

# **ATTACHMENTS**

**UNDER SEPARATE COVER 1**

**Ordinary Council Meeting**

**3 May 2024**

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# **TAUPŌ DISTRICT**

## **DEVELOPMENT CONTRIBUTIONS**

### **POLICY 2024**

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**ADOPTION, APPLICATION AND REVIEW OF THE POLICY**

This Development Contributions Policy (the Policy) was adopted by Taupō District Council (Council) on [insert date] with effect from [insert date]. The Policy will be reviewed on a three-yearly basis but may be updated at shorter intervals if Council considers it necessary. See the Council website: [www.taupodc.govt.nz](http://www.taupodc.govt.nz) for further information.

**REVOCATIONS**

The Taupō District Council Development Contributions Policy 2021 is revoked when the Development Contributions Policy 2024 comes into force.

# INTRODUCTION

## PURPOSE OF THE POLICY

1. Population and business growth create the need for new subdivisions and developments in our District, and this growth places increasing demands on the assets and services provided by Taupō District Council (Council). As a result, significant investment in new or upgraded assets and services is required to meet the demands of growth.
2. The purpose of the Policy is to ensure that the cost of that infrastructure is funded by development with the overarching guiding principle that **“Growth-Pays-For-Growth”**. The objective is to:
  - enable Council to provide the additional infrastructure capacity required to service growth.
  - provide an integrated approach to network management when designing and delivering growth-related infrastructure activities.
  - provide a transparent method for calculating development contributions provide a consistent application of development contribution charges.
  - support the principles set out in the preamble to Te Ture Whenua Māori Act 1993.
3. Council intends to achieve these objectives by levying development contributions under the Local Government Act 2002 (LGA) for extending existing services or supplying new services in relation to transportation, water, wastewater, and reserves in the catchment areas set out in Part 3.

## NAVIGATING THIS DOCUMENT

4. This Policy outlines Council’s approach to funding development infrastructure via development contributions under the LGA.
5. This Policy has three main parts:
  - Part 1: Policy operation
  - Part 2: Policy background and supporting information
  - Part 3: Catchment maps for the development contributions

## PART 1: POLICY OPERATION

6. Part 1 provides information needed to understand if, when, and how development contributions will apply to developments. It also explains peoples’ rights and the steps required to properly operate the Policy.
7. The key sections of Part 1 are:
  - Definitions
  - The charges

- Liability for development contributions
- When development contributions are levied
- Determining infrastructure impact
- Review rights
- Other operational matters

## **PART 2: BACKGROUND AND SUPPORTING INFORMATION**

8. Part 2 provides the information needed to meet the accountability and transparency requirements of the LGA for the Policy, including explaining Council's policy decisions, how the development contributions were calculated, and what assets the development contributions are intended to be used towards.
9. The key sections of Part 2 are:
  - Requirement to have the Policy
  - Funding summary
  - Funding policy summary
  - Catchment determination
  - Significant assumptions of the Policy
  - Cost allocation
  - Calculating the development contributions
  - Schedule 1 Future assets and programmes funded by development contributions
  - Schedule 2 Past assets and programmes funded by development contributions

## **PART 3: CATCHMENT MAPS**

10. Part 3 provides the catchment maps that show where the development contributions in the Policy apply.

## Part 1: Policy Operation

### DEFINITIONS

11. In this Policy, unless the context otherwise requires, the following applies:

**24-hour aged care facilities** means rest homes providing full 24-hour care with residents requiring high levels of help and high staff ratios due to the level of care provided.

**Accommodation unit** means units, apartments, rooms in one or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation. These are distinct from commercial accommodation units or retirement units as separately defined below.

**Activity** means the provision of facilities and amenities within the meaning of s8 of the Infrastructure Funding and Financing Act 2020, namely water services infrastructure, transport infrastructure, community infrastructure, and environmental resilience infrastructure, and reserves.

**Allotment (or lot)** has the meaning given to allotment in s218(2) of the RMA.

**Asset Management Plan** means a Council plan for the management of assets within an activity that applies engineering and financial management techniques to ensure that specified levels of service are provided in the most cost-effective manner over the full life-cycle of each asset.

**Backlog** means the portion of an activity's cost or capacity required to rectify an existing service level shortfall without growth.

**Capacity life** means the number of years that an infrastructure activity will have spare capacity to accommodate growth in demand, including additional demand arising from developments.

**Catchment Area** means the areas in our District where development contributions charges are set and charged.

**CBD** means the Taupō Town Centre Pedestrian Precinct as per the Taupō District Plan.

**Commercial Accommodation - temporarily occupied** means a unit in a commercial accommodation establishment or facility that offer lodging or temporary accommodation services to paying guests or customers. Such establishments typically include hotels, motels, serviced apartments, lodges, hostels, bed and breakfasts, resorts, and other similar establishments.

**Commercial Accommodation – permanently occupied** means a unit in a commercial accommodation establishment or facility that is used as a permanent accommodation by paying customers or employees of that same establishment.

**Commercial activity** means any activity associated with (but not limited to): communication services, financial services, insurance, services to finance and investment, real estate, business services, central government administration, public order and safety services, tertiary education provision, local government administration services and civil defence, and commercial offices.

**Community facilities** means reserves, network infrastructure, or community infrastructure and buildings as defined in the LGA.

**Cost Allocation** means the allocation of the capital costs of an activity to its different drivers, including renewal, backlog, and providing additional capacity for growth.

**Council** means Taupō District Council.

**Destination Parks** means the premier parks such as Owen Delany Park, Tongariro Domain, Tūrāngitukua and lakefront reserves, which are focal points for the whole district and visitors.

**Development** means any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure (but does not include the pipes or lines of a network utility operator).

**District** means the Taupō District.

**Gross floor area (GFA)** means 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, liftwells or stairwells) measured:

- where there are exterior walls, from the exterior faces of those exterior walls;
- where there are walls separating two buildings, from the centre lines of the walls separating the two buildings;
- where a wall or walls are lacking (for example, a mezzanine floor) and the edge of the floor is discernible, from the edge of the floor.

[See the National Planning Standards 2019.](#)

**High users of water / high discharge of wastewater** means non-residential developments likely to use more than 5m<sup>3</sup> of water or likely to discharge more than 2m<sup>3</sup> of wastewater per day.

**Household unit equivalent (HUE)** means demand for Council services equivalent to that produced by a nominal household in a standard residential unit.

**Industrial activity** means 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 and associated land.

**Industrial environment** means those areas zoned as Industrial Environment in the Taupō District Plan.

**Kaumātua Housing** means housing for Māori over the age of 65 years situated on Māori land administered under the Te Ture Whenua Māori Act 1993 and on the same site as Marae or Papakāinga.

**LGA** means the Local Government Act 2002.

**Local Parks** means neighbourhood or community parks in the vicinity of the development being charged defined as:

- **Neighbourhood Parks** means small recreation spaces with a basic playground that is within walking distance of most urban residential properties.
- **Community Parks** means large recreation spaces with more facilities that is a short drive or cycle from most urban residential properties and that services a large community catchment such as Te Kaupua Park, Beasley Park, Pihanga Reserve, Wharewaka Point Reserve, Secombe reserve, Mangakino Lakefront Reserve, Kinloch Lakefront Reserve.

**LTP** means the Long-term Plan 2024-34.

**Māori land** means as being either:

- Māori customary land (Te Ture Whenua Māori Act 1993);
- Māori freehold land (Te Ture Whenua Māori Act 1993);
- Crown land reserved for Māori (Te Ture Whenua Māori Act 1993);
- General land owned by Māori that is beneficially owned by more than ten Māori either individually or through a Māori incorporation, Māori Trust Board, Settlement Trust, subsidiary or other similar legally incorporated Māori entity;
- General land that ceased to be Māori land under Part 1 of the Māori Affairs Amendment Act 1967; where the land is 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.

**Minor residential unit** means a second residential unit of less than 60m<sup>2</sup> of gross floor area on an allotment.

**Network infrastructure** means the provision of transportation (roading, public transport, and active modes such as walking and cycling), water and wastewater infrastructure.

**Papakāinga** means:

- Any residential unit erected to exclusively house members of the same whanau, hapū or iwi on land which is owned by the whanau, hapū, or iwi, and;

- Is located on Māori land within the meaning of S129 (1) (a, b or c) of Te Ture Whenua Māori Land Act 1993, and
- Is consistent with any licence to occupy Māori land that has been issued by the Māori Land Court.

**Policy** means this Development Contributions Policy.

**Renewal** means the portion of activity expenditure already funded via depreciation of the existing asset.

**Reserves** has the meaning given to reserve or public reserve in the Reserves Act 1977.

**Residential unit** means building(s) or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities. [See the National Planning Standards 2019.](#)

**Retail activity** means any activity trading in goods, equipment or services that is not an industrial activity or commercial activity. It includes land associated with these retail activities.

**Retirement village** means the same as in s6 of the Retirement Villages Act 2003.

**Retirement unit** means any residential unit in a retirement village excluding units requiring full 24-hour care.

**RMA** means the Resource Management Act 1991.

**Service connection** means a physical connection to an activity provided by, or on behalf of, Council.

**Subdivision** means the same as s218(1) of the RMA.

#### WHAT IS A DEVELOPMENT CONTRIBUTION?

12. A development contribution is a contribution made by a developer to Taupō District Council, according to the methodology set out in this policy, and can be either: money, land, community facilities or a combination of them. Council has sole discretion to collect development contributions in ways other than money on a case-by-case basis.
13. Council may, under s198 of the LGA, require development contributions to be made. When officers are determining whether a specific development is liable for paying development contribution under this Policy, they will consider the following:
  - Is the development in accordance with s197 the LGA?
  - Does it, either alone or in combination with another development, have the effect of requiring expenditure to provide new or additional infrastructure, s199 the LGA?
  - Is the development provided for in s198(2) the LGA?

- Are there any third funding sources that need to be taken into account?
14. The period over which the growth component of each activity will be recovered from development contributions is the lesser of:
- a. The asset's capacity life, or
  - b. The asset's useful life, or
  - c. 30 years

#### RATIONALE FOR FUNDING GROWTH THROUGH DEVELOPMENT CONTRIBUTIONS

15. Council considers that funding growth through development contributions strikes the right balance between practical and administrative efficiency, and considerations of fairness and equity for the following reasons:
- **Fairness and Equity:** development contributions aim to ensure that the costs of providing infrastructure and services necessary for new developments are borne by the developers and future property owners who directly benefit from them. This approach is considered fairer than placing the burden solely on existing ratepayers.
  - **Infrastructure Provision:** as new developments are created, there is often a need for additional infrastructure such as roads, water supply systems, wastewater treatment facilities, parks, and community facilities. Development contributions help fund the construction and expansion of these essential services to accommodate the increased demand resulting from population growth.
  - **Sustainable Growth:** by requiring developers to contribute to the cost of infrastructure and services, development contributions encourage more sustainable patterns of growth. Developers are incentivized to consider the long-term impacts of their projects and to incorporate infrastructure planning into their development proposals.
  - **District Council Funding:** development contributions provide an important revenue stream for our Council, enabling us to fund capital projects and infrastructure upgrades without relying solely on rates or central government funding. This diversification of funding sources can help alleviate financial pressures on our Council.
  - **Cost Recovery Principle:** development contributions are based on the principle of cost recovery, whereby developers pay a proportionate share of the costs incurred by Council to provide community infrastructure to accommodate growth. This helps ensure that the costs are allocated fairly and transparently.

#### RATIONALE FOR ESTABLISHING CATCHMENT AREAS

16. When setting development contributions, Council delineates catchments to set variable charges by geographic area and activity. The designated catchment areas (see Part 3) reflect practical and administrative efficiencies and wherever practical, avoid grouping across the entire district for the following reasons:
- **Economic Efficiency:** by linking development contributions to the catchment areas where infrastructure is required, the Council aims to ensure that infrastructure investments are



made in an economically efficient manner. This reduces the risk of over-investment in certain areas and under-investment in others;

- **Beneficiary Pays Principle:** those who directly benefit from new or improved infrastructure bear the costs associated with it. Hence, developers and property owners within a catchment area benefit from the infrastructure upgrades and expansions, and as a result, they are required to contribute proportionally;
- **Equitable funding:** development contributions aim to distribute the costs of infrastructure upgrades and expansion fairly among developers and new residents. The catchment area is used to determine which developments will benefit from specific infrastructure projects and should therefore contribute to their costs;
- **Avoiding Cross-Subsidization:** Catchment-based development contributions help prevent situations where residents or developers in one area are unfairly subsidizing the infrastructure costs of another area. By tying contributions to specific catchment areas, the policy seeks to maintain a more transparent and accountable system;
- **Spatial Planning and Growth Management:** catchment areas help us plan and manage growth by strategically allocating development contributions to fund necessary infrastructure improvements in specific areas where growth is occurring or expected to occur. This helps prevent haphazard development and promote efficient land use.

#### THE CHARGES

17. There are 11 area catchments within the Taupō's district (the District) where development contributions apply. These area catchments are Taupō Town, Taupō South, Taupō North, Acacia Bay, Kinloch, Mapara, Tūrangi, Mangakino, Pukawa/Omori/Kuratau, Whareroa and Motuoapa.
18. Council has also delineated 5 wider catchments that agglomerate smaller catchment areas for some large projects that serve multiple areas of the district or whole district. These wider catchment areas are:
  - Taupō - Kinloch Transport Corridor
  - Taupō North and Acacia Bay Wastewater
  - Wider Taupō Urban Area Wastewater
  - Wider Taupō Urban Area Water Supply
  - District-Wide

These catchments are mapped in Part 3 of the Policy.

19. The development contribution charges set per Household Unit Equivalent (HUE) for each activity are listed in Table 1. See the *Determining infrastructure impact* section below for an explanation of a HUE. These charges are published on Council's website: [www.taupodc.govt.nz](http://www.taupodc.govt.nz).
20. For each infrastructure activity for which development contributions are required, the development contribution payable is calculated by multiplying the number of additional HUEs generated through the development by the charge for that activity. This is then aggregated for all activities to give the total charge.

**Table 1: Development Contributions charges 2024 (GST exclusive)**

All Figures are Per Household Unit Equivalent (HUE)							
Catchment Area	Water Infrastructure	Wastewater Infrastructure	Transport Network	Improvements to Destination Parks	Improvements to Local Parks <sup>1</sup>	Reserve land for new Local Parks <sup>2</sup>	Total Charge (exclusive of Reserve land for new local parks)
Taupō Town	\$1,100	\$2,100	\$12,100	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Nil	Greenfield areas – Residential: \$20,025 Greenfield areas – Low-density residential: \$18,565 – Residential Infill areas: \$19,295
Taupō South	\$4,400	\$7,200	\$12,100	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Greenfield areas – Residential: 2.5% of land value <sup>3</sup> Greenfield areas – Low-density residential: Nil – Infill areas: Nil	Greenfield areas – Residential: \$28,425 Greenfield areas – Low-density residential: \$26,965 – Residential Infill areas: \$27,695
Taupō North	\$5,500	\$5,900	\$12,100	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Greenfield areas – Residential: 2.5% of land value <sup>3</sup> Greenfield areas – Low-density: Nil – Infill areas: Nil	Greenfield areas – Residential: \$28,225 Greenfield areas – Low-density residential: \$26,765 – Residential Infill areas: \$27,495

All Figures are Per Household Unit Equivalent (HUE)							
Catchment Area	Water Infrastructure	Wastewater Infrastructure	Transport Network	Improvements to Destination Parks	Improvements to Local Parks <sup>1</sup>	Reserve land for new Local Parks <sup>2</sup>	Total Charge (exclusive of Reserve land for new local parks)
Acacia Bay	\$1,900	\$9,100	\$12,100	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Nil	Greenfield areas – Residential: \$27,825 Greenfield areas – Low-density residential: \$26,365 – Residential Infill areas: \$27,095
Kinloch	\$14,000	\$15,900	\$12,100	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Nil	Greenfield areas – Residential: \$46,725 Greenfield areas – Low-density residential: \$45,265 – Residential Infill areas: \$45,995
Mapara	\$4,700	Nil	\$12,100	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Nil	Greenfield areas – Residential: \$21,525 Greenfield areas – Low-density residential: \$20,065 – Residential Infill areas: \$20,795

All Figures are Per Household Unit Equivalent (HUE)							
Catchment Area	Water Infrastructure	Wastewater Infrastructure	Transport Network	Improvements to Destination Parks	Improvements to Local Parks <sup>1</sup>	Reserve land for new Local Parks <sup>2</sup>	Total Charge (exclusive of Reserve land for new local parks)
Mangakino	Nil	\$8,800	\$2,600	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Nil	Greenfield areas – Residential: \$16,125 Greenfield areas – Low-density residential: \$14,665 – Residential Infill areas: \$15,395
Tūrangi	Nil	\$3,000	\$2,600	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Nil	Greenfield areas – Residential: \$10,325 Greenfield areas – Low-density residential: \$8,865 – Residential Infill areas: \$9,595
Pukawa/Omori/Kuratau	\$12,000	Nil	\$2,600	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Nil	Greenfield areas – Residential: \$19,325 Greenfield areas – Low-density residential: \$17,865 – Residential Infill areas: \$18,595

All Figures are Per Household Unit Equivalent (HUE)							
Catchment Area	Water Infrastructure	Wastewater Infrastructure	Transport Network	Improvements to Destination Parks	Improvements to Local Parks <sup>1</sup>	Reserve land for new Local Parks <sup>2</sup>	Total Charge (exclusive of Reserve land for new local parks)
Whareroa	Nil	Nil	\$2,600	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Nil	Greenfield areas – Residential: \$7,325 Greenfield areas – Low-density residential: \$5,865 – Residential Infill areas: \$6,595
Motuoapa	Nil	Nil	\$2,600	\$1,805	Greenfield areas – Residential: \$2,920 Greenfield areas – Low-density residential: \$1,460 Residential Infill areas: \$2,190	Nil	Greenfield areas – Residential: \$7,325 Greenfield areas – Low-density residential: \$5,865 – Residential Infill areas: \$6,595

**Notes:**

<sup>1</sup> The charge for local parks and reserves applies in-full to new residential areas to pay for new parks as set out in the catchment area maps in Part 3. Low-density developments pay 50% of this charge because they are not expected to require a neighbourhood reserve. Infills are expected to pay 75% of the charge because they will contribute towards improvements in both their neighbourhood and community parks. Developments are classified as residential, low-density residential or infill areas based on the size of the land area, as follows:

- Residential developments are lots smaller than 2,500m<sup>2</sup> per HUE in a residential urban area. This is based on the proposed development not the underlying District Plan environment.
- Low-density developments are lots that are 2,500m<sup>2</sup> or larger per HUE in a low-density residential urban or rural-residential area. This is based on the proposed development not the underlying District Plan environment.
- Infill areas are existing established residential areas that already have a community or neighbourhood park as set out in the catchment area maps in Part 3.

<sup>2</sup>The charge applicable to **reserve land for new local parks** is used to purchase land or to develop reserves for neighbourhood or community parks, including community or recreational facilities associated with the use of a reserve, as per s205 and s206 of the LGA. It does not include land that forms, or is to form, part of any road, access way, esplanade strip, gully, local purpose reserve, or is used, or is to be used, for stormwater management purposes – unless council, at its sole discretion, determines that this land is suitable for the intended neighbourhood or community Park.

<sup>3</sup> A land valuation shall be provided at time of 224(c) or CCC (or no more than 3 months from the date of application) for an assessment of reserve land charges. The valuation shall be provided by an independent registered valuer with the 2.5% based on the value excluding GST. Council reserves the right to seek an independent review of a valuation.

#### LIABILITY FOR DEVELOPMENT CONTRIBUTIONS

21. If subdividing, building, connecting to Council's services, or otherwise undertaking development in the District, development contributions may need to be paid. Development contributions apply to developments within the areas shown in the Development Contribution Catchment Maps in Part 3.
22. In some circumstances, development contributions may not apply or may be reduced. Further information on these circumstances can be found in the sections *When development contributions are levied*, *Credits*, and *Limitations on imposing development contributions*.
23. Development of new infrastructure sometimes means that areas not previously subject to the development contributions policy now are. For example, a bare section in a subdivision may be liable for development contributions whereas previously constructed houses on the same subdivision were not.
24. Council officers are available to help resolve any uncertainty about development contribution liabilities.

