

Consultation Document – Proposal to amend the Revenue and Financing Policy 2024

Introduction

The Far North District Council (Council) is proposing to amend its Revenue and Financing Policy 2024 (**RFP**) to enable the lawful collection of development contribution that from 29 May 2026.

This consultation document has been prepared in accordance with section 82 of the Local Government Act 2002 (**LGA**) to inform the community about the proposed amendment and invite feedback before Council makes its final decision.

The proposed amendment is necessary to give effect to Council's decision on 7 October 2025 to adopt and implement the Utu Whakawhanake Development Contributions Policy 2025 (**UWDCP**), with commencement delayed until 29 May 2026.¹

What is Council proposing?

Council proposes to amend a paragraph on page 4 of the RFP (**Table 1**), to reinstate development contributions as a funding source for growth-related capital infrastructure. The amendment:

- changes one paragraph on page 4 of the RFP to reinstate development contributions as a funding source
- is legally required before Council can implement the UWDCP adopted on 7 October 2025
- ensure those creating demand for new or upgraded infrastructure due to their development contribute a fair share of the costs
- protects existing ratepayers from bearing the full cost of growth-related infrastructure
- aligns with legislative requirements, Council's strategic objectives, community outcomes, and funding principles.

Benefits of the Amendment

- **Intergenerational Equity:** Ensures current ratepayers are not subsidising infrastructure for future residents
- **Financial Sustainability:** Provides an additional, targeted revenue stream for growth infrastructure
- **Rate Relief:** Will eventually reduce pressure on general rates by attributing growth costs to development
- **Infrastructure Delivery:** Enables Council to fund necessary infrastructure to support sustainable growth

¹ Far North District Council. (7 October 2025). *Unconfirmed Council Meeting Minutes held on 7 October 2025. Resolution 2025/136 on the Utu Whakawhanake Development Contributions Policy Analysis of Submissions Adoption of Policy*. Extraordinary Council Meeting minutes. Far North District Council. Infocouncil.

- **Transparency:** Creates a clear, legislatively governed funding mechanism with defined calculation methodologies
- **Fairness:** Allocates infrastructure costs proportionately to those creating demand

Table 1: Proposed amendment to the Revenue and Financing Policy 2024

Current Text	Proposed Amendment
"While the council has resolved to continue to suspend the charging of development contributions for this LTP. Outstanding contributions charged prior to the suspension of the 2015 Development Contributions Policy will continue to be received with respect to consents granted prior to the suspension of the policy in 2015."	"The council has resolved to reinstate the charging of development contributions for this LTP. Outstanding contributions charged prior to the suspension of the 2015 Development Contributions Policy will continue to be received."

What decision does Council need to make?

Following consideration of submission received during this consultation, Council will decide whether to:

- Adopt the proposed amendment to the RFP, as presented; or
- Adopt the proposed amendment with modifications in response to submissions; or
- Not proceed with the proposed amendment.

Council's Decision-making Process

Table 2: Council's decision-making process for the Revenue and Financing Policy 2024 Amendment process

Date	Decision
7 October 2025	Council adopts the UWDCP, with commencement delayed to 29 May 2026 (Resolution 2025/136) ² .
Current stage	Public consultation on the proposed RFP amendment (section 82 LGA process)
Following consultation	Council will consider submissions and make final decision on the amendment.
29 May 2026	If the amendment is adopted, development contribution collection through the UWDCP will commence.

Context and Situation

Background

The Far North District has experienced significant growth pressures, particularly in certain communities and areas. This growth creates demand for new infrastructure and increased capacity in existing infrastructure networks, including water supply, wastewater treatment, stormwater systems, roads, reserves, and community facilities.

Since 2015, Council has suspended the collection of development contributions, only enabling collection through development agreements. During this period, the cost of providing growth-related infrastructure has been funded primarily through general rates, meaning existing ratepayers have borne the majority of full cost for infrastructure required to service new development.

This proposal is the result of Council resolution made at the Council meeting held on 11 December 2025, where Council chose **Option 1** (see **Table 3** below). This option best achieves fairness, financial stability, and compliance with legislative requirements.

