

## Attachment 1

### Statement of Proposal:

To make the new draft Utu Whakawhanake – Development Contributions Policy 2025 and replace the Development Contributions Policy 2015.

### Introduction

This Statement of Proposal (SOP) is prepared in accordance with section 83 of the Local Government Act 2002 (LGA), which requires the use of the special consultative process for the adoption of a significant Council decision. The Far North District Council is proposing to replace its Development Contributions Policy 2015 in its entirety, by adopting the draft Utu Whakawhanake – Development Contributions Policy 2025. This SOP explains the reasons for the proposal, the options considered, and how the public can provide feedback.

### 1. Background and Context

The Far North District is experiencing sustained growth, requiring significant investment in infrastructure. In response, Council is reintroducing development contributions to ensure those undertaking development contribute fairly to the costs associated with growth. Development Contributions were previously suspended in 2014 due to slowed growth Council are now proposed for reintroductions due to renewed demand.

### 2. What is a development contribution and why is Council wanting to reintroduce them?

Development contributions (DCs) are charges levied on new development by councils to help fund the infrastructure required to support growth, such as roads, water supply, wastewater, stormwater, and community facilities.

Currently all growth-related infrastructure is primarily funded by ratepayers and external infrastructure funding through various Government Agencies / Departments and formalised development agreements. Council believes that funding infrastructure this way is unsustainable and unequitable.

To require and collect development contributions Council must have a development contributions policy that complies with and is adopted under the LGA. The proposed draft Utu Whakawhanake – Development Contributions Policy 2025 (the Policy) has been drafted to align with Council's strategic documents, such as *Far North 2100*, *Te Pae Tata – Three Year Long Term Plan*, Council's *Infrastructure Strategy* and the newly adopted *Te Pātukurea – Kerikeri Waipapa Spatial Plan* to ensure consistency of direction and objectives.

The purpose of the draft Policy is to enable Council to recover a fair, equitable, and proportionate share of the capital expenditure required to service growth in the Far North District. The proposed draft Policy will apply to all developments that generate additional demand for infrastructure, including subdivisions, new buildings and changes in land use as enabled by the LGA.

### 3. Reasons for the Proposal

This proposal is the result of Council resolution ref: [2024/157](#), at the Council meeting held on 14 November 2024. At that meeting Council determined to develop a new Development Contributions Policy to replace the current 2015 Policy. Other reasons why Council is proposing this are:

- **Growth pressure:** Ongoing population and business growth is driving increased demand for infrastructure.
- **Equity:** Development contributions ensure that the cost of growth are paid for by those who create the demand on or for infrastructure, rather than existing ratepayers.
- **Financial Sustainability:** Without development contributions, the cost of growth-related infrastructure would fall disproportionately on existing ratepayers, which is unfair and unsustainable.

Before Council can decide to adopt the draft Utu Whakawhanake – Development Contributions Policy 2025, Council must undertake public consultation in accordance with section 83 of the Local Government Act 2002 to seek public feedback and determine whether:

- public endorse the draft Utu Whakawhanake – Development Contributions Policy 2025
- or whether the proposed draft Policy requires further changes based on the feedback received.

### 4. Summary of the Proposed draft Policy

- **Scope:** The policy enables Council to recover a fair, equitable, and proportionate share of the costs of capital expenditure necessary to service growth.
- **Activities Covered:** Contributions may be required for network infrastructure (roading, water supply, wastewater, stormwater), reserves, and community infrastructure (libraries, sports fields, public toilets).
- **Assessment Method:** Charges are based on Household Unit Equivalents (HUEs), reflecting the demand generated by an average household or equivalent non-residential activity.
- **Provisions:** The policy includes provisions for credits, remissions, postponements, refunds, reconsiderations, objections, and development agreements.
- **Exemptions:** Certain developments are statutorily exempt such as 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.

### 5. Analysis of reasonably practicable options considered

**Council chose Option 1:** and adopted the proposed draft Policy at the 31 July 2025 Council meeting for public consultation under section 83 of the LGA. This option best achieves fairness, financial stability, and compliance with legislative requirements.

Option	Advantages	Disadvantages
1. Adopt the Statement of Proposal in <b>Attachment 1</b> that includes the proposed draft Policy 2025.	<ul style="list-style-type: none"><li>• Enables public input and supports transparent decision-making</li><li>• Positions Council to adopt before October 2025 elections</li></ul>	<ul style="list-style-type: none"><li>• May attract developer opposition</li><li>• Council may experience an influx of development applications to ensure they are exempt from any</li></ul>

	<ul style="list-style-type: none"> <li>• Achieves legal and best practice compliance</li> <li>• Aligns with Council's strategic documents, objectives and directions</li> <li>• Provides DC revenue certainty for Council's future financial forecasting</li> <li>• Provides strong indicators to developers and ratepayers</li> </ul>	new development contributions.
2. Status Quo – Retain the current 2015 Policy	<ul style="list-style-type: none"> <li>• None Identified</li> </ul>	<ul style="list-style-type: none"> <li>• May attract criticism for Council's inaction and perpetuate financial inequities between ratepayers and developers</li> <li>• Does not comply with legislation</li> <li>• Does not provide equity, transparency or accountability</li> <li>• Does not align with previous Council decisions and directions</li> <li>• Does not reflect Council's best use of resources</li> </ul>
3. Defer adoption of the SOP and proposed draft Policy for further amendments to the draft Policy	<ul style="list-style-type: none"> <li>• Provides Council staff to engage with targeted audiences</li> </ul>	<ul style="list-style-type: none"> <li>• Will not meet the adoption date deadline prior to the end of the triennium</li> <li>• Does not reflect Council's best use of resources</li> <li>• Prolongs implementation</li> <li>• Prolongs certainty for future financial forecasting</li> </ul>

## 6. Special Consultative Procedure (Section 83 LGA)

Section 83 of the LGA stipulates that there must be a minimum one month for consultation. Therefore, consultation will open on **01 August 2025** and close **31 August 2025**. Verbal submissions are scheduled to take place on **3 September 2025**.

The Council encourages any person or organisation affected by or having an interest in development to present their views on the proposed draft Utu Whakawhanake – Development Contributions Policy 2025 to the Council by making a submission.

## 7. 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](http://www.fndc.govt.nz/have-your-say)

- email your submission to [submissions@fndc.govt.nz](mailto: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 <https://www.fndc.govt.nz/Council/Contact-council> 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 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 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.