#### WHEN DEVELOPMENT CONTRIBUTIONS ARE LEVIED

25. Once an application for a resource consent, building consent, certificate of acceptance, or service connection has been made with all the required information, the normal steps for assessing and requiring payment of development contributions are:



26. These steps are explained in more detail below.

#### TRIGGER FOR REQUIRING DEVELOPMENT CONTRIBUTIONS

27. Subject to the 3-step initial assessment outlined in paragraph 30 below, Council can require development contributions for a development upon the granting of:
  - A resource consent.
  - A building consent or certificate of acceptance.
  - An authorisation for a service connection.
28. Council will generally require development contributions at the earliest possible point (i.e. whichever consent, certificate, or authorisation listed above is granted first). For new developments, the resource consent is often the first step in the process and therefore the first opportunity to levy development contributions. Where development contributions were not assessed (or only part assessed) on the first consent, certificate or authorisation for a development, this does not prevent the Council assessing contributions on a subsequent consent,

certificate or authorisation for the same development (for the reasons set out in the following paragraphs).

29. Development contributions will be assessed under the Policy in force at the time the application for resource consent, building consent, certificate of acceptance, or service connection was submitted with all required information.

#### INITIAL ASSESSMENT

30. On receiving an application for resource consent, building consent, certificate of acceptance, or service connection, Council will check that:
  - (A) the development (subdivision, building, land use, or work) generates a demand for reserves, community infrastructure or network infrastructure; and
  - (B) the effect of that development (together with other developments) is to require new or additional assets or assets of increased capacity in terms of reserves, community infrastructure or network infrastructure; and
  - (C) Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Council in anticipation of development.
31. Council has identified the assets and areas that are likely to meet the requirements of 30(B) and 30(C), and these are outlined in Schedules 1 and 2 (Past and future assets funded by development contributions) and Part 3 (Development contribution catchment maps). In general, if a development is within one of the areas covered by the catchment maps it is likely that development contributions will be required.

Development contributions may be waived or reduced if:

- a resource consent or building consent does not generate additional demand for reserves, community infrastructure or network infrastructure (such as a minor boundary adjustment); or
  - one of the circumstances outlined in the section *Limitations on imposing development contributions* apply; or
  - credits apply as outlined in the *Credits* section; or
  - offsets apply as outlined in the *Offsets* section.
32. If a subsequent resource consent (including a change to a condition of a resource consent), building consent, certificate of acceptance, or service connection is sought, a new assessment may be undertaken using the Policy in force at that time. Any increase or decrease in the number of HUEs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.
  33. This means Council will require additional development contributions where additional units of demand are created, and development contributions for those additional units of demand have not already been required.

34. Examples of where additional development contributions may apply after a subsequent trigger event include:
- Minimal development contributions have been levied on a commercial development at subdivision or land use consent stage as the type of development that will happen will only be known at building consent stage.
  - The nature of use has changed, for example from a low infrastructure demand commercial use to a high infrastructure demand commercial use.

#### DEVELOPMENT CONTRIBUTION ASSESSMENT

35. A draft development contribution assessment will normally be issued when a resource consent, building consent, certificate of acceptance, or service connection authorisation is granted. In some cases, the assessment may be issued or re-issued later. The assessment is an important step in the process as it outlines the activities and the number of HUEs assessed for development contributions, as well as the charges that will apply to the development. It also triggers rights to request a development contributions reconsideration or to lodge an objection (see the section on *Review rights* below).
36. If multiple consents or authorisations are being issued for a development, a development contribution assessment may be issued for each.
37. Development contribution assessments do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985.

#### INVOICE

38. An invoice for development contributions will be issued to provide an accounting record and to initiate the payment process. This invoice will be issued prior to granting Code of Compliance Certificate or Certificate of Acceptance or before subdivision completion (s224c approval is issued), or upon approval of a service connection.
39. Despite the provisions set out above, if a development contribution required by Council is not invoiced at the specified time as a result of an error or omission on the part of Council, the invoice will be issued when the error or omission is identified. The development contributions remain payable.

#### PAYMENT

40. Development contributions must be paid by the 20<sup>th</sup> of the month following the issue of the invoice, unless otherwise determined by Council for developments on Māori land and Papakāinga (see below).
41. On time payment is important because, until the development contributions have been paid in full, Council may use powers under s208 of the LGA to:
- (a) in the case of a development contribution required under s198(1)(a), -
    - (i) withhold a certificate under s224(c) of the Resource Management Act 1991
    - (ii) prevent the commencement of a resource consent under the Resource Management Act 1991



- (b) in the case of a development contribution required under s198(1)(b), withhold a code of compliance certificate under s95 of the Building Act 2004.
  - (c) in the case of development contribution required under s198(1)(c), withhold a service connection to the development.
  - (d) in each case, register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge.
42. Where invoices remain unpaid beyond the payment terms set out in the Policy, Council will start debt collection proceedings, which may involve the use of a credit recovery agent. Council may also register the development contribution under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution was required.

#### DETERMINING INFRASTRUCTURE IMPACT

43. To ensure a consistent method of charging for development contributions, the Policy is centred around the concept of a household unit equivalent or “HUE” for infrastructure. In other words, an average household in a standard residential unit and the demands they typically place on reserves, community infrastructure or network infrastructure. Table 2 summarises the demand characteristics of each HUE.

Table 2: HUE demand measures

ACTIVITY	UNIT OF MEASUREMENT	DEMAND PER HUE
Water	Litres per day	1728 litres per day
Wastewater	Litres per day	675 litres per day
Transport	Trips per day	8 trips per day
Reserves	Allotment or residential unit	1
Community infrastructure	Allotment or residential unit	1

#### RESIDENTIAL DEVELOPMENT

44. In general, the number of HUEs charged is one per new allotment or residential unit created.
45. When calculating the number of HUEs for a residential subdivision, Council will adjust the assessment to account for any:
- Credits relating to the site (refer to the *Credits* section below).
  - Allotment which, by agreement, is to be vested in Council for a public purpose.
  - Allotment required as a condition of consent to be amalgamated with another allotment.
46. A minor residential unit, a unit in a retirement village, and temporary commercial accommodation units (see Definitions) will be assessed as generating 0.5 HUEs for each activity. A unit in a retirement facility or rest home providing 24-hour care to its resident will be assessed as generating 0.33 HUE.

#### **MĀORI LAND AND PAKĀĀINGA**

47. Taupō District Council recognises that land is a taonga tuku iho of special significance to Māori people. Council is committed to actively promoting the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāhi tapu.
48. The Council supports the facilitation of the occupation, development, and utilisation of that land for the benefit of the owners, their whānau, and their hapū through several means including by remitting rates on Māori vacant land, through the Taupō District housing strategy and the proposed new objectives and policies in the District Plan that support papakāinga in the residential environment.
49. In recognition of the principles of the Te Ture Whenua Māori Act and to support development and occupation of Māori land (see definition) and to prevent the payment of development contributions from inhibiting the development of Māori land, this policy provides the ability for developments on Māori land to request favourable payment conditions than those specified in the 'Payment' section if the developer can demonstrate the development contributions payable to Council are not facilitating the development.
50. The developer of the land with the consent and on behalf of the owners of the land or the owners of the land with the consent of the developer may apply to Council to pay by instalments or pay over a longer period. In both cases, Council will only issue the Code of Compliance certificate once full payment of the development contributions is received.
51. Council will consider providing different payment conditions only to developments of residential or Kaumātua housing on Māori land.
52. Once Council has received all required information, the request will be considered by a panel of a minimum of two, and a maximum of three, Council staff. The panel will comprise staff that were not involved in the original assessment.
53. Notice of Council's decision will be given to the applicant within 15 working days from the date on which Council receives all required relevant information relating to the request.

#### **NON-RESIDENTIAL DEVELOPMENT**

54. Non-residential subdivisions, land uses, or building developments are more complicated as they do not usually conform with typical household demands for each service.
55. In these cases, Council will assess demand as being equivalent to one HUE excluding reserves and community infrastructure.
56. In cases where the non-residential development meets the definition of high user of water or high discharge of wastewater (see Definitions), Council will carry out a special assessment.

#### **SPECIAL ASSESSMENTS**

57. Developments sometimes require a special level of service or are of a type or scale which is not readily assessed in terms of HUEs – such as large-scale primary sector processors or commercial car washing stations. In these cases, Council may decide to make a special assessment of the HUEs applicable to the development. In general, Council will evaluate the need for a special assessment for one or more activities where it considers that:

- The development is of relatively large scale or uses; or
  - The development is likely to use more than 5m<sup>3</sup> of water or discharge more than 5m<sup>3</sup> of wastewater per day and therefore meets the definition of a high user of water/ discharge of wastewater (see Definitions); or
  - A non-residential development does not fit into an industrial, retail or commercial land use.
58. If a special assessment is sought, Council may require the developer to provide information on the demand for community facilities generated by the development. Council may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

#### CREDITS

59. Credits are a way of acknowledging that the lot, home or business may already be connected to, or lawfully entitled to use, one or more Council services, or a development contribution has been paid previously. Credits can reduce or even eliminate the need for a development contribution. Credits cannot be refunded and can only be used for development on the same site and for the same service for which they were created.
60. Credits will be given for properties when:
- a development contribution for a lot has already been paid (at least in part). For example, most new subdivision lots will already have had development contributions levied and paid for at least one HUE; or
  - the lot existed before 01 July 2021 and was within an urban zoning at that time under the District Plan (i.e. urban residential or urban industrial, commercial, or retail zoning). This excludes rural or rural residential properties; or
  - the property was otherwise lawfully connected to a service as at 01 July 2021.
  - Is a vacant site created after 01 July 2004 and development contributions have previously been assessed and paid.

#### OFFSETS

61. Offsets are a way of acknowledging that the developer may prefer to provide infrastructure on the development or to vest land for recreation purposes in lieu of cash payment. Council has sole discretion on any offsets provided to developers on a case-by-case basis.
62. Where a developer is providing infrastructure including on reserve land that would otherwise be provided by Council (such as water or wastewater infrastructure, playgrounds, toilets, furniture etc), an offset may be applied against the development contributions normally collected for this infrastructure. Should the developer provide infrastructure for more than the value of the equivalent development contributions, Council will not fund this additional cost.
63. Where a developer vests reserve land to Council, this land shall be considered in lieu of cash payment subject to an independent valuation and agreement by Council. Subject to this agreement, if the reserve land value exceeds the development contributions for this land and the

reserve is sufficient to serve more than just the proposed development, Council may provide a payment or credit, and recover the cost of this payment or credit from future developments.

64. If the reserve land value exceeds the development contributions for this land and the reserve is insufficient to serve more than just the proposed development, Council will not offset this additional cost.

#### **POSTPONEMENT AND REMISSIONS**

65. There are no postponements on payment of development contributions.
66. There are no remissions on development contributions.

#### **REVIEW RIGHTS**

67. Developers are entitled under the LGA to request a reconsideration or lodge a formal objection if they believe Council has made a mistake in assessing the level of development contributions for their development.

#### **RECONSIDERATION**

68. Reconsideration requests are a process that formally requires Council to reconsider its assessment of development contributions for a development as provided under s199A of the LGA. Reconsideration requests can be made where the developer has grounds to believe that:
  - the development contribution levied was incorrectly calculated or assessed under the Policy; or
  - Council has incorrectly applied the Policy; or
  - the information Council used to assess the development against the Policy, or the way that Council has recorded or used that information when requiring a development contribution, was incomplete or contained errors.
  - developers can show that the demand per HUE of their development is lower than one HUE.
69. To seek a reconsideration, the developer must lodge the reconsideration request, which shall include any information that the Council considers necessary to reconsider its decision, within 10 working days of receiving the development contribution notice.
70. A developer may not apply for a reconsideration if the developer has already lodged an objection under s199C and Schedule 13A of the LGA.
71. Once Council has received all required information, the request will be considered by a panel of a minimum of two, and a maximum of three, Council staff. The panel will comprise staff that were not involved in the original assessment.
72. Notice of Council's decision will be given to the applicant within 15 working days from the date on which Council receives all required relevant information relating to the request.

73. A developer who requested a reconsideration may object to the outcome of the reconsideration in accordance with s199C of the LGA.

#### OBJECTIONS

74. Objections are a more formal process that allow developers to seek a review of Council's decision on the assessed amount of the development contribution required from the developer. Developers have the right to pursue an objection as provided for under s199C of the LGA regardless of if a reconsideration request has been made.
75. A panel of up to three development contributions commissioners appointed and selected in accordance with the processes in the LGA will consider the objection. The decision of the commissioners is binding on the developer and Council, although either party may seek a judicial review of the decision.
76. Objections may only be made on the grounds that Council has:
- failed to properly take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the District or parts of the District; or
  - required a development contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
  - required a development contribution in breach of s200 of the LGA; or
  - incorrectly applied the Policy to the objector's development.
77. Schedule 13A of the LGA sets out the procedure relating to development contribution objections. To pursue an objection, the developer must lodge the request for an objection within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for a reconsideration.
78. Objectors are liable for Council's actual and reasonable costs incurred in the objection process including staff:
- (a) the selection, engagement, and employment of the development contributions commissioners; and
  - (b) the secretarial and administrative support of the objection process; and
  - (c) preparing for, organising, and holding the hearing.
79. However, objectors are not liable for the fees and allowances associated with any Council witnesses.

**OTHER OPERATIONAL MATTERS****REFUNDS**

80. S209 and s210 of the LGA state the circumstances where development contributions must be refunded, or land returned. In summary, Council will refund development contributions paid if:
- the resource consent:
    - lapses under s125 of the RMA; or
    - is surrendered under s138 of the RMA; or
  - the building consent lapses under s52 of the Building Act 2004; or
  - the development or building in respect of which the resource consent or building consent was granted does not proceed and the resource consent is surrendered and building consent is cancelled; or
  - Council does not provide the reserve or network infrastructure for which the development contributions were required.
81. Council may retain any portion of a development contribution referred to above of a value equivalent to the costs incurred by Council in relation to the development or building and its discontinuance.
82. Council may retain a portion of a development contribution (or land) refunded of a value equivalent to:
- Any administrative and legal costs it has incurred in assessing, imposing, and refunding a development contribution or returning land for network infrastructure or community infrastructure development contributions.
  - Any administrative and legal costs it has incurred in refunding a development contribution or returning land for reserve development contributions.
83. Development contributions for reserves may be retained for up to a 20-year period as applicable under s210(1)(a) of the LGA.

**LIMITATIONS ON IMPOSING DEVELOPMENT CONTRIBUTIONS**

84. Council is unable to require a development contribution in certain circumstances, as outlined in s200 of the LGA, if, and to the extent that:
- it has, under s108(2)(a) of the RMA, imposed a condition on a resource consent in relation to the same development for the same purpose; or
  - the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure; or
  - a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure or community infrastructure; or

- Council has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance.

85. In addition, Council will not require a development contribution in any of the following cases:

- Where a building consent is for a bridge, dam (confined to the dam structure and any tail race) or other public utility.
- The application for a resource or building consent, authorisation, or certificate of acceptance is made by the Crown.

#### **MAXIMUM DEVELOPMENT CONTRIBUTIONS FOR RESERVES**

86. S203 of the LGA prohibits Council from charging development contributions for reserves that exceed the greater of:

- 7.5% of the value of the additional lots created by a subdivision; and
- the value equivalent of 20m<sup>2</sup> of land for each additional household unit or accommodation unit created by the development.

87. If the reserves development contribution would be more than 7.5% of the market value of a lot, as evidenced by a valuation supplied by a registered valuer, the reserves development contributions are capped at 7.5% of the valuation.

88. Council reserves the right to seek a second valuation from another registered valuer. If there is a material difference between valuations, Council and the developer can agree to either:

- use the average of the two valuations; or
- refer the matter to a third registered valuer to arbitrate an agreement between valuers.

#### **DEVELOPMENT AGREEMENTS**

89. Council may enter into specific arrangements with a developer for the provision and funding of particular infrastructure under a development agreement, including the development contributions payable, as provided for under s207A-s207F of the LGA. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under the Policy.

#### **PUBLIC INSPECTION**

This policy, and any supporting information, is available for public inspections.

## Part 2: Policy Details

### REQUIREMENT TO HAVE A POLICY

90. Council is required to have a policy on development contributions as a component of its funding and financial policies in its Long-term Plan (LTP) under s102(2)(d) of the LGA. The Policy meets this requirement.

### FUNDING SUMMARY

91. Council plans to incur \$502 million (after interest costs) on infrastructure partially or wholly needed to meet the increased demand for reserves, community infrastructure and network infrastructure. This includes works undertaken in anticipation of growth, and future planned works. Of this cost, 41% percent will be funded from development contributions. Including interest costs.
92. Table 3 provides a summary of the total capital expenditure and the funding sought by development contributions for all activities.

**Table 3. Total cost of capital expenditure for growth**

Activity	Total CAPEX	Development contribution funded CAPEX	Total CAPEX Proportion funded by development contributions	CAPEX Proportion funded from other sources
Water infrastructure	\$95,619,520	\$27,220,943	28%	72%
Wastewater infrastructure	\$72,120,756	\$31,741,094	44%	56%
Transportation infrastructure	\$204,022,679	\$76,711,284	38%	62%
Improvements to Destination Parks	\$45,198,196	\$14,786,445	33%	67%
Improvements to Local Parks	\$34,391,798	\$6,625,927	19%	81%
Improvements to Community Parks	\$6,692,692	\$6,692,692	100%	0%
Reserve land for new Local Parks	\$44,282,316	\$44,282,316	100%	0%
<b>Total</b>	<b>\$502,327,957</b>	<b>\$208,060,701</b>	<b>41%</b>	<b>59%</b>

### FUNDING POLICY SUMMARY

#### FUNDING GROWTH EXPENDITURE

93. Population and business growth create the need for new subdivisions and development, and these place increasing demands on the assets and services provided by Council. Accordingly, significant investment in new or upgraded assets and services may be required to meet the demands of growth.



94. S106(2)(c) of the LGA requires Council to justify charging developers for the cost of development-driven increases in infrastructure capacity for reserves, community infrastructure or network infrastructure. In forming this justification, Council has considered the matters set out in s101(3) of the LGA within its Revenue and Financing Policy, and within the Policy.
95. The Revenue and Financing Policy is Council's primary and over-arching statement on its approach to funding its activities. It outlines how all activities will be funded, and the rationale for Council's preferred funding approach.
96. In addition, Council is required under s106(2)(c) of the LGA to explain within the Policy why it has decided to use development contributions to fund capital expenditure relating to the cost of growth. This assessment is below.
97. This policy identifies the projects/activities to be funded (fully or partly) by development contributions then allocates costs between the existing and future communities based on the:
  - a. relative benefits the existing and future communities receive, including the period over which benefits accrue, and
  - b. the degree to which each caused the need for the project.
98. This approach recognises that the existing community has already made a considerable investment in existing infrastructure networks and rightly benefits from them.
99. The effects of growth, particularly the cumulative effects of development, may require Council to incur capital expenditure to increase the capacity of existing networks and/or sometimes build new ones. Funding tools like development contributions, and others, are essential to meeting the cost of these long-term obligations.
100. Development contributions also promote intergenerational equity (i.e. fairness between generations) by aligning the each activity's funding horizon with the period over which it provides capacity to accommodate growth (i.e. the capacity period)
101. Ratepayers have historically borne a disproportionate burden of the cost of new reserves, community infrastructure and network infrastructure required for growth. Development contributions address this by recovering a more equitable share of costs from growth in future.
102. Council has identified several growth-related projects that require development contributions funding to help fund them. For greenfield residential subdivisions, the acquisition of local reserve land and improvements are required to provide amenities and sustain council's levels of service.
103. Council has decided to fund these costs from:
  - Development contributions under the LGA for:
    - Water infrastructure
    - Wastewater infrastructure
    - Transport Network infrastructure
    - Parks and Reserves

104. Council has determined that, within these activities, it is appropriate to use development contributions as a funding source for capital expenditure related to activities listed Table 3.

