

Summary Document: Proposed draft Utu Whakawhanake - Development Contributions Policy 2025

1. Bringing Back Development Contributions: Why Now?

The Far North District is on the cusp of an important change, with the proposed draft *Utu Whakawhanake – Development Contributions Policy 2025* (draft Policy) enabling a return to collect development contributions (DCs) after a decade-long break.

DCs ensure that as new subdivisions and development projects create extra demand on Councils infrastructure networks (like roads, water, wastewater and stormwater etc.) it's the developers who pay the growth component of these infrastructure costs, and not just ratepayers.

This change aims to support fairness and ensure that growth pays for growth. For a deeper dive into context or definitions, see the Supporting Report and Parts A and B of the draft Policy.

2. How the draft Policy works: Calculating Fairness

Over the last ten years, all new infrastructure built to support growth has been primarily funded by ratepayers and external infrastructure funding through various Government Agencies / Departments and formalised development agreements. Council believes that funding infrastructure attributable to growth this way is unsustainable and unequitable.

The draft Policy shifts the financial load attributable to growth back onto developers. DCs apply to both residential and non-residential subdivision, change of use, building, and service connections, with all the details spelt out in the draft Policy, and covers Council's networks infrastructure.

Fees are worked out using 'Household Unit Equivalents' (HUEs), a method that matches the charge to the demand a development creates. The specifics are found in Clause 17 and Clause 19 of the draft Policy and explained with worked examples in the Supporting Report.

3. Putting Equity and Affordability Front and Centre

A standout feature of the draft Policy is its focus on equity and affordability (see Parts G and H of the Policy).

The draft Policy improves affordability in low-growth areas by using housing capacity, rather than only population projections to set charges where this better reflects actual development demand.

Furthermore, while there is no blanket provision to delay payments, the draft Policy allows for payment plans as part of Council's internal debt recovery processes, enabling developers to manage cashflows while ensuring Council can recover costs in a timely manner.

Along with the statutory exemptions for Crown and Council developments, Council is required under section 102(3A) of the LGA to ensure that the Policy supports the principles of the Preamble to Te Ture Whenua Maori Act 1993. Using its discretionary powers to meet this requirement along with its broader statutory obligations, Council have decided to exempt papakāinga developments and housing developments on Māori land from development contributions. Reasoning for this decision is provided at clause 34.4 of the draft Policy.

4. Linking Up with Council Strategies and the Law

The draft Policy has been drafted to comply with the applicable provisions of the Local Government Act 2002 and Council's big-picture strategies, including the Far North 2100, Te Pae Tata Three-Year Long Term Plan, the Infrastructure Strategy and Te Pātukurea – Kerikeri Waipapa Spatial Plan. This alignment (explained further in Part G of the draft Policy) means future planning, funding, and growth management remain consistent, strategic, and legally compliant.

5. Open and Accountable: Consultation and Community Voice

Transparency sits at the heart of the draft Policy. The community will have clear opportunities to offer feedback and raise concerns, under the LGA's mandated consultation process.

The draft Policy also contains the grounds and processes for developers to lodge objections and reconsiderations for DC charges (see Parts D and E for the full process).

Regular policy reviews are built in, and all calculations, fee schedules, and outcomes will remain open for public scrutiny.

6. Staying Flexible: Risks, Limitations, and Long-Term Adaptability

Every Council financial policy comes with risks and its own set of assumptions, especially around growth projections. As a financial policy itself, the draft Policy is no different. It recognises that there is a chance that not all planned growth may happen, leading to underfunding or, on the flip side, that high DCs might slow development or over collection. To keep things fair and financially secure, regular reviews are required. For more detail on risk management see Part K of the Policy.

7. In a Nutshell: A Fair Deal for Growth

At its core, the draft Policy is about fair, transparent, and responsible sharing of infrastructure costs. Those benefiting from new development will help pay for the necessary roads, pipes, and community facilities, making the district stronger and more sustainable for everyone. For detailed numbers, worked examples, or a look into how decisions have been made, head to the Supporting Report and the relevant sections of the draft Policy.

8. We want to hear from you

Council must decide:

- whether or not to adopt the Policy and
- whether they need to make changes before making that decision.

Your feedback will help Council to make those decisions with confidence.

The Council encourages any person or organisation affected by or having an interest in development contributions to present their views on the proposal and or draft Policy to the Council by making a submission.

9. How to give your views on the proposal

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

- online at the Council's website www.fndc.govt.nz/have-your-say
- email your submission to submissions@fndc.govt.nz
- drop-off your submission at any Council service centre or library, details of their locations and opening times are listed at www.fndc.govt.nz/contact or you can get that information by phoning the Council on 0800 920 029
- post your submission to: Strategy and Policy Team, Far North District Council, Private Bag 752, Kaikohe 0440
- make a verbal submission at a meeting of Council on 3 September 2025.

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

- the Council to acknowledge receipt of your submission
- to make an verbal submission – you will be contacted about when and where the meetings for this are taking place.

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 draft ***Utu Whakawhanake – Development Contributions Policy 2025***, 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.