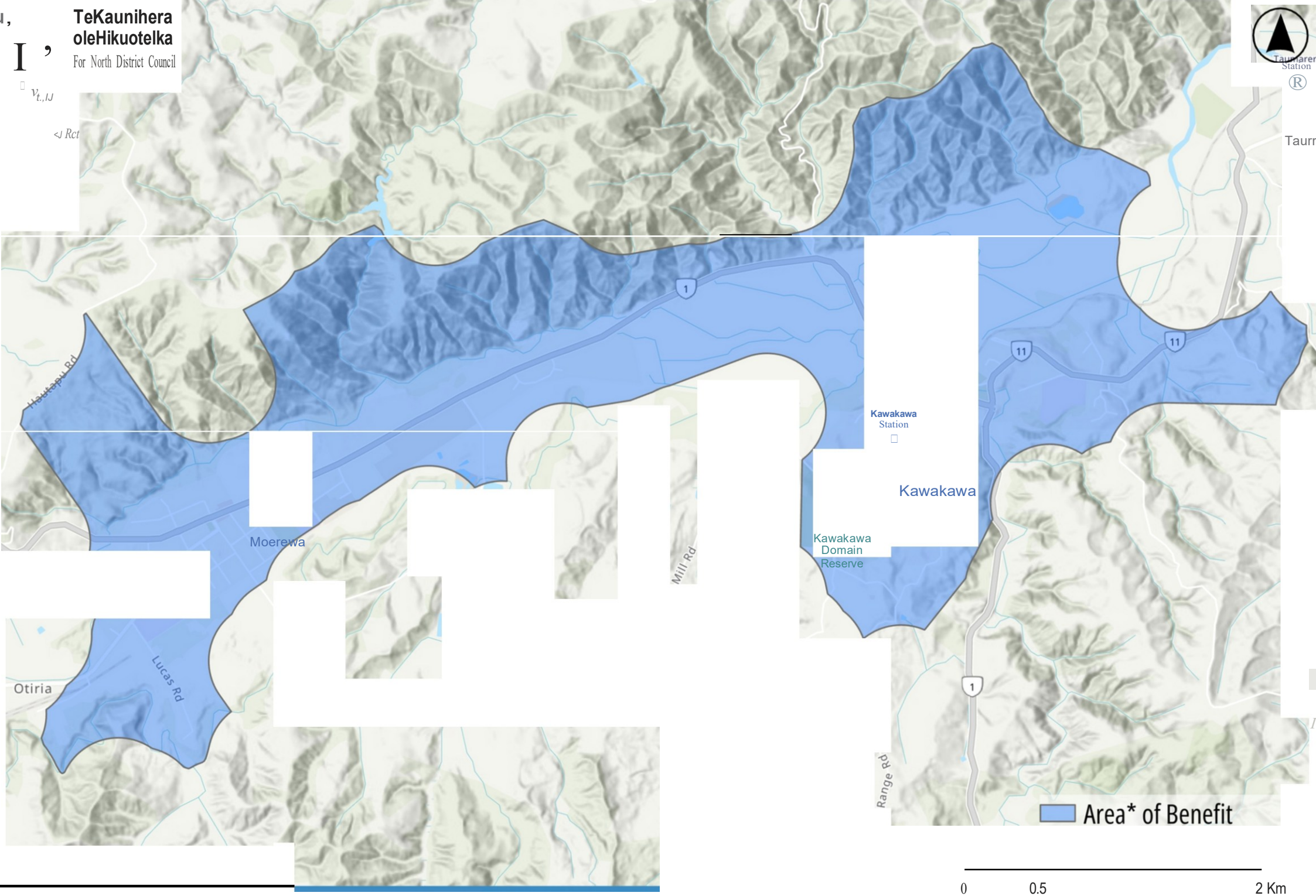
NZ Wards

CJ Bay of Islands-WhangaroaGeneral Ward

Area of Benefit (Roading): Bay of Islands - Whangaroa Ward



*Areaencompasses Stormwater, Wastewater and Water Supply