105. However, development contributions will not be used to fund:

- (a) Network renewal, operating and maintenance costs;
- (b) Any capital expenditure already paid via a third-party funding; or
- (c) Costs incurred by Council for backlog works to meet existing service level shortfalls.

#### **COMMUNITY OUTCOMES (SECTION 101(3)(A)(I))**

106. Council has considered whether development contributions are an appropriate source of funding considering each activity, the outcomes sought, and their links to growth infrastructure. Council has developed five outcomes to help achieve our vision to be “a district of connected communities who thrive and embrace opportunities”:

- Tangata whenua are acknowledged and respected;
- Vibrant places and connected communities;
- Resilient communities working in partnership;
- Innovative, Thriving economy;
- Flourishing Environment.

107. These outcomes seek to establish vibrant, connected and resilient communities in a thriving economy and a flourishing environment. Development contributions provide a mechanism for funding of water, wastewater and roading infrastructure and reserves needed to achieve these community, environmental and economic outcomes. As a dedicated growth funding source, they also promote long term financial sustainability to help deliver on our vision and outcomes for new communities.

#### **OTHER FUNDING DECISION FACTORS (SECTIONS 101(3)(A)(II) – (V))**

108. Council has considered the funding of growth-related reserves, community infrastructure and network infrastructure against the following matters:

- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals, and the extent to which the actions or inaction of particular groups or individuals contribute to the need to undertake the activity.
- The period in or over which those benefits are expected to occur.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

109. A summary of this assessment is below.

Table 4: Other funding decision factors

<b>WHO BENEFITS / WHOSE ACT CREATES THE NEED</b>	<p>A significant portion of Council's work programme over the next 10 years is driven by development or has been scoped to ensure it provides for new developments. Each asset or programme is assessed for to determine the extent to which it services and benefits (i) growth or (ii) the existing community.</p> <p>Council believes that the growth costs identified for each asset or programme should be recovered from growth through development contributions, with the non-growth portion recovered from the existing community through rates or other Council funding mechanisms.</p> <p>The <i>Catchment determination</i> section below explains how Council delineated the catchments used in this Policy.</p>
<b>PERIOD OF BENEFIT</b>	<p>Most infrastructure works, including those for growth, typically have very long lives, often spanning decades. In many cases, the "capacity life" of such assets– over which there is spare capacity to accommodate growth – also spans decades.</p> <p>Development contributions align the recovery of growth-related project costs with its capacity life. Developments that benefit from the growth-related works will contribute to their cost, even if they occur before or after them.</p>
<b>FUNDING SOURCES &amp; RATIONALE INCLUDING RATIONALE FOR SEPARATE FUNDING</b>	<p>The cost of supporting development in the Taupō District is significant. Development contributions send clear signals to the development community about capital costs of providing infrastructure to support them.</p> <p>The benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development contributions.</p>

#### OVERALL IMPACT OF LIABILITY ON THE COMMUNITY (SECTION 101(3)(B))

110. S101(3)(b) of the LGA require local authorities to manage their revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, including following consideration of the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.
111. Council has considered the impact of the overall allocation of liability on the community and concluded that the liability for revenue falls directly with the development community. Council endorses the principle that growth-pays-for-growth and does not consider it likely that there will be an undue or unreasonable social, economic, environmental, or cultural impacts as a result.
112. Conversely putting the burden on existing ratepayers to fund growth would likely be perceived as unfair and significantly increase their annual rates bill despite not causing the need for, nor benefitting from, the growth infrastructure needed for new developments.
113. Overall, Council considers it fair and reasonable, and that the social, economic, environmental and cultural interests of the District's communities are best advanced through using development contributions to fund the costs of growth-related capital expenditure for reserves, community infrastructure and network infrastructure.

**CATCHMENT DETERMINATION**

114. When setting development contributions, Council delineates catchments to set variable charges by geographic area and activity. The catchment areas (see Part 3) reflect practical and administrative efficiencies and wherever practical, avoiding grouping across the entire district.
115. Council has determined that there are 11 area-specific catchments within the Taupō's district, namely: Taupō Town, Taupō South, Taupō North, Acacia Bay, Kinloch, Mapara, Tūrangi, Mangakino, Pukawa/Omori/Kuratau, Whareroa and Motuoapa.
116. Council has also delineated 5 wider catchments that agglomerate smaller catchment areas for some large projects that benefit multiple areas of the district or the whole district. These wider catchment areas are:
- Taupō - Kinloch Transport Corridor
  - Taupō North and Acacia Bay Wastewater
  - Wider Taupō Urban Area Wastewater
  - Wider Taupō Urban Area Water Supply
  - District-Wide
117. These catchment areas are delineated based on the location of existing water and wastewater infrastructure, which will also service growth via investments to increase capacity e.g. larger pipelines or expanded treatment facilities.
118. Any developments outside these catchment areas are managed through Development Agreements (see *Development Agreements*) on a case-by-case basis.

**SIGNIFICANT ASSUMPTIONS OF THE POLICY****PLANNING HORIZONS**

119. A 30-year timeframe has been used as a basis for forecasting growth and growth-related assets and programmes.

**PROJECTING GROWTH**

120. The District has experienced steady population growth, with this growth accelerating from 2015 to 2021 compared to the previous two decades. Population growth for the Taupō District averaged 2.1% per annum since 2015, equivalent to 800 persons moving into the District per year.
121. Taupō District Council produces population and household projections using an in-house model that covers a period from 2024 to 2063. The model uses the cohort component method to produce projections by subjecting all cohorts to fertility, mortality, migration and other assumptions related to gender and birth ratios and reproductive age of women. Population projections are produced for each age and gender, and for each statistical area unit within the District.

122. Using the medium growth scenario and figures obtained from a separate report<sup>1</sup> on commercial growth as a starting point, the key assumptions about future growth are:

- Years 2021-2031:
  - District population growth of around 1.3% (or around 540 persons) per annum.
  - District residential unit growth of around 1.1% (or around 240 units) per annum.
  - Development of around 1850m<sup>2</sup> GFA annually for commercial space.
- Years 2031-2051:
  - District population growth of around 1.5% (or around 780 persons) per annum.
  - District residential unit growth of around 1.4% (or around 360 units) per annum.
  - Development of around 1750m<sup>2</sup> GFA annually for commercial space.

123. A five-yearly breakdown of population and residential unit projections are in Table 5.

**Table 5: Five-yearly breakdown of population and residential unit projections**

	2018 Census	2023 (est)	2025	2030	2035	2040	2045	2050	2055	2060
<b>Taupō Township</b>										
Population	25,300	27,100	27,700	29,900	32,400	35,000	38,000	41,200	44,400	47,700
Residential Units	11,900	12,700	12,900	13,900	15,000	16,200	17,500	19,000	20,400	21,900
<b>Tūrangi</b>										
Population	3,600	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700
Residential Units	1,800	2,000	2,000	2,100	2,100	2,200	2,300	2,400	2,400	2,500
<b>Marotiri</b>										
Population	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,300
Residential Units	1,300	1,300	1,400	1,400	1,500	1,500	1,600	1,600	1,600	1,700
<b>Mapara</b>										
Population	2,000	2,300	2,400	2,800	3,200	3,700	4,200	4,700	5,300	5,900
Residential Units	800	1,000	1,000	1,200	1,300	1,500	1,800	2,000	2,200	2,500
<b>Lake Taupō Bays</b>										
Population	1,600	1,800	1,800	2,000	2,200	2,400	2,600	2,900	3,200	3,600
Residential Units	1,700	1,800	1,800	1,900	2,000	2,100	2,300	2,500	2,600	2,800

<sup>1</sup> "Taupō proposed district plan review - economic assessment", Property Economics, September 2021

	2018 Census	2023 (est)	2025	2030	2035	2040	2045	2050	2055	2060
<b>Northern rural</b>										
Population	3,200	3,400	3,500	3,800	4,000	4,200	4,300	4,400	4,500	4,600
Residential Units	1,300	1,400	1,400	1,500	1,600	1,700	1,700	1,800	1,800	1,800
<b>Eastern Rural</b>										
Population	400	400	400	400	400	400	500	500	500	500
Residential Units	100	100	100	100	100	100	100	100	100	100
<b>Total</b>										
Population	38,600	41,500	42,500	45,800	49,300	53,000	57,100	61,400	65,800	70,300
Residential Units	18,900	20,300	20,600	22,100	23,600	25,300	27,300	29,400	31,100	33,300

124. These projections were subsequently adjusted to estimate the projected HUE for each catchment area. The resulting projected HUEs differ from the projected households due to several factors, including differences in base years and financial/calendar year and infrastructure capacity constraints in certain areas.

125. Using adjusted HUE figures, Council projects approximately 270 HUEs of demand for business development over the next 30 years to accommodate expected growth in the industrial, commercial (including accommodation) and retail sectors and the related business land requirement.

126. These projections translate to a combined growth of approximately 9,670 HUEs over 30 years as follows:

- a. 9,400 HUEs for residential units and
- b. 270 HUEs for business development.

127. Further information about these forecasts can be found in Council's 2024-2034 Long-term Plan and on Council's website: [www.taupodc.govt.nz](http://www.taupodc.govt.nz).

#### BEST AVAILABLE KNOWLEDGE

128. Development contributions are based on capital expenditure budgets included in Council's asset management plans using the best available knowledge at the time of preparation. As better information becomes available, the Policy will be updated, generally through the Annual Plan process.

#### KEY RISKS/EFFECTS

129. There are two key risks and resulting effects associated with administering development contributions. These are:

- That the growth predictions do not eventuate, which affects the recovery of growth-related capital costs. Council will regularly monitor the rate, nature, and location of growth and update assumptions used to set development contributions accordingly, as required from time-to-time.

- The time offset between expenditure incurred by Council to service growth, and the receipt of development contributions to help fund them differs from the assumptions used in the funding model, causing an under- or over-recovery of growth-related project costs. This will be addressed by, and reinforces the need for, regularly monitor the rate, nature, and location of growth and updating the funding model's assumptions as required from time-to-time.

#### SERVICE ASSUMPTIONS

130. It is assumed that methods of service delivery and levels of service will remain substantially unchanged and in accordance with Council's Long-term Plan, asset management plans and relevant Technical Specifications or Engineering Standards.

#### FUNDING MODEL

131. A funding model is used to calculate development contributions under the Policy. It accounts for the activities for which contributions are sought, the assets and programmes related to growth, forecast growth and associated revenue.

132. The funding model uses several key inputs including interest rates, growth projections in each catchment area and projected capital expenditure associated with those areas, and applies a cost allocation methodology (see *Cost Allocation* below), to estimate the share of the costs attributable to new developments in those catchment areas. An illustrative example of the funding model used to calculate development contributions under the Policy is provided in Schedule 3.

133. The funding model embodies several important assumptions, including that:

- All capital expenditure estimates are inflation adjusted and GST exclusive.
- The levels of service (LOS)/backlog, renewal and maintenance portions of each asset or programme will not be funded by development contributions. See the *Cost allocation* section below.
- The growth costs associated with an asset are spread over the capacity life of the asset and any debt incurred in relation to that asset will be fully repaid by the end of that capacity life.
- Interest expenses incurred on debt accrued will be recovered via development contributions and shared equally over all forecast HUEs over a 30-year period for each activity/catchment.

#### COST ALLOCATION

134. Cost allocation is a process which maps the drivers and purposes of a project to available funding sources. Common sources of project funding include depreciation reserves for renewal, development contributions for growth, and loan funding for backlog to maintain levels of service for the existing community. Rates and user charges are typically used to fund operation and maintenance activities and to help service debt on capital loans. Council's Finance Policy provides more details about these funding tools.

135. To ensure that project expenditure is correctly matched to each source of funds it is necessary to consider a cost allocation process for each project.

136. Council must consider how to allocate the cost of each asset or programme between three principal drivers – growth, LOS/backlog, and renewal:

- Cost allocated to Growth – the portion of a planned (or completed) capital project providing capacity / quality surplus to the existing community’s requirement at the current agreed levels of service.
- Cost allocated to Backlog – the portion of a planned (or completed) capital project that is required to rectify a shortfall in service (capacity / quality) to meet existing community demand at the current agreed levels of service.
- Cost allocated to Renewal – a portion of the gross cost of replacing an existing asset (with a modern equivalent asset to the same function and capacity at the end of its life) determined by the ratio of asset age over expected life. (Note renewal funding is about the "money put aside" in anticipation of the cost of replacing the asset at some future time).

137. Council’s general approach to cost allocation is summarised as:

- Where a project provides for and benefits only growth, 100% of a project’s cost is attributed to growth. To qualify for this, there would have to be no renewal element (see below) or material level of service benefit or capacity provided for existing residents and businesses.
- Where a project involves renewal of existing capacity, this portion is estimated by the subject matter expert within the relevant business unit on a case-by-case basis.
- If a project provides for growth and LOS, after deducting any share of costs attributable to renewal, Council will split the cost between growth and LOS based on the cost allocation described above.

138. For particularly large and expensive projects, Council may undertake a bespoke cost apportionment assessment to ensure that it is funded according to the principles and objectives of this policy.

#### **CALCULATING THE DEVELOPMENT CONTRIBUTIONS**

139. This section outlines how the development contributions were calculated in accordance with s203 and Schedule 13 of the LGA.

#### **PROCESS**

140. The steps needed to determine growth, growth projects, cost allocations, and to calculate the development contributions charges are summarised in Table 6.



Table 6: Summary of development contribution calculation methodology

STEP	DESCRIPTION / COMMENT
1. Forecast growth	Council estimates potential land supply and likely take up of that land. The estimates help provide household and business growth forecasts for up to 30 years. See the <i>Projecting growth</i> section above for further information.
2. Identify projects required to facilitate growth	Council develops the works programme needed to facilitate growth. In some cases, Council may have already undertaken the work. The programme in the Policy is for 10 years.
3. Determine the cost allocation for projects	The cost of each asset or programme is apportioned between renewal, growth, and LOS/backlog in accordance with the approach outline in the <i>Cost allocation</i> section of the Policy.  Schedules 1 and 2 of the Policy outline the amount required to fund growth from development contributions for each of these assets or programmes.
4. Determine growth costs to be funded by development contributions	Council determines whether to recover all of the growth costs identified in step 3 from development contributions, or whether some of the growth costs will be funded from other sources.
5. Divide development contribution funded growth costs by capacity lives	The growth costs from step 4 are divided by the estimated capacity life (defined in HUEs) to provide a charge per HUE for each future and past asset and programme.
6. Sum all per asset charges	For each catchment and activity, add up the per HUE asset or programme charges to provide a “raw” total development contribution before interest costs are added.  For each activity and catchment, development contributions fund the programme on an aggregated basis.
7. Adjust for interest costs and charge inflation adjustments	The raw cost requires adjustments in the funding model to ensure total revenue received over 20 years equals total costs after accounting for interest costs. These costs are shared equally among all HUEs in the relevant catchment over 20 years.  These adjustments impact the final charges.

SCHEDULE 1 – FORECASTED FUTURE ASSETS

Schedule 1 provides the forecast future capital expenditure on assets or programmes attributable to new growth in accordance with s201A of the LGA. All figures exclude GST.

WATER SUPPLY																
Catchment Area	Project Description	Total cost (\$)	% Funded by DCs	% Funded from other sources	DC funded Cost (\$)	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	Years 11-30
						2024/	2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	2034/2035-
						2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2053/2054
						\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Wider Taupō Urban Area Water Supply Catchment																
Wider Taupō Urban Area Water supply	Taupō WTP Capacity Upgrade to 35 MLD 2041-2042	400,000	100%	0%	400,000	-	400,000	-	-	-	-	-	-	-	-	-
	Total	400,000			400,000											
Taupō North Catchment																
Taupō North	Poihipi Reservoir 2031-2034	8,750,000	39%	61%	3,437,388	-	-	392,844	1,767,800	1,276,744	-	-	-	-	-	-
Taupō North	Brentwood Reservoir Construction 2033-2035	2,000,000	41%	59%	813,064	-	-	-	-	-	-	-	-	60,980	752,084	-
Taupō North	Wairakei Reservoir Upgrade and Renewal 2031-2033	1,500,000	40%	60%	599,928	-	-	-	-	-	-	599,928	-	-	-	-
Taupō North	Taupō - Wairakei Pipeline Capacity Upgrade	1,050,000	60%	40%	633,136	-	-	-	-	-	-	60,299	572,837	-	-	-
	Total	13,300,000			5,483,516											
Taupō South Catchment																
Taupō South	Napier Road Reservoir 2032-2034	5,500,000	73%	27%	4,041,747	-	220,459	3,159,911	661,377	-	-	-	-	-	-	-
Taupō South	Tauhara Ridge Reservoir 2022-2024	2,000,000	62%	38%	1,238,620	928,965	309,655	-	-	-	-	-	-	-	-	-
	Total	7,500,000			5,280,367											
Pukawa, Omori, Kuratau Catchment																
Pukawa/Omori/Kuratau	Omori Reservoir Upgrade	2,200,000	8%	92%	184,656	-	-	-	-	92,328	92,328	-	-	-	-	-
Pukawa/Omori/Kuratau	Omori water DWSNZ upgrade 2021-2023	1,600,000	7%	93%	111,656	111,656	-	-	-	-	-	-	-	-	-	-
	Total	3,800,000			296,312											
Mapara Catchment																
Mapara	Mapara Scheme Capacity Increase 2032-2034	3,650,000	23%	77%	838,882	229,831	321,763	287,288	-	-	-	-	-	-	-	-
	Total	3,650,000			838,882											
Kinloch Catchment																

Kinloch	Kinloch Water Treatment Plant 2024-2034	4,900,000	22%	78%	1,059,606	1,059,606	-	-	-	-	-	-	-	-	-	-
Kinloch	Kinloch Low Zone Reservoir & Construction 2022-2024	4,150,000	44%	56%	1,810,291	-	1,090,536	719,754	-	-	-	-	-	-	-	-
Kinloch	Kinloch Fire Flow Improvements	500,000	66%	34%	331,816	66,363	265,453	-	-	-	-	-	-	-	-	-
	Total	9,550,000			3,201,713											
WASTEWATER INFRASTRUCTURE																
Catchment Area	Project Description	Total cost \$	% Funded by DCs	% Funded from other sources	DC funded Cost \$	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	Years 11-30
						2024/	2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	2034/2035-
						2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2053/2054
						\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acacia Bay Catchment																
Acacia Bay	Acacia Bay WW Connection to Taupō	2,500,000	17%	83%	429,760	-	-	85,952	343,808	-	-	-	-	-	-	-
Acacia Bay	Acacia Bay Tank 2	350,000	39%	61%	135,062	-	135,062	-	-	-	-	-	-	-	-	-
	Total	2,850,000			564,822											
Kinloch Catchment																
Kinloch	Kinloch Wastewater MBR Upgrade Second Reactor	1,600,000	100%	0%	1,600,000	-	100,000	1,500,000	-	-	-	-	-	-	-	-
	Total	1,600,000			1,600,000											
Mangakino Catchment																
Mangakino	Mangakino Wastewater Treatment Plant Upgrade	7,000,000	13%	87%	925,409	-	-	66,101	859,308	-	-	-	-	-	-	-
	Total	7,000,000			925,409											
Taupō North Catchment																
Taupō North	Control Gates Bridge Siphon 2024/34	2,700,000	59%	41%	1,605,298	118,911	1,486,387	-	-	-	-	-	-	-	-	-
	Total	2,700,000			1,605,298											
Taupō North & Acacia Bay Wastewater Catchment																
Taupō North and Acacia Bay Wastewater	Northern Wastewater Solution	6,300,000	73%	27%	4,613,247	-	-	-	-	109,839	109,839	4,393,569	-	-	-	-
	Total	6,300,000			4,613,247											
Taupō South Catchment																
Taupō South	Southern trunk main upgrade (stage 1)	3,911,000	69%	31%	2,710,633	2,710,633	-	-	-	-	-	-	-	-	-	-
	Total	3,911,000			2,710,633											
Taupō Town Catchment																