Table 3: Reasonably practicable options

Option	Benefits	Cost
1. Endorse proposed amendment to the RFP (Attachment 2) and agree to consult on the draft RFP (Attachment 4) using the section 82 LGA public consultation process.	<ul style="list-style-type: none">Aligns with the LTP and Far North 2100 strategic goalsEnables the lawful collection and sustainable funding for capital works growth-related projects.Aligns with previous Council direction and decisionsEnsures policy and legislative compliance and alignment	<ul style="list-style-type: none">None identified
2. Status quo. Do not endorse the proposed amendment to the RFP.	<ul style="list-style-type: none">None identified	<ul style="list-style-type: none">Will not enable the lawful collection of development contributions to provide a more sustainable funding mechanism for capital works growth-related projects.Does not align with previous Council direction and decisions – reputational riskDoes not reflect prudent use of Council resources.Council's Policy, and strategic directions are misaligned and contradictory.

Why is the amendment necessary?

Legislative Requirement

The LGA requires that before Council can lawfully collect development contributions, the RFP must explicitly provide for development contributions as a funding source. Without this amendment, Council cannot legally implement the UWDC Policy adopted on 7 October 2025.

Intergenerational Equity

The reinstatement of development contributions aligns with the fundamental principle that "each generation of ratepayers should pay for the services they receive" – one of Council's core funding principles set out in the RFP³.

Currently, existing ratepayers are subsidising infrastructure for new development. This creates an inequitable burden on current residents who are paying for infrastructure that will primarily benefit future residents and property owners.

Financial Sustainability

The Far North District faces significant infrastructure funding challenges. Te Pae Tata Three Year Long Term Plan 2024-2027 identifies substantial capital investment requirements to maintain, upgrade, and expand infrastructure networks⁴.

Without the ability to implement the UWDCP, the full cost of growth-related infrastructure falls on the existing rating base, contributing to:

- Higher rates for existing ratepayers
- Increased borrowing levels
- Potential deferral of essential infrastructure projects
- Reduced capacity to address existing infrastructure deficits

Consultation Procedure (Section 82 LGA)

Section 82 of the LGA provides Council with the discretion of determining the length of consultation. Council have determined that the consultation period for this proposal will be a period of 4 weeks from 19 January 2026 to 15 February 2026.

The Council encourages any person or organisation affected by or having an interest in this proposed amendment to the RFP to send their views to the Council by making a submission.

How to give your views on the proposal

You can make a submission by using any of the following methods:

1. online at the Council's website www.fndc.govt.nz/have-your-say
2. email your submission to submissions@fndc.govt.nz
3. drop-off your submission at any Council service centre or library, details of their locations and opening times are listed at <https://www.fndc.govt.nz/Council/Contact-council> or you can get that information by phoning the Council on 0800 920 029

³ Far North District Council. (June 2024). *Revenue and Financing Policy 2024*, p. 2. Funding principles.

⁴ Far North District Council. (2024). *Te Pae Tata Three-Year Long Term Plan 2024-2027*. Far North District Council.

4. post your submission to: Strategy and Policy Team, Far North District Council, Private Bag 752, Kaikohe 0440

Please include your full name and email address or postal address in your submission if you want:

1. the Council to acknowledge receipt of your submission
2. to make a verbal submission – you will be contacted to confirm your attendance and speaking time closer to the date.

Any submissions that are out of scope, offensive, inappropriate, or late may not be accepted by the council. You will be notified if your submission is not accepted and, where appropriate, invited to resubmit.

Privacy statement – Please be aware, any submissions that are made on the proposed amendment to the Revenue and Financing Policy 2024, become part of the public consultation process. As such, all submissions, any summaries of submissions, and any documents provided with your submission, are copied and made available to the Council's governing body as well as the public. Any personal information included with a submission such as your name is treated as part of the submission and will also be released publicly. Your submission and any personal information that you supply such as your name will not be treated as confidential unless you specifically request it in your submission.