*Areaencompasses Stormwater, Wastewater and Water Supply

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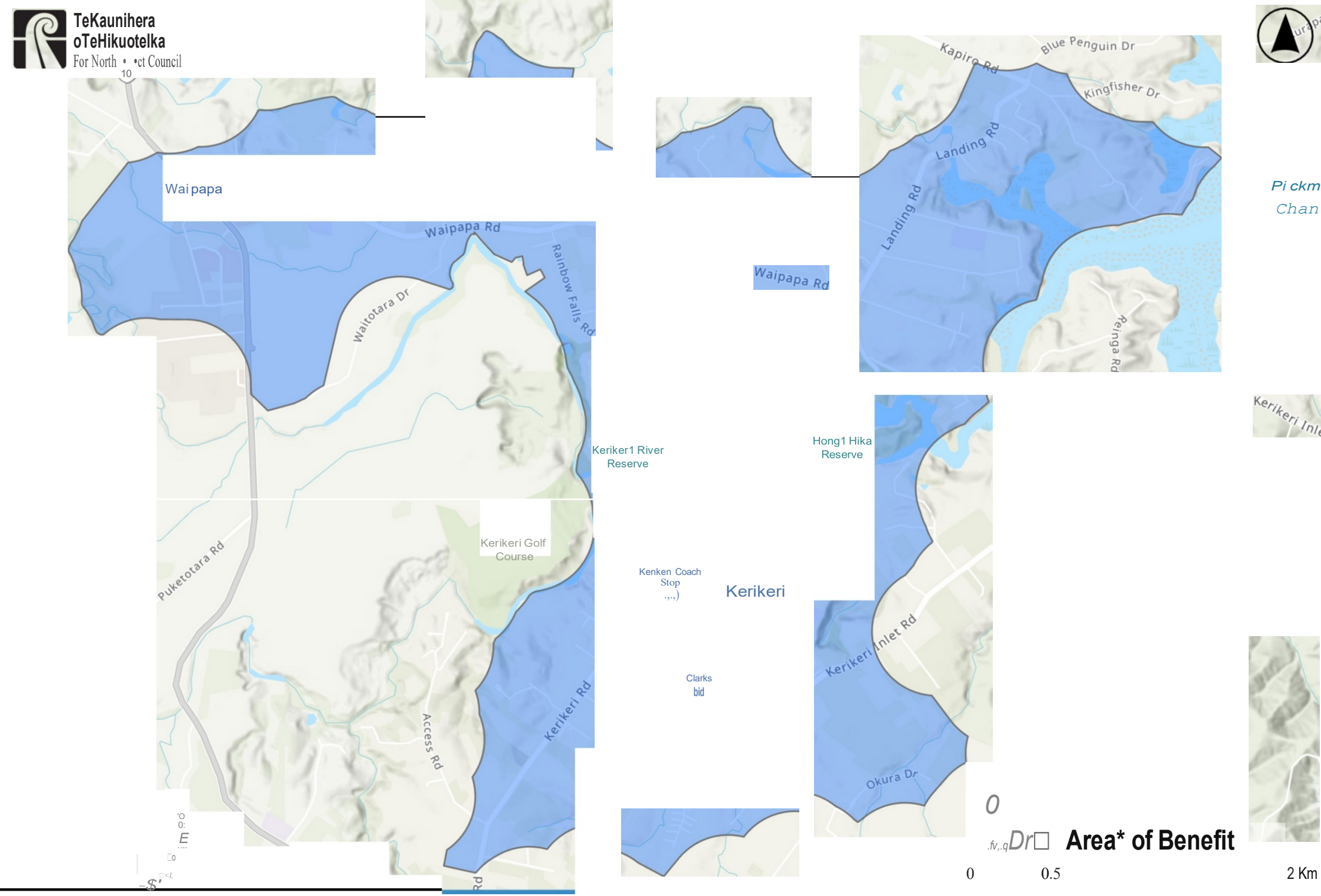

Area* of Benefit

0 0.5 2 Km

*Areaencompasses Storm□Ter, Wastewater and Water Supply