Taupō Town	Eastern trunk main capacity upgrade	2,200,000	7%	93%	153,435	-	-	-	13,949	139,486	-	-	-	-	-	-
	Total	2,200,000			153,435											
Tūrangi Catchment																
Tūrangi	Turangi WW - Alternative Disposal Site	6,000,000	15%	85%	888,566	-	-	52,269	418,149	418,149	-	-	-	-	-	-
	Total	6,000,000			888,566											
Wider Taupō Urban Area Wastewater Catchment																
Wider Taupō Urban Area Wastewater	Taupō WWTP Side Stream - Solids Filtrate Treatment	4,600,000	100%	0%	4,600,000	100,000	1,500,000	3,000,000	-	-	-	-	-	-	-	-
Wider Taupō Urban Area Wastewater	Wastewater Treatment Plant Primary Clarifier 3	2,500,000	86%	14%	2,155,122	1,077,561	1,077,561	-	-	-	-	-	-	-	-	-
Wider Taupō Urban Area Wastewater	Taupō WWTP Pump Station Upgrade	900,000	100%	0%	896,299	-	896,299	-	-	-	-	-	-	-	-	-
	Total	8,000,000			7,651,421											
TRANSPORT NETWORK																
Catchment Area	Project Description	Total cost (\$)	% Funded by DCs	% Funded from other sources	DC funded Cost (\$)	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	Years 11-30
						2024/	2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	2034/2035-
						2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2053/2054
						\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Taupō-Kinloch Transport Corridor																
Taupō-KinlochTransport Corridor	Second Bridge Crossing	65,000,000	85%	15%	55,249,301	-	-	-	339,996	339,996	27,284,655	27,284,655	-	-	-	-
	Total	65,000,000			55,249,301											
District-Wide Catchment																
District Wide	Poihipi Seal widening 2025-2027	1,690,000	14%	86%	241,273	98,508	71,383	71,383	-	-	-	-	-	-	-	-
District Wide	Whangamata Road Improvements 2024/34	2,700,000	10%	90%	264,023	9,779	63,561	63,561	63,561	63,561	-	-	-	-	-	-
District Wide	Napier Road to Crown Road Footpath	600,000	12%	88%	74,000	-	37,000	37,000	-	-	-	-	-	-	-	-
District Wide	Roundabout Crown on Napier Road	2,800,000	60%	40%	1,680,000	-	-	-	-	60,000	720,000	900,000	-	-	-	-
District Wide	Nga Roto Estate Footpath Link	75,000	25%	76%	18,375	18,375	-	-	-	-	-	-	-	-	-	-
District Wide	Wairakei Drive Shared Path	1,300,000	40%	60%	520,000	-	-	-	20,000	200,000	300,000	-	-	-	-	-
District Wide	Lake Terrace Street Lighting	300,000	10%	90%	29,400	29,400	-	-	-	-	-	-	-	-	-	-
District Wide	Poihipi and Huka Falls Road Intersection Improvements	3,200,000	60%	40%	1,920,000	-	-	-	-	-	-	-	-	-	-	1,920,000
District Wide	Napier Road and Lake Terrace Intersection Improvements	2,080,000	25%	75%	520,040	-	-	-	-	-	-	20,002	250,019	250,019	-	-
District Wide	Footpath connection Airport to Waitahanui	3,000,000	12%	88%	367,500	-	-	-	-	91,875	91,875	91,875	91,875	-	-	-
District Wide	Lake Terrace and Ruapehu Street platform	300,000	31%	69%	94,498	-	-	47,249	47,249	-	-	-	-	-	-	-

District Wide	Norman Smith cycle lane enhancements	2,000,000	15%	85%	303,979	75,995	75,995	75,995	75,995	-	-	-	-	-	-	-
District Wide	Ped/cycle bridge Riverside Park to Countdown	600,000	31%	69%	188,997	-	-	-	-	-	-	-	-	31,500	157,498	-
District Wide	Rifle Range and Mere Street intersection	2,700,000	31%	69%	850,486	-	-	62,999	472,492	314,995	-	-	-	-	-	-
District Wide	Taharepa Road and Crown Road intersection	1,600,000	31%	69%	499,068	31,192	155,959	311,918	-	-	-	-	-	-	-	-
District Wide	Tauhara Road and AC Baths intersection	1,480,000	15%	85%	228,229	12,337	61,684	154,209	-	-	-	-	-	-	-	-
District Wide	Tauhara Road and Spa Road intersection	1,050,000	31%	69%	330,448	-	-	-	-	-	-	-	-	15,736	314,712	-
	Total	27,475,000			8,130,316											
DESTINATION PARKS																
Catchment Area	Project Description	Total cost (\$)	% Funded by DCs	% Funded from other sources	DC funded Cost (\$)	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	Years 11-30
						2024/	2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	2034/2035-
						2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2053/2054
						\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District Catchment																
District Wide	Owen Delany Park Upgrade Project	9,200,000	32%	68%	2,898,630	-	1,575,342	1,323,288	-	-	-	-	-	-	-	-
District Wide	Taupō Events Centre 4th Court	11,400,000	32%	68%	3,591,781	-	-	-	-	-	3,591,781	-	-	-	-	-
District Wide	Tūrangi Recreation & Events Centre	16,267,650	32%	68%	5,125,424	-	-	-	2,245,972	2,879,452	-	-	-	-	-	-
District Wide	Two Mile Bay parking improvements	1,000,000	32%	68%	315,068	31,507	283,561	-	-	-	-	-	-	-	-	-
District Wide	Hickling Park project	2,472,500	32%	68%	779,007	-	-	-	-	-	-	90,582	688,425	-	-	-
	Total	40,340,150			12,709,910											
LOCAL PARKS & RESERVES																
Catchment Area	Project Description	Total cost (\$)	% Funded by DCs	% Funded from other sources	DC funded Cost (\$)	Year1	Year2	Year3	Year4	Year5	Year6	Year7	Year8	Year9	Year10	Years 11-30
						2024/	2025/	2026/	2027/	2028/	2029/	2030/	2031/	2032/	2033/	2034/2035-
						2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2053/2054
						\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Taupō North Catchment																
Taupō North	Reserve land purchases for new local parks	4,862,880	100%	0%	4,862,880	-	-	-	-	-	1,204,269	1,227,171	-	-	-	2,431,440
Taupō North	Playground improvements on Reserves land	1,926,486	100%	0%	1,926,486	-	-	-	-	-	477,085	486,158	-	-	-	963,243
	Total	6,789,366			6,789,366											
Taupō South Catchment																
Taupō South	Reserve land purchases for new local parks	39,419,436	100%	0%	39,419,436	1,630,688	-	4,249,573	-	4,434,248	-	4,609,140	-	4,786,069	-	19,709,718
Taupō South	Playground improvements on Reserves land	4,766,206	100%	0%	4,766,206	-	438,600	-	458,122	-	477,085	-	495,403	-	513,893	2,383,103
Taupō South	Secombe Park Development Plan	2,078,304	20%	80%	415,661	40,000	489,600	83,392	426,160	-	-	-	-	-	-	1,039,152

Taupō South	Wharewaka Point Reserve Development Plan	7,494,448	20%	80%	1,498,890	40,000	40,800	500,352	2,556,960	609,112	-	-	-	-	-	3,747,224
	Total	53,758,394			46,100,192											
Kinloch Catchment																
Kinloch	Kinloch Lakefront Development Plan	11,819,968	12%	88%	1,418,396	-	-	-	-	-	-	90,448	184,336	5,635,200	-	5,909,984
	Total	12,729,968			2,328,396											
All Catchment Areas																
All Catchment Areas	Youth Play Spaces	11,418,938	15%	85%	1,712,841	-	-	-	85,232	870,160	887,600	144,717	1,843,360	1,878,400	-	5,709,469
All Catchment Areas	Local and/or community reserve improvement	1,693,740	100%	0%	1,693,740	-	-	-	319,620	217,540	166,425	339,180	-	352,200	298,775	-
	Total	13,112,678			3,406,581											

SCHEDULE 2 – ASSET CONSTRUCTED IN ANTICIPATION OF GROWTH

Schedule 2 provides the capital expenditure incurred on assets and programmes attributable to new growth constructed in anticipation of growth, in accordance with s201A of the LGA. All figures exclude GST.

WATER SUPPLY

Catchment Area	Project Description	Total cost (\$)	% Funded by DCs	% Funded from other sources	DC funded cost (\$)	Years
Acacia Bay Catchment						
Acacia Bay	Acacia Bay Cherry Lane Reservoir	1,400,287	14%	86%	190,439	2004_05; 2005_06
	Total	1,400,287			190,439	
Kinloch Catchment						
Kinloch	Kinloch Water Treatment Plant 2024-2034	14,072,558	22%	78%	3,043,137	2018_19; 2019_20; 2020_21; 2021_22; 2022_23; 2023_24
Kinloch	Kinloch Low Zone Reservoir & Construction 2022-2024	1,412,400	44%	56%	616,109	2022_23; 2023_24
Taupō South	Kinloch Reservoir	2,213,050	24%	76%	529,247	2015_16; 2016_17; 2017_18; 2018_19
Kinloch	Kinloch Water Reticulation upgrade	648,547	11%	89%	70,014	2004_05; 2005_06; 2006_07; 2007_08
Kinloch	Kinloch Water Treatment & Storage 2010-2012	87,352	12%	88%	10,867	2010_11; 2011_12
Kinloch	Kinloch Water Treatment & Storage 2013-2015	38,776	12%	88%	4,830	2012_13; 2013_14
	Total	18,472,683			4,274,204	
Mapara Catchment						
Mapara	Mapara New Pump Station and Rising Main	1,094,648	38%	62%	414,968	2015_16; 2016_17; 2017_18; 2018_19; 2019_20; 2020_21
	Total	1,094,648			414,968	
Pukawa, Omori, Kuratau Catchment						
Pukawa/Omori/Kuratau	Omori water DWSNZ upgrade 2021-2023	6,019,711	7%	93%	420,087	2021_22; 2022_23; 2023_24
Pukawa/Omori/Kuratau	Omori water pre-treatment 2018-2020	172,669	5%	95%	9,047	2019_20; 2020_21; 2021_22
	Total	6,192,380			429,134	
Taupō North Catchment						
Taupō North	Brentwood Reservoir Land	605,208	11%	89%	64,844	2020_21
Taupō North	Poihipi Reservoir Land 2021-2022	50,000	27%	73%	13,626	2023_24
	Total	655,208			78,470	
Taupō South Catchment						
Taupō South	Tauhara Ridge Reservoir 2022-2024	2,023,900	62%	38%	1,253,422	2022_23; 2023_24
Taupō South	Tauhara Ridge Reservoir Land 2021-2022	350,000	53%	47%	185,150	2021_22

Taupō South	Napier Road Reservoir Land 2021-2022	50,000	30%	70%	14,818	2023_24
	Total	2,423,900			1,453,390	

Wider Taupō Urban Area Water Supply Catchment						
Wider Taupō Urban Area Water supply	Taupō WTP Reticulation	17,750,990	8%	92%	1,345,574	2014_15
Wider Taupō Urban Area Water supply	Taupō WTP Building	7,730,900	33%	67%	2,515,140	2014_15
Wider Taupō Urban Area Water supply	Taupō WTP Capacity Upgrade	1,698,524	60%	40%	1,018,834	2018_19; 2019_20; 2020_21
	Total	27,180,414			4,879,548	

WASTEWATER INFRASTRUCTURE

Catchment Area	Project Description	Total cost (\$)	% Funded by DCs	% Funded from other sources	DC funded cost (\$)	Years
Kinloch Catchment						
Kinloch	Kinloch Wastewater Treatment Plant MBR	17,517,582	19%	81%	3,295,660	2018_19; 2019_20; 2020_21; 2021_22; 2022_23
Kinloch	Kinloch Land Disposal System	3,463,174	10%	90%	354,480	2017_18; 2018_19; 2019_20; 2020_21
	Total	20,980,756			3,650,140	

Taupō North Catchment						
Taupō North	Control Gates Bridge Siphon 2020-2021	150,000	100%	0%	150,000	2019_20; 2020_21
	Total	150,000			150,000	

Taupō South Catchment						
Taupō South	Southern trunk main upgrade (stage 1)	10,429,000	69%	31%	7,228,123	2019_20; 2020_21; 2021_22; 2022_23; 2023_24
	Total	10,429,000			7,228,123	

TRANSPORT NETWORK

Catchment Area	Project Description	Total cost (\$)	% Funded by DCs	% Funded from other sources	DC funded cost (\$)	Years
District-Wide Catchment						
District Wide	Whangamata Road Improvements 2024/34	2,081,893	10%	90%	203,581	2021_22; 2022_23; 2023_24
District Wide	Sweeny East Taupō Arterial (ETA)	104,753,312	10%	90%	10,003,629	2006_07; 2007_08; 2008_09; 2009_10; 2010_11; 2011_12
District Wide	Wakeman Road Extension	2,507,018	100%	0%	2,507,018	2007_08; 2008_09; 2009_10



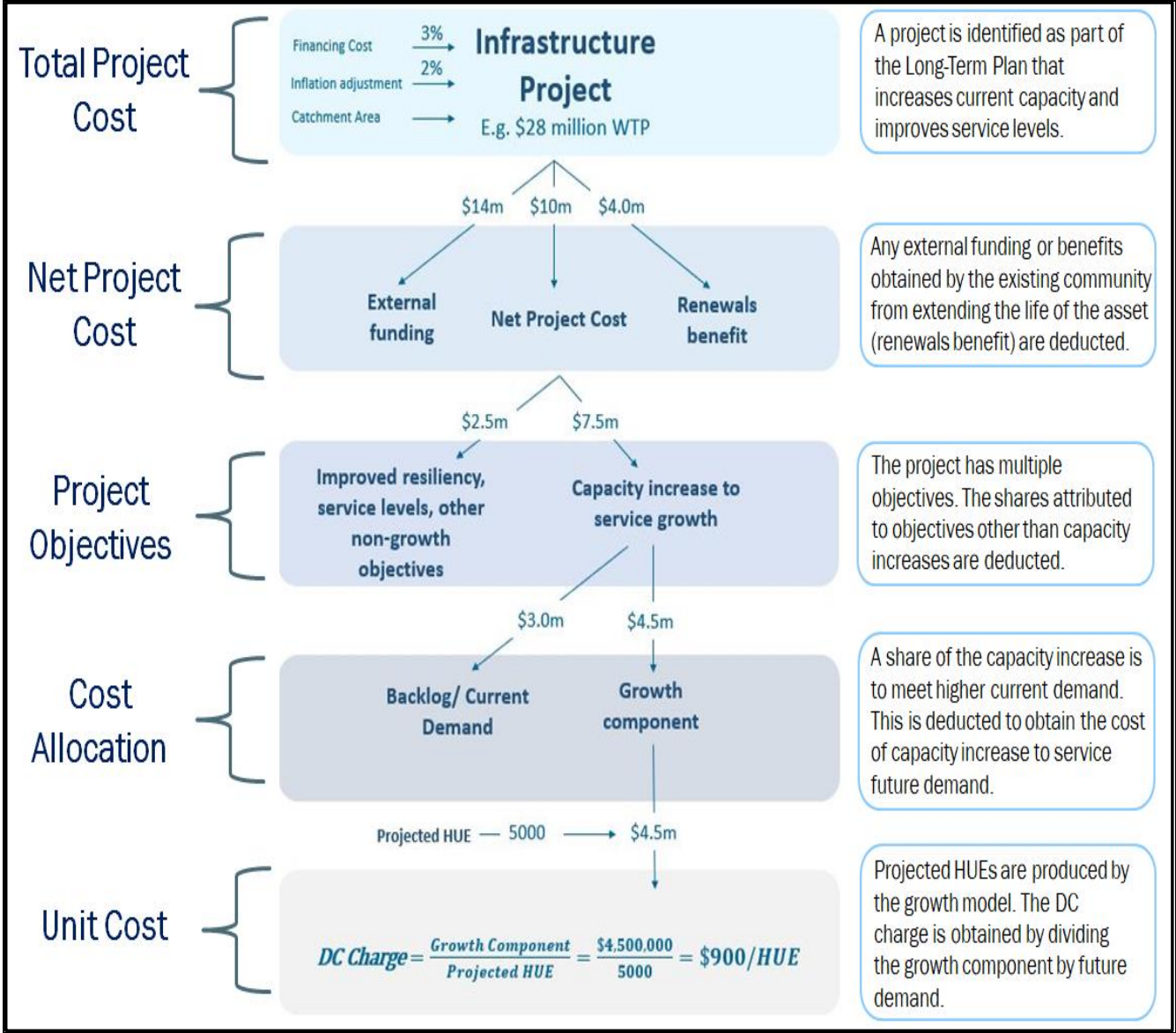
District Wide	Poihipi Seal widening 2022-2024	676,646	14%	86%	96,601	2021_22; 2022_23; 2023_24
District Wide	Poihipi Seal widening 2016-2018	673,124	26%	74%	177,542	2015_16; 2016_17; 2017_18
District Wide	Poihipi Seal widening 2019-2021	535,403	27%	73%	147,226	2018_19; 2019_20; 2020_21
District Wide	Downers Point (Acacia Bay) Upgrade	246,820	72%	28%	176,693	2005_06; 2006_07
District Wide	Poihipi Seal widening 2005-2006	73,463	26%	74%	19,377	2004_05; 2005_06
	Total	111,547,679			13,331,667	

DESTINATION PARKS

Catchment Area	Project Description	Total cost (\$)	% Funded by DCs	% Funded from other sources	DC funded cost (\$)	Years
District-Wide Catchment						
District Wide	Great Lake Walkway Upgrade 2019-2021	3,466,896	47%	53%	1,612,818	2019_20; 2020_21; 2021_22
District Wide	Otumuheke Stream/Spa Park Upgrade	1,391,150	33%	67%	463,717	2015_16; 2016_17; 2017_18; 2018_19
	Total	4,858,046			2,076,535	

SCHEDULE 3 – FUNDING MODEL

This schedule illustrates the funding model used to calculate development contributions under the Policy.

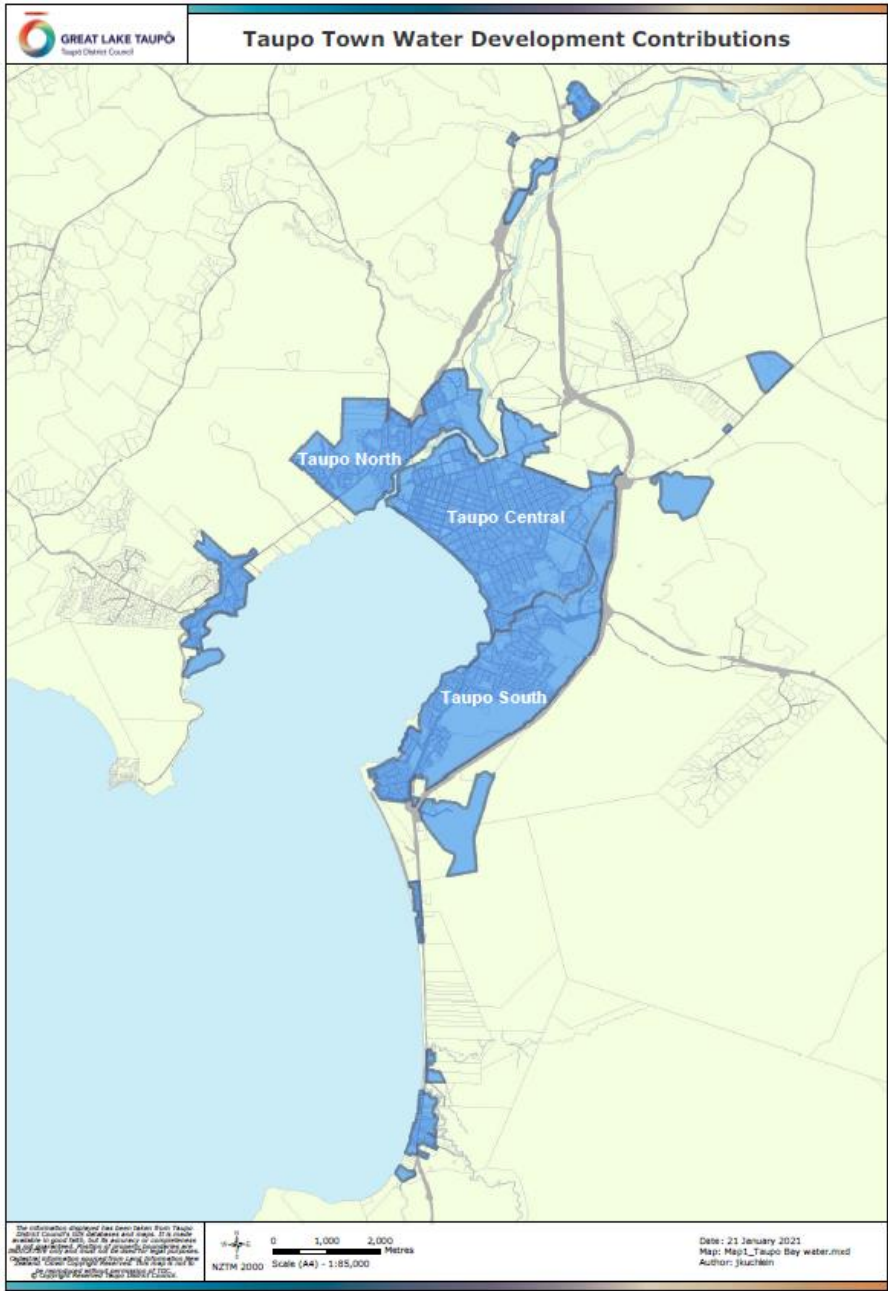


Part 3: Catchment maps

The maps in this section outline the boundaries of the catchments within which development contributions will apply.

WATER CATCHMENT MAPS

CATCHMENT W1



**Kinloch Water Development Contributions**

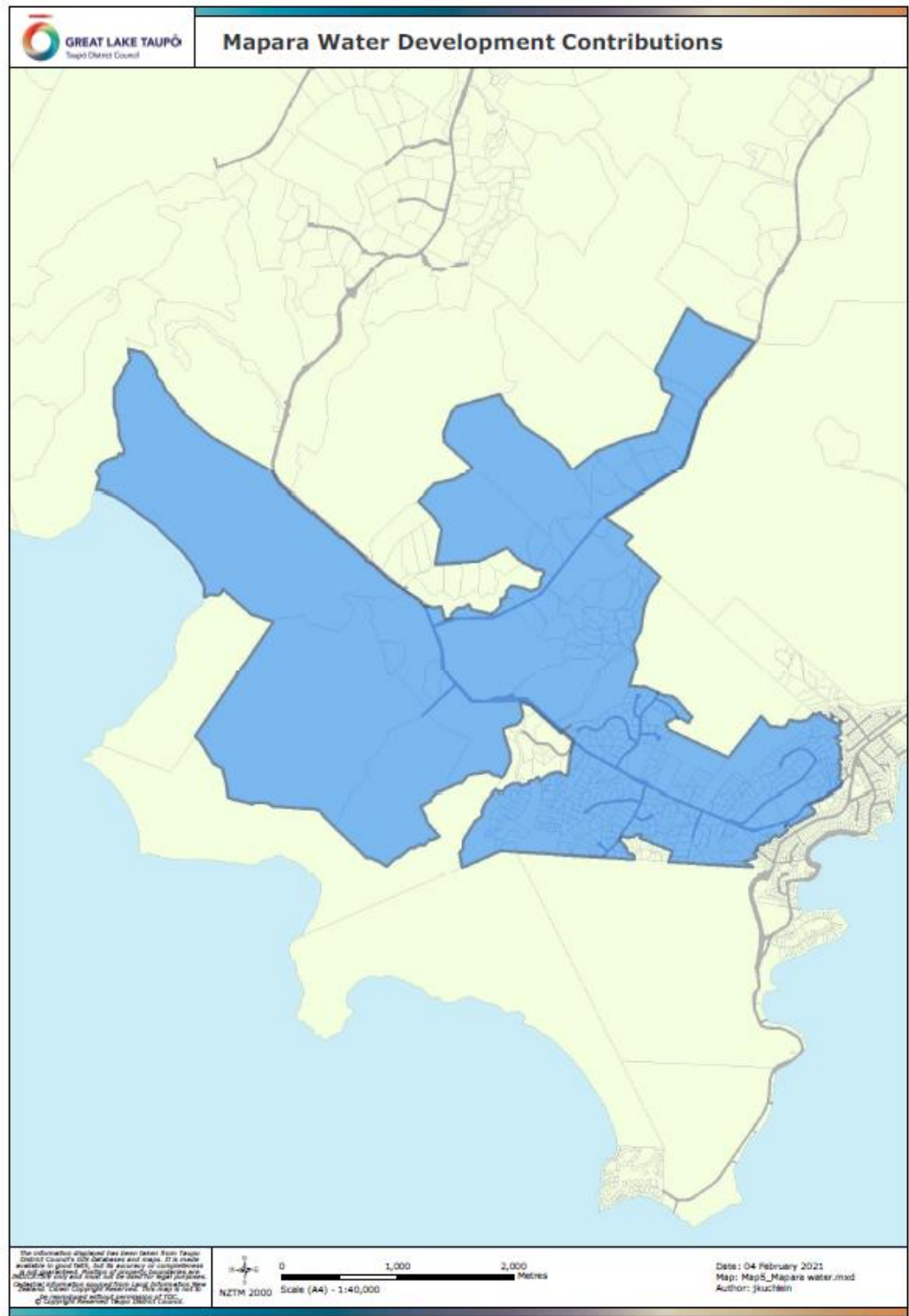
The information displayed has been taken from Teapō District Council's City Networks and Maps. It is made available in good faith, but its accuracy or completeness is not guaranteed.

0 1,000 2,000 Metres

NZTM 2000 Scale (A4) - 1:25,000

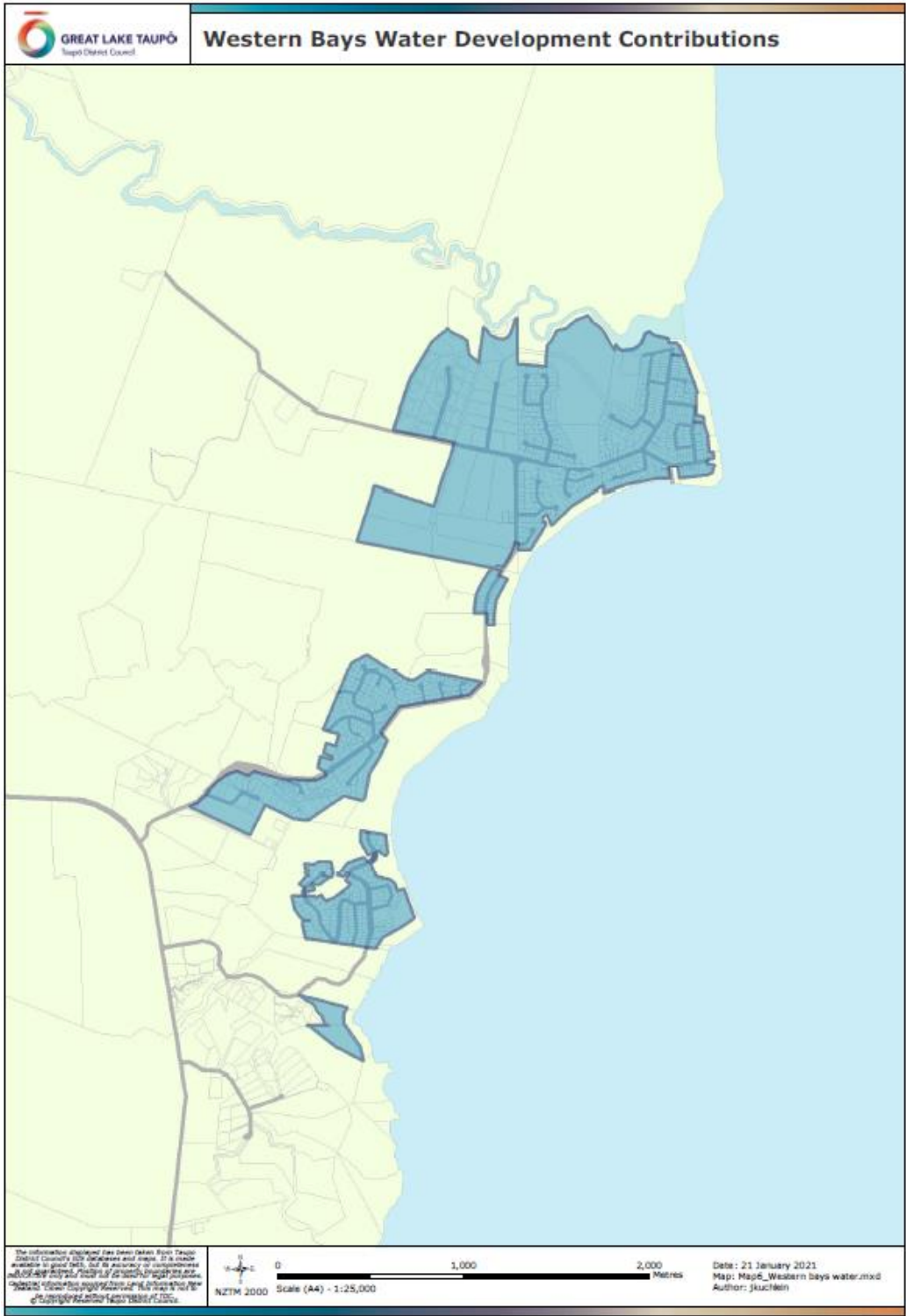
Date: 21 January 2021  
Map: Map3\_Kinloch water.mxd  
Author: jkuchlein

CATCHMENT W3





CATCHMENT W4

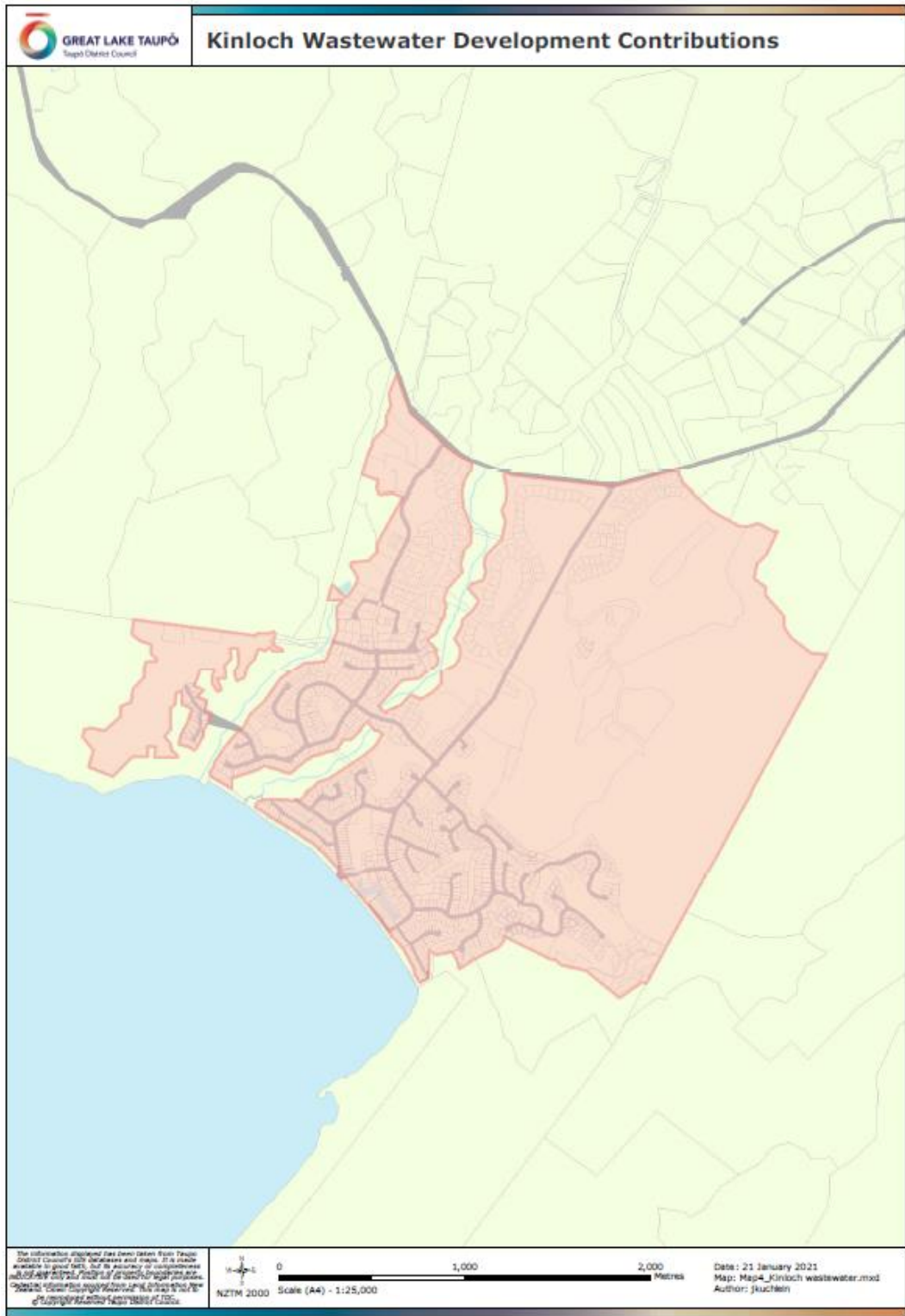


WASTEWATER CATCHMENT MAPS

CATCHMENT WW1



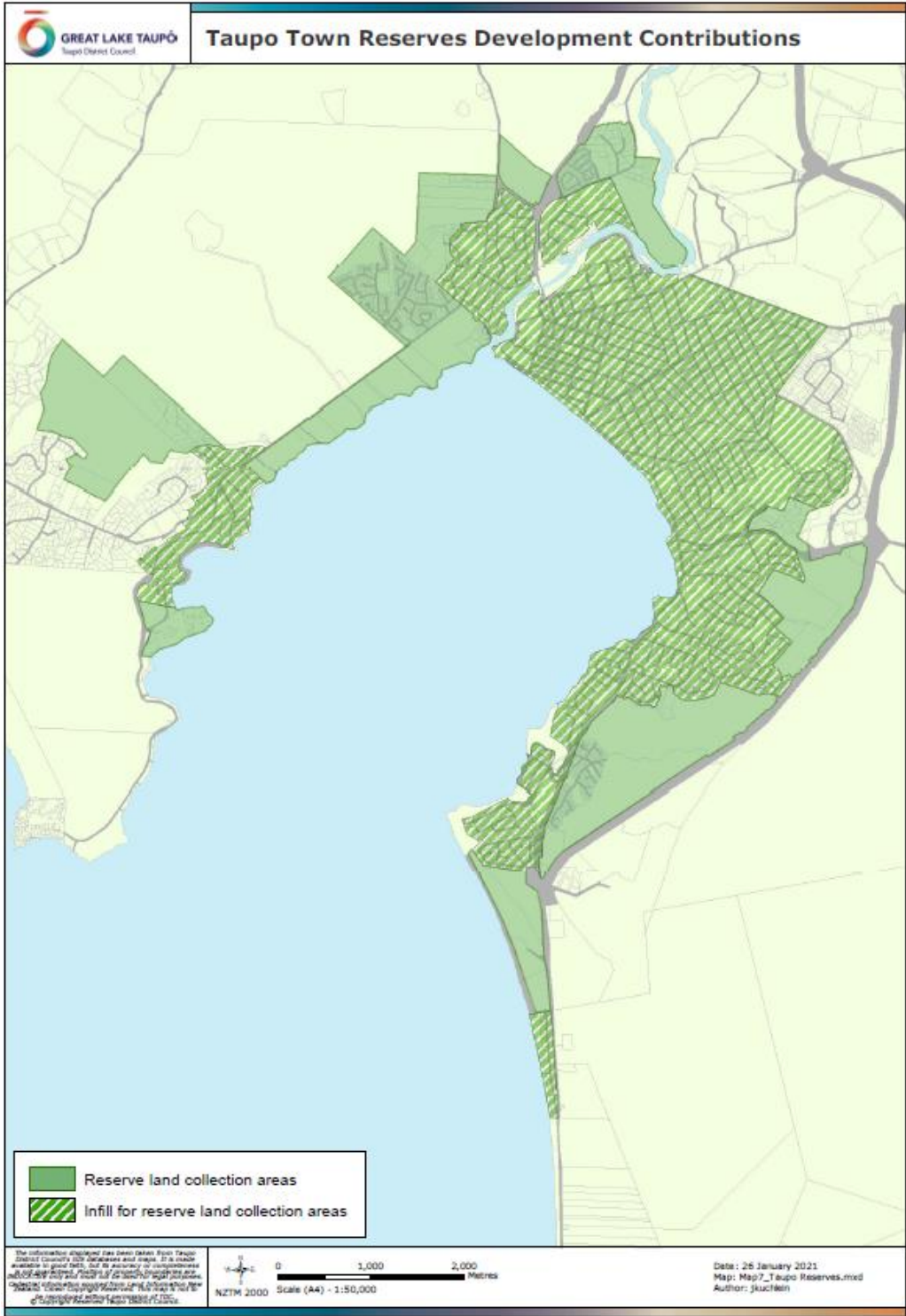
CATCHMENT WW2



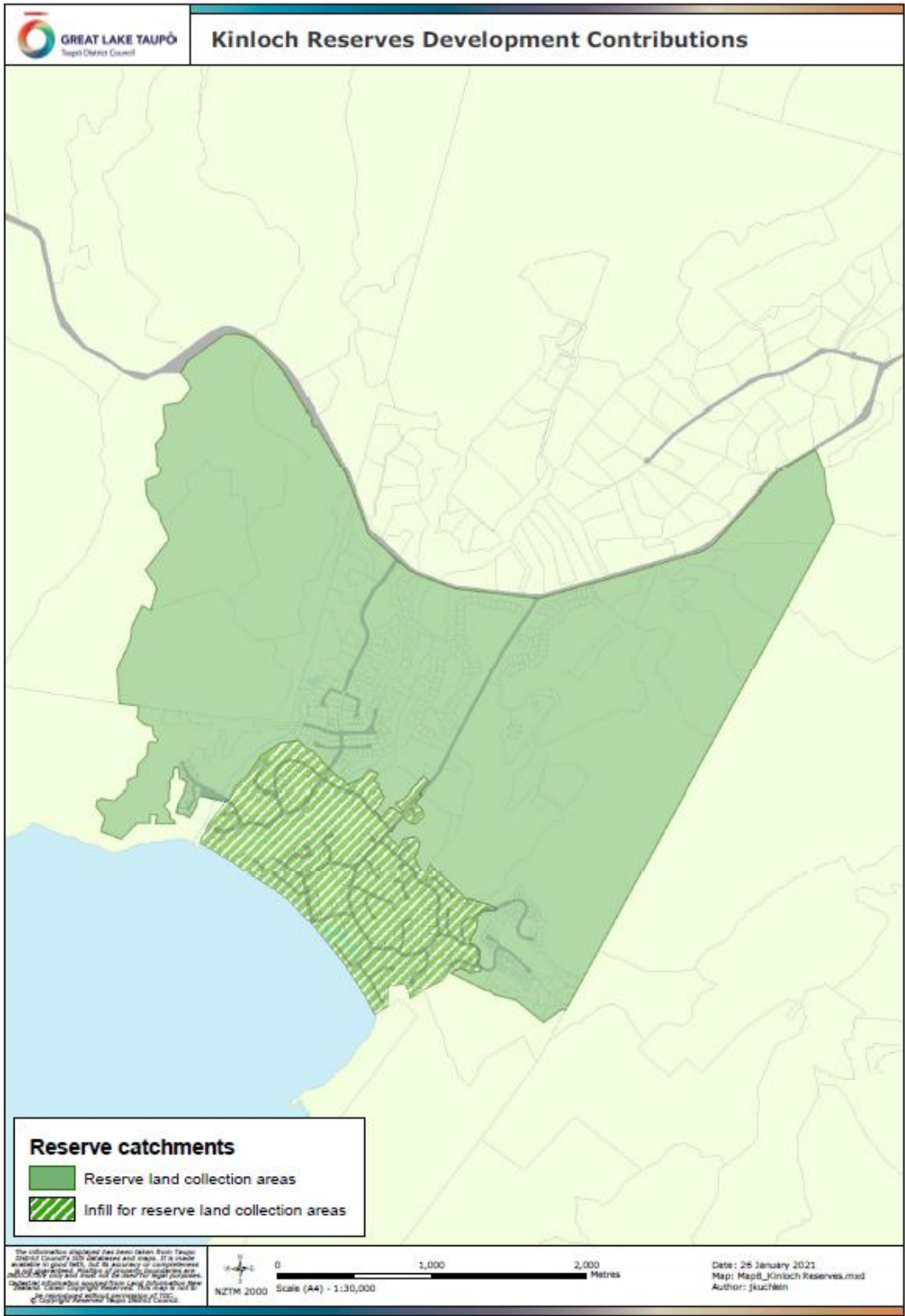


RESERVES CATCHMENT MAPS

CATCHMENT R1



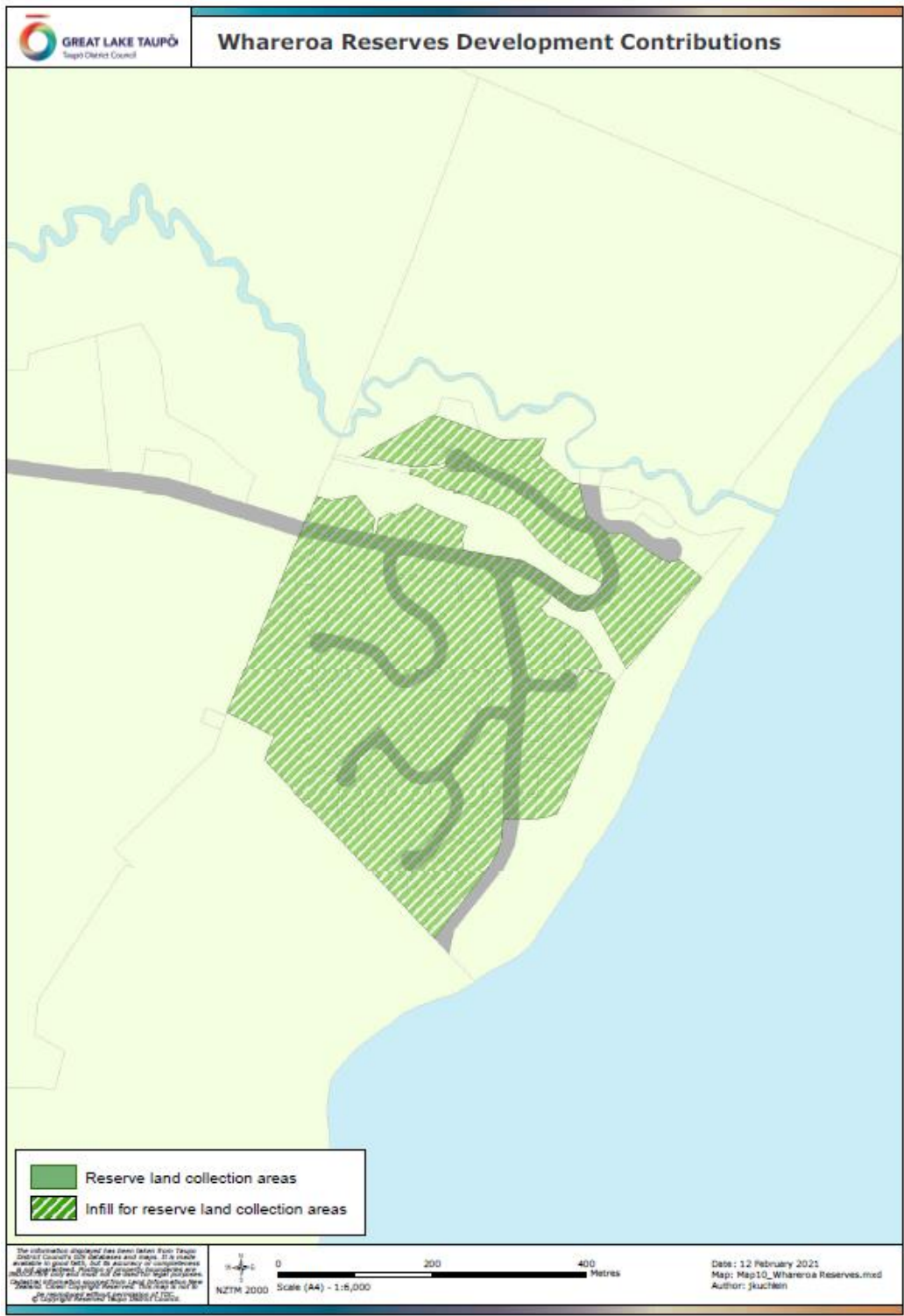
CATCHMENT R2



CATCHMENT R3

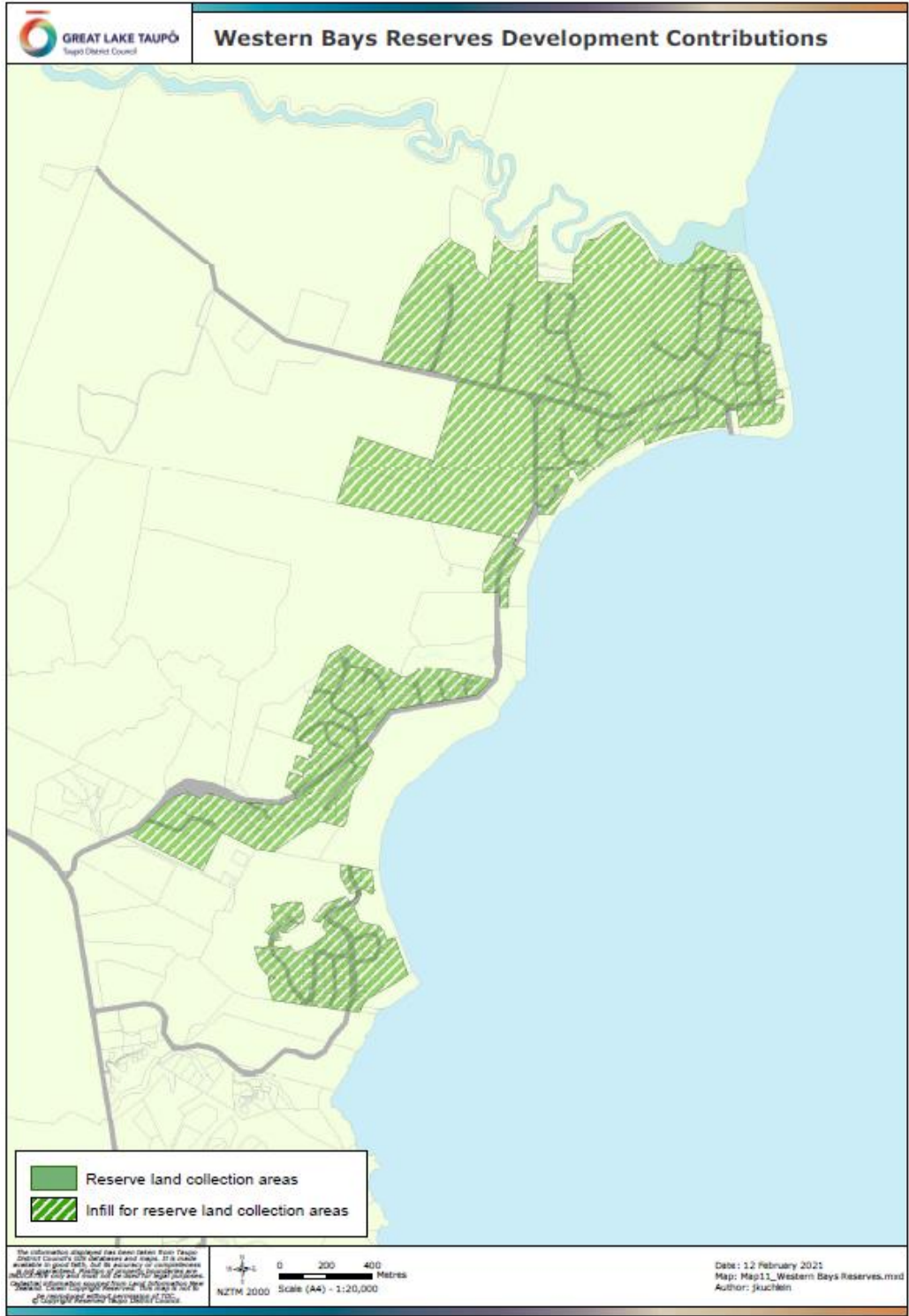


CATCHMENT R4

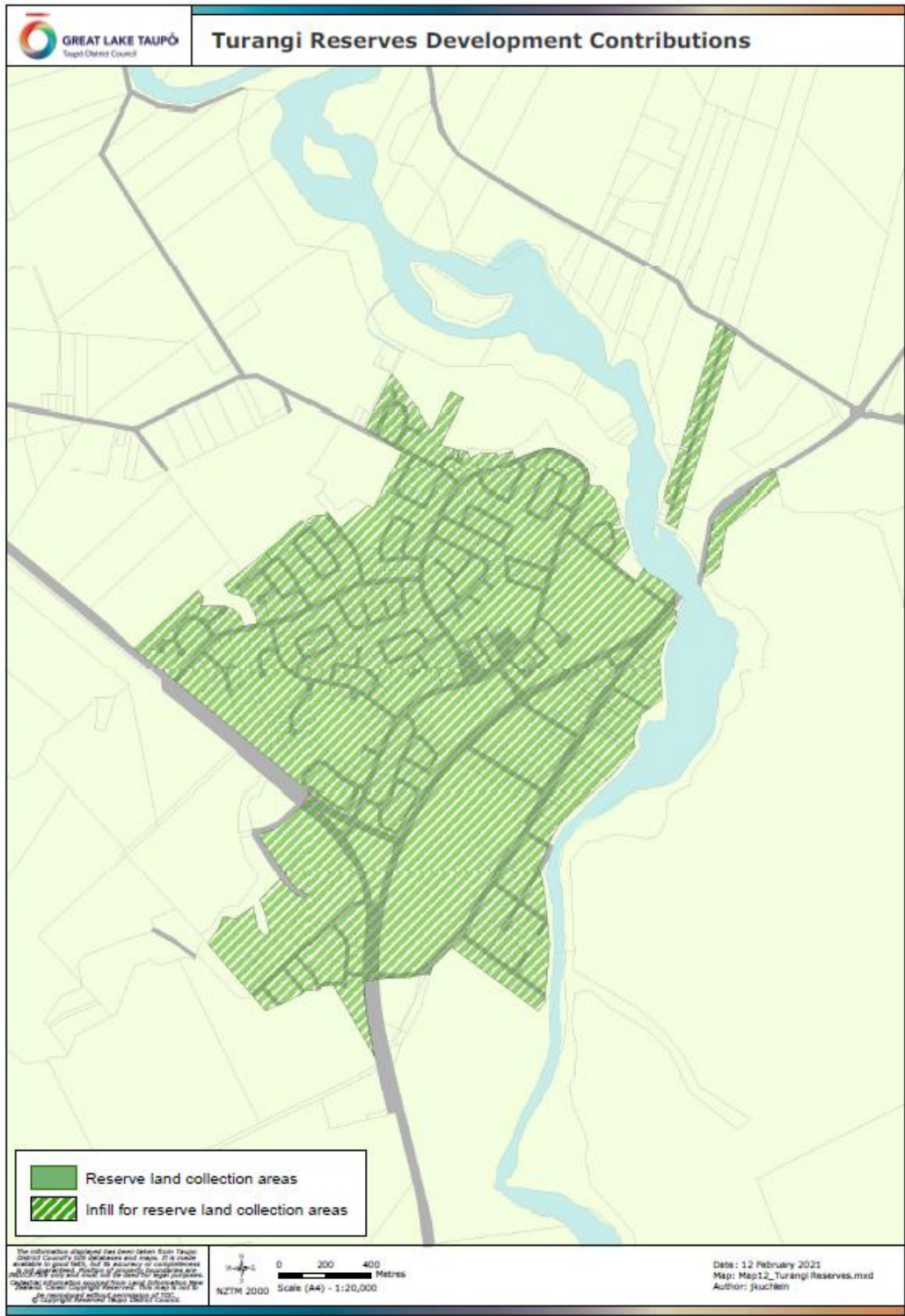




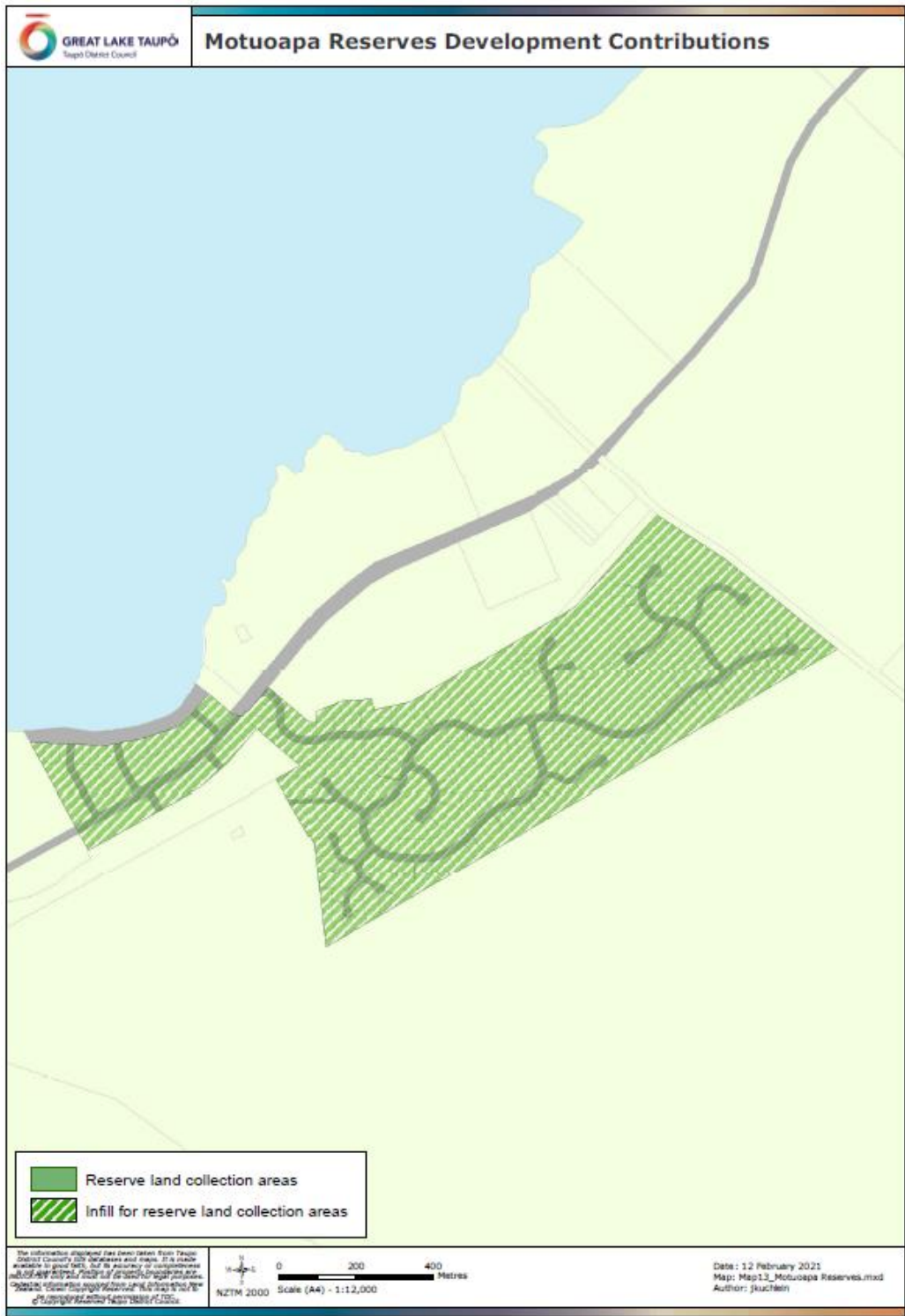
CATCHMENT R5



CATCHMENT R6



CATCHMENT R7



**106 Policy on development contributions or financial contributions**

- (1) In this section, **financial contributions** has the meaning given to it by section 108(9) of the Resource Management Act 1991.
- (2) A policy adopted under section 102(1) must, in relation to the purposes for which development contributions or financial contributions may be required,—
- (a) summarise and explain the total cost of capital expenditure identified in the long-term plan, or identified under clause 1(2) of Schedule 13 that the local authority expects to incur to meet the increased demand for community facilities resulting from growth; and
  - (b) state the proportion of that total cost of capital expenditure that will be funded by—
    - (i) development contributions;
    - (ii) financial contributions;
    - (iii) other sources of funding; and
  - (c) explain, in terms of the matters required to be considered under section 101(3), why the local authority has determined to use these funding sources to meet the expected total cost of capital expenditure referred to in paragraph (a); and
  - (d) identify separately each activity or group of activities for which a development contribution or a financial contribution will be required and, in relation to each activity or group of activities, specify the total amount of funding to be sought by development contributions or financial contributions; and
  - (e) if development contributions will be required, comply with the requirements set out in sections 201 to 202A; and
  - (f) if financial contributions will be required, summarise the provisions that relate to financial contributions in the district plan or regional plan prepared under the Resource Management Act 1991.
- (2A) This section does not prevent a local authority from calculating development contributions over the capacity life of assets or groups of assets for which development contributions are required, so long as—
- (a) the assets that have a capacity life extending beyond the period covered by the territorial authority's long-term plan are identified in the development contributions policy; and
  - (b) development contributions per unit of demand do not exceed the maximum amount allowed by section 203.
- (2B) Subject to subsection (2C), a development contribution provided for in a development contributions policy may be increased under the authority of this subsection without consultation, formality, or a review of the development contributions policy.



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- (2C) A development contribution may be increased under subsection (2B) only if—
- (a) the increase does not exceed the result of multiplying together—
    - (i) the rate of increase (if any), in the PPI since the development contribution was last set or increased; and
    - (ii) the proportion of the total costs of capital expenditure to which the development contribution will be applied that does not relate to interest and other financing costs; and
  - (b) before any increase takes effect, the territorial authority makes publicly available information setting out—
    - (i) the amount of the newly adjusted development contribution; and
    - (ii) how the increase complies with the requirements of paragraph (a).
- (3) If development contributions are required, the local authority must keep available for public inspection the full methodology that demonstrates how the calculations for those contributions were made.
- (4) If financial contributions are required, the local authority must keep available for public inspection the provisions of the district plan or regional plan prepared under the Resource Management Act 1991 that relate to financial contributions.
- (5) The places within its district or region at which the local authority must keep the information specified in subsections (3) and (4) available for public inspection are—
- (a) the principal public office of the local authority; and
  - (b) such other places within its district or region as the local authority considers necessary in order to provide members of the public with reasonable access to the methodology, provisions, or plan.
- (6) A policy adopted under section 102(1) must be reviewed at least once every 3 years using a consultation process that gives effect to the requirements of section 82.
- (7) In this section,—

**capital expenditure** includes any funding provided by a responsible levy authority to contribute to the construction costs of eligible infrastructure that has been, or is intended to be, transferred to the authority under section 90 of the Infrastructure Funding and Financing Act 2020

**PPI** means the Producers Price Index Outputs for Construction provided by Statistics New Zealand or, if that index ceases to be published, any measure certified by the Government Statistician as being equivalent to that index.

Section 106(2): amended, on 27 November 2010, by section 23(1) of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 106(2)(a): amended, on 8 August 2014, by section 38(1) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

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Section 195(1)(c): amended, on 31 March 2005, by section 414 of the Building Act 2004 (2004 No 72).

#### **196 Discharge of trade wastes**

- (1) The occupier of trade premises within the district of a territorial authority may discharge into the sewerage drains under the control of the territorial authority trade wastes proceeding from those premises either—
  - (a) with the consent of the territorial authority; or
  - (b) without consent if, and to the extent that, the discharge is permitted by trade wastes bylaws.
- (2) This section does not override any trade wastes bylaws, or the Resource Management Act 1991.

Compare: 1974 No 66 s 499

### **Subpart 5—Development contributions**

#### **197AA Purpose of development contributions**

The purpose of the development contributions provisions in this Act 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.

Section 197AA: inserted, on 8 August 2014, by section 50 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **197AB Development contributions principles**

- (1) All persons exercising duties and functions under this subpart must take into account the following principles when preparing a development contributions policy under section 106 or requiring development contributions under section 198:
  - (a) development contributions should only be required if the effects or cumulative effects of developments will create or have created a requirement for the territorial authority to provide or to have provided new or additional assets or assets of increased capacity;
  - (b) development contributions should be determined in a manner that is generally consistent with the capacity life of the assets for which they are intended to be used and in a way that avoids over-recovery of costs allocated to development contribution funding;
  - (c) cost allocations used to establish development contributions should be determined according to, and be proportional to, the persons who will benefit from the assets to be provided (including the community as a whole) as well as those who create the need for those assets;
  - (d) development contributions must be used—

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- (i) for or towards the purpose of the activity or the group of activities for which the contributions were required; and
- (ii) for the benefit of the district or the part of the district that is identified in the development contributions policy in which the development contributions were required;
- (e) territorial authorities should make sufficient information available to demonstrate what development contributions are being used for and why they are being used;
- (f) development contributions should be predictable and be consistent with the methodology and schedules of the territorial authority's development contributions policy under sections 106, 201, and 202;
- (g) when calculating and requiring development contributions, territorial authorities may group together certain developments by geographic area or categories of land use, provided that—
  - (i) the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
  - (ii) grouping by geographic area avoids grouping across an entire district wherever practical.
- (2) In subsection (1)(a), **assets** includes eligible infrastructure that has been, or is intended to be, transferred by a responsible SPV to a responsible infrastructure authority under section 90 of the Infrastructure Funding and Financing Act 2020.

Section 197AB: inserted, on 8 August 2014, by section 50 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 197AB(2): inserted, on 7 August 2020, by section 161 of the Infrastructure Funding and Financing Act 2020 (2020 No 47).

## 197 Interpretation

- (1) In this subpart and Schedule 13,—

**allotment** has the meaning given to it in section 218(2) of the Resource Management Act 1991

**capital expenditure** includes any funding provided by a responsible levy authority to contribute to the construction costs of eligible infrastructure that has been, or is intended to be, transferred to the authority under section 90 of the Infrastructure Funding and Financing Act 2020

**development** means—

- (a) any subdivision, building (as defined in section 8 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

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**methodology** means the methodology for calculating development contributions set out in Schedule 13

**network utility operator** has the meaning given to it by section 166 of the Resource Management Act 1991.

(2) In this Act, unless the context otherwise requires,—

**accommodation units** 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

**community facilities** means reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199

**community infrastructure**—

- (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

**development agreement** means a voluntary contractual agreement made under sections 207A to 207F 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** means a contribution—

- (a) provided for in a development contribution policy of a territorial authority; and
- (b) calculated in accordance with the methodology; and
- (c) 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 Māori Act 1993, unless that Act provides otherwise; or
  - (iii) both

**development contribution objection** means an objection lodged under clause 1 of Schedule 13A against a requirement to make a development contribution

**development contribution policy** means the policy on development contributions adopted under section 102(1)

**development contributions commissioner** means a person appointed under section 199F

**network infrastructure** means the provision of roads and other transport, water, wastewater, and stormwater collection and management

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**objector** means a person who lodges a development contribution objection

**resource consent** has the meaning given to it in section 2(1) of the Resource Management Act 1991 and includes a change to a condition of a resource consent under section 127 of that Act

**service connection** means a physical connection to a service provided by, or on behalf of, a territorial authority.

Section 197(1): amended, on 28 June 2006, by section 22(1) of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

Section 197(1) **capital expenditure**: inserted, on 7 August 2020, by section 161 of the Infrastructure Funding and Financing Act 2020 (2020 No 47).

Section 197(1) **community facilities**: repealed, on 5 December 2012, by section 30(1) of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

Section 197(1) **community infrastructure**: repealed, on 5 December 2012, by section 30(1) of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

Section 197(1) **development** paragraph (a): amended, on 8 August 2014, by section 51(1) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 197(1) **development contribution**: repealed, on 5 December 2012, by section 30(1) of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

Section 197(1) **development contribution policy**: repealed, on 5 December 2012, by section 30(1) of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

Section 197(1) **network infrastructure**: repealed, on 5 December 2012, by section 30(1) of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

Section 197(1) **service connection**: repealed, on 5 December 2012, by section 30(1) of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

Section 197(2): inserted, on 5 December 2012, by section 30(2) of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

Section 197(2) **accommodation units**: inserted, on 8 August 2014, by section 51(3) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 197(2) **community infrastructure**: replaced, on 14 May 2019, by section 11 of the Local Government (Community Well-being) Amendment Act 2019 (2019 No 17).

Section 197(2) **development agreement**: inserted, on 8 August 2014, by section 51(3) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 197(2) **development contribution objection**: inserted, on 8 August 2014, by section 51(3) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 197(2) **development contributions commissioner**: inserted, on 8 August 2014, by section 51(3) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 197(2) **objector**: inserted, on 8 August 2014, by section 51(3) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 197(2) **resource consent**: inserted, on 8 August 2014, by section 51(3) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

*Contributions may be required by territorial authorities*

**198 Power to require contributions for developments**

- (1) A territorial authority may require a development contribution to be made to the territorial authority when—

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- (a) a resource consent is granted under the Resource Management Act 1991 for a development within its district;
  - (b) a building consent is granted under the Building Act 2004 for building work situated in its district (whether by the territorial authority or a building consent authority);
  - (c) an authorisation for a service connection is granted.
- (2) A territorial authority may only require the development contribution as provided for in a policy adopted under section 102(1) that is consistent with section 201.
- (2A) For the purposes of subsection (2), a development contribution must be consistent with the content of the policy adopted under section 102(1) that was in force at the time that the application for a resource consent, building consent, or service connection was submitted, accompanied by all required information.
- (3) A requirement for a development contribution under subsection (1)(a) or (1)(b) is not—
- (a) a condition of a resource consent that gives rise to any right of objection or appeal; or
  - (b) as the case may be, a matter that gives rise to any right to apply to the chief executive for a determination under the Building Act 2004.
- (4) Subsection (3) is for the avoidance of doubt.
- (4A) If a development contribution policy provides for a development contribution under subsection (1)(b), the territorial authority may require that development contribution to be made when granting a certificate of acceptance under section 98 of the Building Act 2004 if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is granted.
- (4B) Subsection (4C) applies if Kāinga Ora—Homes and Communities is responsible for granting the consent, authorisation, or certificate referred to in subsection (1) or (4A).
- (4C) Kāinga Ora—Homes and Communities may, as appropriate and by agreement with the local authority, exercise the power under the relevant subsection on the local authority's behalf.
- (5) In this section,—

**building consent authority** means a person whose name is entered in the register referred to in section 273(1)(a) of the Building Act 2004

**chief executive** has the meaning given to it in section 7 of the Building Act 2004.

Section 198(1): substituted, on 31 March 2005, by section 414 of the Building Act 2004 (2004 No 72).

Section 198(1): amended, on 28 June 2006, by section 23(1) of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

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Section 198(1)(b): amended, on 28 June 2006, by section 23(2) of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

Section 198(2): amended, on 8 August 2014, by section 52(1) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 198(2): amended, on 27 November 2010, by section 49 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

Section 198(2A): inserted, on 8 August 2014, by section 52(2) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 198(3): substituted, on 28 June 2006, by section 23(3) of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

Section 198(4): added, on 28 June 2006, by section 23(3) of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

Section 198(4A): inserted, on 8 August 2014, by section 52(3) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 198(4B): inserted, on 7 August 2020, by section 300 of the Urban Development Act 2020 (2020 No 42).

Section 198(4C): inserted, on 7 August 2020, by section 300 of the Urban Development Act 2020 (2020 No 42).

Section 198(5): added, on 28 June 2006, by section 23(3) of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

#### 198A Restrictions on power to require contributions for reserves

*[Repealed]*

Section 198A: repealed, on 14 May 2019, by section 12 of the Local Government (Community Well-being) Amendment Act 2019 (2019 No 17).

#### 199 Basis on which development contributions may be required

- (1) Development contributions may be required in relation to developments if the effect of the developments is to require new or additional assets or assets of increased capacity and, as a consequence, the territorial authority incurs capital expenditure to provide appropriately for—
  - (a) reserves;
  - (b) network infrastructure;
  - (c) community infrastructure.
- (2) This section does not prevent a territorial authority from requiring a development contribution that is to be used to pay, in full or in part, for capital expenditure already incurred by the territorial authority in anticipation of development.
- (3) In subsection (1), **effect** includes the cumulative effects that a development may have in combination with other developments.

Section 199(2): amended, on 8 August 2014, by section 54(1) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 199(3): amended, on 8 August 2014, by section 54(2) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

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**199A Right to reconsideration of requirement for development contribution**

- (1) If a person is required by a territorial authority to make a development contribution under section 198, the person may request the territorial authority to reconsider the requirement if the person has grounds to believe that—
  - (a) the development contribution was incorrectly calculated or assessed under the territorial authority's development contributions policy; or
  - (b) the territorial authority incorrectly applied its development contributions policy; or
  - (c) the information used to assess the person's development against the development contributions policy, or the way the territorial authority has recorded or used it when requiring a development contribution, was incomplete or contained errors.
- (2) A request for a reconsideration must be lodged and decided according to the procedure set out in a development contributions policy under section 202A(2).
- (3) A request for a reconsideration must be made within 10 working days after the date on which the person lodging the request receives notice from the territorial authority of the level of development contribution that the territorial authority requires.
- (4) A person may not apply for a reconsideration of a requirement if the person has already lodged an objection to that requirement under section 199C and Schedule 13A.

Section 199A: inserted, on 8 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

**199B Territorial authority to notify outcome of reconsideration**

- (1) The territorial authority must, within 15 working days after the date on which it receives all required relevant information relating to a request, give written notice of the outcome of its reconsideration to the person who made the request.
- (2) A person who requested a reconsideration may object to the outcome of the reconsideration in accordance with section 199C.

Section 199B: inserted, on 8 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

**199C Right to object to assessed amount of development contribution**

- (1) A person may, on any ground set out in section 199D, object to the assessed amount of the development contribution that a territorial authority has required from the person under section 198, advised in—
  - (a) a notice given to the person for that purpose by the territorial authority; or
  - (b) if notice has not been given, such other formal advice of the requirement that the territorial authority has given to the person.

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- (2) The right of objection conferred by subsection (1) applies irrespective of whether a reconsideration of the requirement for a development contribution under section 199A has been requested.
- (3) The right of objection conferred by this section does not apply to challenges to the content of a development contributions policy prepared in accordance with section 102.

Section 199C: inserted (with effect on 1 July 2014), on 7 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199D Scope of development contribution objections**

An objection under section 199C may be made only on the ground that a territorial authority has—

- (a) failed to properly take into account features of the objector's development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the territorial authority's district or parts of that district; or
- (b) required a development contribution for community facilities not required by, or related to, the objector's development, whether on its own or cumulatively with other developments; or
- (c) required a development contribution in breach of section 200; or
- (d) incorrectly applied its development contributions policy to the objector's development.

Section 199D: inserted (with effect on 1 July 2014), on 7 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199E Procedure for development contribution objections**

Schedule 13A applies in relation to objections under section 199C.

Section 199E: inserted (with effect on 1 July 2014), on 7 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199F Appointment and register of development contributions commissioners**

- (1) The Minister must appoint suitable persons as approved development contributions commissioners who are to decide development contribution objections.
- (2) The Minister must compile and keep a register of approved development contributions commissioners.
- (3) The Minister must ensure that the persons named in the register individually or collectively have—
  - (a) knowledge and experience in adjudication and mediation, including the conduct of hearings or inquiries; and
  - (b) knowledge, skills, and experience relevant to the subject matter likely to arise in an objection; and

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- (c) knowledge of tikanga Māori.
- (4) The Minister may, by notice in the *Gazette*, specify additional criteria for the appointment of development contributions commissioners (being in addition to, but not inconsistent with, the criteria specified in subsection (3)).
- (5) Before compiling the register or specifying additional appointment criteria, the Minister must consult persons that the Minister considers are representative of parties that are most likely to be participants in development contribution objections.
- (6) The term of appointment for a development contributions commissioner on the register expires—
  - (a) 3 years after the date on which his or her appointment takes effect; or
  - (b) at the close of the term of his or her reappointment; or
  - (c) at the close of the extension of his or her term; or
  - (d) as soon after the completion of his or her term of appointment or reappointment as is necessary to enable him or her to complete any outstanding work, but not later than the notification of his or her final decision as a commissioner.
- (7) The Minister must notify all appointments of approved development contributions commissioners in the *Gazette*.

Section 199F: inserted, on 8 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199G Removal of development contributions commissioners**

The Minister may remove any development contributions commissioner from the register kept under section 199F, but only—

- (a) because of the criminal activity or other misconduct of the commissioner; or
- (b) if the commissioner is unable to perform the functions of office; or
- (c) if the commissioner has neglected his or her duty.

Section 199G: inserted, on 8 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199H Who may decide development contribution objections**

- (1) Any person named in the register of approved development contributions commissioners and selected by a territorial authority in accordance with clause 3 of Schedule 13A to decide a development contribution objection may hear and decide the objection.
- (2) A person who is not named in the register of approved development contributions commissioners may hear and decide a development contribution objection only if—
  - (a) the territorial authority is satisfied that—

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- (i) the objection relates to matters that require skills or knowledge that is not available from persons named in the register who are available to deal with the objection; and
  - (ii) another suitable person with such skills or knowledge is available to deal with the objection; and
- (b) the Minister approves the territorial authority's selection of that other person to decide the objection.
- (3) A person approved by the Minister under subsection (2)(b) must be treated as a development contributions commissioner for the period necessary to enable the person to decide the relevant objection.

Section 199II: inserted, on 8 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199I Development contribution objection hearings**

- (1) The applicable fees and allowances for a witness appearing at a development contribution objection hearing must be paid by the party on whose behalf the witness is called.
- (2) Before or at the hearing, a development contributions commissioner may request the objector or territorial authority to provide further information.
- (3) If information is requested before a hearing under subsection (2), the party required to provide the information must serve copies of it on the other parties to the objection.
- (4) Only the territorial authority and the objector have a right to be heard at the hearing of an objection. The commissioners may, at their discretion, invite any other person or organisation to attend and be heard to the extent allowed by the commissioners.
- (5) Part 2 of Schedule 13A sets out supplementary provisions that apply in relation to development contribution objection hearings.

Section 199I: inserted, on 8 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199J Consideration of development contribution objection**

When considering a development contribution objection and any evidence provided in relation to that objection, development contributions commissioners must give due consideration to the following:

- (a) the grounds on which the development contribution objection was made;
- (b) the purpose and principles of development contributions under sections 197AA and 197AB;
- (c) the provisions of the development contributions policy under which the development contribution that is the subject of the objection was, or is, required;

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- (d) the cumulative effects of the objector's development in combination with the other developments in a district or parts of a district, on the requirement to provide the community facilities that the development contribution is to be used for or toward;
- (e) any other relevant factor associated with the relationship between the objector's development and the development contribution to which the objection relates.

Section 199J: inserted, on 8 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199K Additional powers of development contributions commissioners**

- (1) In addition to his or her powers under section 199I and Schedule 13A, a development contributions commissioner has, for the purposes of a development contribution objection hearing, the following powers:
  - (a) to direct the order of business at the hearing, including the order in which evidence is presented and parties heard;
  - (b) to direct that evidence presented at the hearing be taken as read or presented within a stated time limit;
  - (c) to direct that evidence be limited to the matters relevant to the dispute.
- (2) Whether or not a hearing is held, a development contributions commissioner may direct that briefs of evidence be provided within a specified period ending not later than,—
  - (a) if a hearing is to be held, 10 working days before the hearing commences; or
  - (b) in any other case, 10 working days before the date on which the commissioner or commissioners intend to begin their consideration of the objection.
- (3) A development contributions commissioner may waive or extend any period specified in this section or Schedule 13A (except the period specified in clause 1(1) of Schedule 13A) if satisfied that exceptional circumstances exist.
- (4) A development contributions commissioner may, on his or her own initiative or on application from the objector or the territorial authority, make an order that prohibits the communication or publication of any information supplied to the commissioner, or obtained by the commissioner, in the course of deciding a development contribution objection, if satisfied that the order is necessary to avoid—
  - (a) serious offence to tikanga Māori or to avoid the disclosure of the location of wāhi tapu; or
  - (b) the disclosure of a trade secret or commercial information that, if released, would be prejudicial to the business or operations of any party to the objection.

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Section 199K: inserted, on 8 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199L Liability of development contributions commissioners**

A development contributions commissioner is not liable for anything the commissioner does, or omits to do, in good faith in performing or exercising the functions, duties, responsibilities, and powers of a development contributions commissioner under this Act.

Section 199L: inserted, on 8 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199M Residual powers of territorial authority relating to development contribution objection decision**

- (1) This section applies to a decision of a development contributions commissioner.
- (2) The territorial authority affected by the decision retains all the functions, duties, responsibilities, and powers of a territorial authority in relation to the requirement for the development contribution that is the subject of the decision as if the decision had been made by the territorial authority.
- (3) Subsection (2) does not confer on a territorial authority the power to change, amend, or overturn a decision made by a development contributions commissioner.
- (4) However, nothing in subsection (3) affects a territorial authority's right to apply for judicial review of a decision made by a development contributions commissioner.

Section 199M: inserted (with effect on 1 July 2014), on 7 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199N Objector's right to apply for judicial review unaffected**

Nothing in this subpart affects the right of an objector to a development contribution to apply for judicial review of a decision made by a development contributions commissioner.

Section 199N: inserted (with effect on 1 July 2014), on 7 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **199O Territorial authority to provide administrative support for development contributions commissioners**

A territorial authority must supply all secretarial and administrative services necessary to enable development contributions commissioners to perform their functions under this Act.

Section 199O: inserted (with effect on 1 July 2014), on 7 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

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### **199P Interim effect of development contribution objection**

- (1) If a development contribution objection is lodged, the territorial authority may still require the development contribution to be made, but must not use it until the objection has been determined.
- (2) If a territorial authority does not require a development contribution to be made pending the determination of an objection, the territorial authority may withhold certificates or permissions in accordance with section 208 until the objection has been determined.

Section 199P: inserted (with effect on 1 July 2014), on 7 August 2014, by section 55 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

### *Conditions relevant to requirement for contributions*

### **200 Limitations applying to requirement for development contribution**

- (1) A territorial authority must not require a development contribution for a reserve, network infrastructure, or community infrastructure if, and to the extent that—
  - (a) it has, under section 108(2)(a) of the Resource Management Act 1991, imposed a condition on a resource consent in relation to the same development for the same purpose; or
  - (b) the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure; or
  - (ba) the territorial authority has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance; or
  - (c) a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure, or community infrastructure.
- (2) This subpart does not prevent a territorial authority from accepting from a person, with that person's agreement, additional contributions for reserves, network infrastructures, or community infrastructures.
- (3) This section does not prevent a territorial authority from requiring a development contribution if—
  - (a) income from the following is being used or will be used to meet a proportion of the capital costs of the community facilities for which the development contribution will be used:
    - (i) rates;
    - (ii) fees and charges;
    - (iii) interest and dividends from investments;
    - (iv) borrowings;
    - (v) proceeds from asset sales;

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- (vi) regional fuel tax; or
- (b) a person required to make the development contribution is also a ratepayer in the territorial authority's district or has paid or will pay fees or charges in respect of the facilities.
- (4) Despite subsection (1)(ba), a territorial authority may require another development contribution to be made for the same purpose if the further development contribution is required to reflect an increase in the scale or intensity of the development since the original contribution was required.
- (5) Subsection (6) applies if a territorial authority or a council-controlled organisation has entered a funding agreement with the New Zealand Transport Agency under which—
  - (a) a specified amount of additional financial assistance is to be provided from the national land transport fund to the territorial authority or the council-controlled organisation to fund a specified network infrastructure project; and
  - (b) that specified amount of additional financial assistance is to be offset by reduced funding for 1 or more other projects or programmes.
- (6) If this subsection applies, the specified amount of additional financial assistance must not be treated as third-party funding for the purposes of subsection (1)(c).
- (7) Subsection (8) applies if a funding agreement referred to in subsection (5)—
  - (a) provides for some or all of the specified amount of additional financial assistance to be offset by the provision of a reduced amount of financial assistance for 1 or more other network infrastructure projects; and
  - (b) specifies the amount of financial assistance for each other network infrastructure project that would otherwise have been provided.
- (8) If this subsection applies, to the extent that a network infrastructure project receives a reduced amount of financial assistance, subsection (1)(c) applies as if the amount of financial assistance provided for that project were the amount that would otherwise have been provided, and not the reduced amount.
- (9) In this section, **additional financial assistance** means an amount of financial assistance for a network infrastructure project that is greater than the amount (if any) that would otherwise be provided from the national land transport fund in respect of that project.
- (10) Subsections (5) to (9) prevail over subsection (1)(c).

Section 200(1)(ba): inserted, on 8 August 2014, by section 56(1) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 200(1)(c): replaced, on 8 August 2014, by section 56(2) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 200(3): inserted, on 8 August 2014, by section 56(3) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

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Section 200(3)(a)(v): amended, on 27 June 2018, by section 10(3) of the Land Transport Management (Regional Fuel Tax) Amendment Act 2018 (2018 No 15).

Section 200(3)(a)(vi): inserted, on 27 June 2018, by section 10(4) of the Land Transport Management (Regional Fuel Tax) Amendment Act 2018 (2018 No 15).

Section 200(4): inserted, on 8 August 2014, by section 56(3) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 200(5): inserted, on 14 May 2019, by section 13 of the Local Government (Community Well-being) Amendment Act 2019 (2019 No 17).

Section 200(6): inserted, on 14 May 2019, by section 13 of the Local Government (Community Well-being) Amendment Act 2019 (2019 No 17).

Section 200(7): inserted, on 14 May 2019, by section 13 of the Local Government (Community Well-being) Amendment Act 2019 (2019 No 17).

Section 200(8): inserted, on 14 May 2019, by section 13 of the Local Government (Community Well-being) Amendment Act 2019 (2019 No 17).

Section 200(9): inserted, on 14 May 2019, by section 13 of the Local Government (Community Well-being) Amendment Act 2019 (2019 No 17).

Section 200(10): inserted, on 14 May 2019, by section 13 of the Local Government (Community Well-being) Amendment Act 2019 (2019 No 17).

*Development contributions policy*

**201 Contents of development contributions policy**

- (1) If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102(1) must include, in summary form, in addition to the matters set out in section 106,—
  - (a) an explanation of, and justification for, the way each development contribution in the schedule required by subsection (2) is calculated; and
  - (b) the significant assumptions underlying the calculation of the schedule of development contributions, including an estimate of the potential effects, if there is a significant level of uncertainty as to the scope and nature of the effects; and
  - (c) the conditions and criteria (if any) that will apply in relation to the remission, postponement, or refund of development contributions, or the return of land; and
  - (d) the basis on which the value of additional allotments or land is assessed for the purposes of section 203(1).
- (2) A development contributions policy must contain a schedule in accordance with section 202.

Section 201(1): amended, on 27 November 2010, by section 49 of the Local Government Act 2002 Amendment Act 2010 (2010 No 124).

**201A Schedule of assets for which development contributions will be used**

- (1) If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102 must include, in addition to the matters set out in sections 106 and 201, a schedule that lists—

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- (a) each new asset, additional asset, asset of increased capacity, or programme of works for which the development contributions requirements set out in the development contributions policy are intended to be used or have already been used; and
  - (b) the estimated capital cost of each asset described in paragraph (a); and
  - (c) the proportion of the capital cost that the territorial authority proposes to recover through development contributions; and
  - (d) the proportion of the capital cost that the territorial authority proposes to recover from other sources; and
  - (e) if the asset is eligible infrastructure that has been, or is intended to be, transferred by a responsible SPV to a responsible infrastructure authority under section 90 of the Infrastructure Funding and Financing Act 2020, the proportion of the capital cost to be funded by a levy under that Act and from other sources.
- (2) For the purposes of subsection (1), assets for which development contributions are required can be grouped together into logical and appropriate groups of assets that reflect the intended or completed programmes of works or capacity expansion.
- (3) A schedule under subsection (1) must also include assets for which capital expenditure has already been incurred by a territorial authority in anticipation of development.
- (4) Information in the schedule under subsection (1) must group assets according to the district or parts of the district for which the development contribution is required, and by the activity or group of activities for which the development contribution is required.
- (5) A territorial authority may make changes to the schedule required by subsection (1) at any time without consultation or further formality, but only if—
  - (a) the change is being made to reflect a change of circumstances in relation to an asset that is listed in the schedule or is to be added to the schedule; and
  - (b) the change does not increase the total or overall development contribution that will be required to be made to the territorial authority.
- (6) If the territorial authority is satisfied that the schedule or any part of it is too large or impractical to print in hard copy form, the territorial authority may—
  - (a) provide the schedule in a publicly accessible electronic format; and
  - (b) provide and maintain an electronic link from the development contributions policy to the schedule (if the policy is on the Internet) or state where a hard copy of the schedule can be found and inspected.
- (7) Subject to sections 204, 205, and 206, a territorial authority may use a development contribution for or towards any assets other than those set out in the

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schedule required by subsection (1) as at the time the development contribution was required, if—

- (a) the assets are for the same general function and purpose as those that were set out in the schedule required under subsection (1) as at the time the development contribution was required; and
- (b) the schedule required by subsection (1) has been updated in accordance with subsection (5), or will be updated when the development contributions policy is next changed or reviewed, to identify the assets that the development contribution has been, or is intended to be, used for or towards.

Section 201A: inserted, on 8 August 2014, by section 57 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 201A(1)(c): inserted, on 7 August 2020, by section 161 of the Infrastructure Funding and Financing Act 2020 (2020 No 47).

## 202 Contents of section 201 schedule

- (1) The schedule of development contributions required by section 201(2) must specify—
  - (a) the development contributions payable in each district, calculated, in each case, in accordance with the methodology in respect of—
    - (i) reserves; and
    - (ii) network infrastructure; and
    - (iii) community infrastructure; and
  - (b) the event that will give rise to a requirement for a development contribution under section 198, whether upon granting—
    - (i) a resource consent under the Resource Management Act 1991; or
    - (ii) a building consent under the Building Act 2004; or
    - (iii) an authorisation for a service connection.
- (2) If different development contributions are payable in different parts of the district, subsection (1) applies in relation to the parts of the district.
- (3) The specifications required under subsection (1) or subsection (2) must be given separately in relation to each activity or group of activities for which separate development contributions are required.

Section 202 heading: amended, on 8 August 2014, by section 58 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 202(1)(b)(ii): amended, on 31 March 2005, by section 414 of the Building Act 2004 (2004 No 72).

## 202A Reconsideration process to be in development contributions policy

- (1) If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102 must, in addition to the matters set out in sections 106 and 201 to 202, and subject to any regula-

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tions made under section 259(1)(e) or (f), set out the process for requesting reconsideration of a requirement under section 199A.

- (2) The process for reconsideration must set out—
- (a) how the request can be lodged with the territorial authority; and
  - (b) the steps in the process that the territorial authority will apply when reconsidering the requirement to make a development contribution.

Section 202A: inserted, on 8 August 2014, by section 59 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

### **203 Maximum development contributions not to be exceeded**

- (1) Development contributions for reserves must not exceed the greater of—
- (a) 7.5% of the value of the additional allotments created by a subdivision; and
  - (b) the value equivalent of 20 square metres of land for each additional household unit or accommodation unit created by the development.
- (2) Development contributions for network infrastructure or community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand calculated under clause 1 of Schedule 13 by the number of units of demand assessed for a development or type of development, as provided for in clause 2 of Schedule 13, and as amended for any Producers Price Index adjustment adopted in a development contributions policy in accordance with section 106(2B).

Section 203(1)(b): amended, on 8 August 2014, by section 60(1) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 203(2): amended, on 8 August 2014, by section 60(2) of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### *Use of development contributions*

### **204 Use of development contributions by territorial authority**

- (1) A development contribution—
- (a) must be used for, or towards, the capital expenditure of the reserve, network infrastructure, or community infrastructure for which the contribution was required, which may also include the development of the reserve, network infrastructure, or community infrastructure; but
  - (b) must not be used for the maintenance of the reserve, network infrastructure, or community infrastructure.
- (2) Subsection (1) is subject to section 205.

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## 205 Use of development contributions for reserves

A territorial authority must use a development contribution received for reserves purposes for the purchase or development of reserves within its district, which may include—

- (a) the development of community or recreational facilities associated with the use of a reserve;
- (b) the provision or improvement of recreational facilities at a school established or about to be established under subpart 6 of Part 3 of the Education and Training Act 2020, if—
  - (i) a licence has been granted under section 6A of the Education Lands Act 1949 in relation to the use or occupation of the community recreational facilities; and
  - (ii) the Minister for Sport and Recreation has notified the local authority in writing that he or she is satisfied that the licence provides for the reasonable use of the community recreational facilities by members of the public;
- (c) the purchase of land or an interest in land—
  - (i) to be held for conservation purposes under the Reserves Act 1977;
  - (ii) that is, or will be, subject to a conservation covenant under section 77 of the Reserves Act 1977;
- (d) payment, on terms and conditions the territorial authority thinks fit, to—
  - (i) another local authority or public body in which land in the district is vested to enlarge, enhance, or develop the land for public recreation purposes;
  - (ii) the administering body of a reserve held under the Reserves Act 1977 to enlarge, enhance, or develop the reserve;
  - (iii) the trustees or body corporate in whom is vested a Māori reservation to which section 340 of Te Ture Whenua Māori Act 1993 applies, to enhance the reservation for cultural or other purposes;
  - (iv) any person, to secure an appropriate interest in perpetuity in land for conservation purposes.

Section 205(b): amended, on 1 August 2020, by section 668 of the Education and Training Act 2020 (2020 No 38).

Section 205(b)(i): amended, on 1 August 2020, by section 668 of the Education and Training Act 2020 (2020 No 38).

## 206 Alternative uses of development contributions for reserves

Despite sections 197AB(d) and 205, if the territorial authority considers that the district in which the development is situated has adequate reserves, or that it is impracticable to purchase or develop reserves in that locality, it may, if it

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considers it will benefit the residents in the district in which the development is situated, use the development contributions—

- (a) to add to, improve, or develop land outside the district that is vested in, or controlled by, the territorial authority for public recreation purposes:
- (b) with the consent of the Minister and subject to the terms and conditions the Minister thinks fit, to make payments or advance money to a local authority or public body to add to, improve, or develop land outside the district that is vested in, or controlled by, the local authority or public body for public recreation purposes:
- (c) if the territorial authority has control of the foreshore or the bed of a lake or a harbour under a coastal permit by virtue of section 384(1)(b) or section 425(3)(a) of the Resource Management Act 1991,—
  - (i) to improve or develop the foreshore (whether within or outside the district) for public recreational purposes:
  - (ii) to erect, improve, or develop for public recreational purposes—
    - (A) the bed of the harbour or of the sea immediately contiguous to the foreshore; or
    - (B) the bed of a lake (whether within or outside the district).

Section 206: amended, on 8 August 2014, by section 61 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

**207 Power to use money collected and held under Local Government Act 1974 or Resource Management Act 1991**

- (1) This section applies to money collected—
  - (a) as contributions under Part 20 of the Local Government Act 1974;
  - (b) as contributions under sections 407 or 409 of the Resource Management Act 1991.
- (2) If, at the commencement of this subpart, a territorial authority holds money to which this section applies, the territorial authority may, with the written approval of the Minister, use the money as if it had been collected in accordance with this subpart,—
  - (a) in the case of money collected under Part 20 of the Local Government Act 1974, in accordance with this subpart; and
  - (b) in the case of money collected under sections 407 or 409 of the Resource Management Act 1991, in accordance with the conditions imposed under those sections.

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### *Development agreements*

Heading: inserted, on 8 August 2014, by section 62 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **207A Request to enter development agreement**

- (1) A territorial authority may enter into a development agreement with a developer if—
  - (a) the developer has requested in writing that the territorial authority enter into a development agreement with the developer; or
  - (b) the territorial authority has requested in writing that the developer enter into a development agreement with the territorial authority.
- (2) This section does not limit section 12.

Section 207A: inserted, on 8 August 2014, by section 62 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **207B Response to request for development agreement**

- (1) A territorial authority that receives a written request from a developer to enter into a development agreement must consider that request without unnecessary delay.
- (2) The territorial authority may—
  - (a) accept the request in whole or in part subject to any amendments agreed to by the territorial authority and the developer; or
  - (b) decline the request.
- (3) The territorial authority must provide the developer who made the request with a written notice of its decision and the reasons for its decision.
- (4) A developer who receives a request from a territorial authority to enter into a development agreement may, in a written response to the territorial authority,—
  - (a) accept the request in whole or in part subject to any amendments agreed to by the territorial authority and the developer; or
  - (b) decline the request.

Section 207B: inserted, on 8 August 2014, by section 62 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **207C Content of development agreement**

- (1) A development agreement must be in writing and be signed by all parties that are to be bound by the agreement.
- (2) A development agreement must include—
  - (a) the legal name of the territorial authority that will be bound by the agreement; and
  - (b) the legal name of the developer that will be bound by the agreement; and

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- (c) a description of the land to which the agreement will relate, including its legal description and, if applicable,—
    - (i) the street address of the land; and
    - (ii) other identifiers of the location of the land, its boundaries, and extent; and
  - (d) details of the infrastructure (if any) that each party to the agreement will provide or pay for.
- (3) A development agreement may also include, without limitation, information relating to all or any of the following:
- (a) a description of the development to which the agreement will relate;
  - (b) when infrastructure will be provided, including whether the infrastructure will be provided in stages;
  - (c) who will own, operate, and maintain the infrastructure being provided;
  - (d) the timing and arrangements of any vesting of infrastructure;
  - (e) the mechanism for the resolution of disputes under the agreement;
  - (f) the arrangements for, and timing of, any transfer of land between the territorial authority and the developer;
  - (g) the nature, amount, and timing of any monetary payments to be made between the parties to the agreement;
  - (h) the enforcement of the development agreement by a suitable means in the event of a breach, including, but not limited to,—
    - (i) a guarantee; or
    - (ii) a bond; or
    - (iii) a memorandum of encumbrance.

Section 207C: inserted, on 8 August 2014, by section 62 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **207D Effect of development agreement**

- (1) A development agreement is a legally enforceable contract.
- (2) A development agreement has no force until all parties that will be bound by the agreement have signed it.
- (3) A development agreement does not oblige a territorial authority or any other consent authority to—
  - (a) grant a resource consent under the Resource Management Act 1991; or
  - (b) issue a building consent under the Building Act 2004; or
  - (c) issue a code compliance certificate under the Building Act 2004; or
  - (d) grant a certificate under section 224 of the Resource Management Act 1991; or

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- (e) grant an authorisation for a service connection.
- (4) A territorial authority or other consent authority must not refuse to grant or issue a consent, certificate, or authorisation (as the case may be) referred to in subsection (3) on the basis that a development agreement has not been entered into.
- (5) If there is any conflict between the content of a development agreement and the application of a relevant development contributions policy in relation to that agreement, the content of the development agreement prevails.

Section 207D: inserted, on 8 August 2014, by section 62 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **207E Restrictions on use of development agreement**

- (1) A development agreement must not require a developer to provide—
  - (a) infrastructure of a nature or type for which the developer would not otherwise have been required to make a development contribution; or
  - (b) infrastructure of a higher standard than that which would have been provided for if the developer had been required to make a development contribution; or
  - (c) infrastructure of a scale that would exceed the infrastructure that would otherwise have been provided for if the developer had been required to make a development contribution.
- (2) However, a developer may agree to provide infrastructure of a nature or scale that is additional to, of greater capacity than, or of a different type to the infrastructure that would have been provided if the developer had been required to make a development contribution.

Section 207E: inserted, on 8 August 2014, by section 62 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

#### **207F Amendment or termination of development agreement**

- (1) A development agreement may be amended at any time through mutual agreement of all parties who are signatories to the agreement.
- (2) A development agreement terminates—
  - (a) on a date set out in the development agreement; or
  - (b) on the date on which all actions, undertakings, or obligations that were agreed to by each of the signatories to the agreement have been fulfilled; or
  - (c) on a date mutually agreed in writing by all parties that are signatories to the agreement.

Section 207F: inserted, on 8 August 2014, by section 62 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).



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*Powers to recover unpaid development contributions*

**208 Powers of territorial authority if development contributions not paid or made**

- (1) Until a development contribution required in relation to a development has been paid or made under section 198, a territorial authority may,—
  - (a) in the case of a development contribution required under section 198(1)(a),—
    - (i) withhold a certificate under section 224(c) of the Resource Management Act 1991;
    - (ii) prevent the commencement of a resource consent under the Resource Management Act 1991;
  - (b) in the case of a development contribution required under section 198(1)(b), withhold a code compliance certificate under section 95 of the Building Act 2004;
  - (ba) in the case of a development contribution required under section 198(4A), withhold a certificate of acceptance under section 99 of the Building Act 2004;
  - (c) in the case of a development contribution required under section 198(1)(c), withhold a service connection to the development;
  - (d) in each case, 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 in respect of which the development contribution was required.
- (2) Subsection (3) applies if Kāinga Ora—Homes and Communities is responsible for granting the consent, authorisation, or certificate to which an action described in any of paragraphs (a) to (c) of subsection (1) relates.
- (3) Kāinga Ora—Homes and Communities may, as appropriate and by agreement with the local authority, exercise the power under the relevant paragraph on the local authority's behalf.

Section 208(1)(b): amended, on 31 March 2005, by section 414 of the Building Act 2004 (2004 No 72).

Section 208(1)(ba): inserted, on 8 August 2014, by section 63 of the Local Government Act 2002 Amendment Act 2014 (2014 No 55).

Section 208(1)(d): amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).

Section 208(2): inserted, on 7 August 2020, by section 300 of the Urban Development Act 2020 (2020 No 42).

Section 208(3): inserted, on 7 August 2020, by section 300 of the Urban Development Act 2020 (2020 No 42).

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*Refund of development contributions*

**209 Refund of money and return of land if development does not proceed**

- (1) A territorial authority must refund or return to the consent holder or to his or her personal representative a development contribution paid or land set aside under this subpart if—
  - (a) the resource consent—
    - (i) lapses under section 125 of the Resource Management Act 1991; or
    - (ii) is surrendered under section 138 of that Act; or
  - (b) the building consent lapses under section 52 of the Building Act 2004; or
  - (c) the development or building in respect of which the resource consent or building consent was granted does not proceed; or
  - (d) the territorial authority does not provide the reserve, network infrastructure, or community infrastructure for which the development contribution was required.
- (2) A territorial authority may retain any portion of a development contribution or land referred to in subsection (1) of a value equivalent to the costs incurred by the territorial authority in relation to the development or building and its discontinuance.

Section 209(1)(b): amended, on 31 March 2005, by section 414 of the Building Act 2004 (2004 No 72).

**210 Refund of money or return of land if not applied to specified reserve purposes**

- (1) If a development contribution has been required for a specified reserve purpose, a territorial authority must—
  - (a) refund money received for that purpose, if the money is not applied to that purpose within 10 years after the authority receives the money or other period specified in the development contribution policy; or
  - (b) return land acquired for the specified reserve purpose, if the authority does not use the land for that purpose within 10 years after the authority acquires the land or other period agreed by the territorial authority and the person who paid the development contribution.
- (2) A territorial authority may retain part of the money or land referred to in subsection (1) of a value equivalent to the costs of the authority in refunding the money or returning the land.

**211 Application of other Acts**

This subpart is in addition to the Building Act 2004 and the Resource Management Act 1991.

Section 211: amended, on 31 March 2005, by section 414 of the Building Act 2004 (2004 No 72).

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