

Council

Meeting of 17 October 2025

Business Unit: People and Corporate
Date Created: 07 October 2024

Development and Financial Contributions Policy: Approval to Consult

Purpose Te Aronga o te Pūrongo

The purpose of this report is to seek approval to consult on the:

- a) Development and Financial Contributions Policy 2024;
- b) The development contributions fees.

Significance of Decision Te Hira o te Whakataunga

The Development and Financial Contributions Policy 2024 (the Policy) is based on the 2021 policy, which was consulted on as part of the 2021-2031 Long-term Plan consultation process in accordance with s106(6) of the Local Government Act 2002 (the Act) using the special consultative procedure as specified in s 83 of the Act.

The general form of the policy remains unchanged, however changes to the content have been made which reflect the current economic conditions and most recent growth forecasts. The impact of this, as outlined in detail below, is a significant increase in the development contribution fees and potentially increases in rates (resulting from a greater proportion of capital works being assessed as relating to levels of service and renewals, rather than growth). Therefore, it is proposed that we consult on the Development and Financial Contributions Policy 2024 in a way that satisfies the principles of consultation in s 82 of the Act, in accordance with s 106(6) of the Act.

Section 106(2B) and s 106(2C)(a) of the Act allows for development contribution fees to be increased without the need to consult if the increases are less than the rate of increase in the Producer Price Index since the development contribution was last set, multiplied by capital expenditure to which the development contribution will be applied (excluding interest and other financing costs). The proposed options in this report all require the development contribution fees to be increased more than the level at which consultation is not required. Therefore, Council is required to consult on options to increase the development contribution fees.

Recommendations Ngā Tūtohunga

1. That the Council brings this topic back up for debate, noting that the report “Consultation of the Development and Financial Contributions Policy 2024, and the Development Contribution Fees” was laid on the table by Council on 04 July 2024.
2. The that Council agrees for this report “**Development and Financial Contributions: Approval to Consult**” to replace the original report from 04 July 2024, on the understanding that the new report includes updated information.
3. That the Council consults on two options being:

Option 1: Development contribution fees are calculated using the current cost allocation settings in the Development and Financial Contributions Policy; and

Option 2: Development contribution fees are calculated using revised cost allocation settings in the Development and Financial Contributions Policy. This involves revising the assessment of the proportion of future capital works projects attributed to growth and to other funding sources (level of service and renewals) in Schedule 2 of the Policy, reducing the overall proportion of the programme assessed as growth-related works (funded by development contributions), and increasing the proportion assessed as either level of service-related or renewals-related (both funded by rates).
4. For the purposes of consultation, that the Council indicates if it prefers:
 - a. Option 1; or
 - b. Option 2; or
 - c. Neither (that is, it is neutral on both options).

5. That the Council notes that the indicative development contributions fees per household unit equivalent (HUE), grouped by catchment area, under each option would be:

Table 1: Development contribution fee per HUE by catchment area - Option 1 and Option 2	Development contribution fee per HUE (\$) Option 1	Development contribution fee per HUE (\$) Option 2
Feilding Urban		
Water	6,293	4,050
Wastewater	13,320	9,325
Stormwater	22,922	16,403
Reserves	2,722	1,906
Transport	8,53	5,939
Total	53,770	37,623
Feilding Intensification Area		
Water	4,090	2,632
Wastewater	8,658	6,061
Stormwater	14,899	10,662
Reserves	2,722	1,906
Transport	8,513	5,939
Total	38,882	27,200
Rural and Villages		
Water	-	-
Wastewater	-	-
Stormwater	-	-
Reserves	2,722	1,906
Transport	8,513	5,939
Total	11,235	7,845

6. That the Council notes that the indicative increase in rates required under Option 2 would be:

Table 2: Indicative impact of Option 2 on rates

Rates impact of Option 2	LTP Y1 24-25	LTP Y2 25-26	LTP Y3 26-27	LTP Y4 27-28	LTP Y5 28-29	LTP Y6 29-30	LTP Y7 30-31	LTP Y8 31-32	LTP Y9 32-33	LTP Y10 33-34
Total Rates (excl. internal rates and water by meter)	49,461,869	53,223,589	57,904,917	61,195,826	64,983,639	69,462,140	73,045,057	76,640,298	81,876,755	84,772,823
LTP Rates increase (excl. Growth)	7.09%	6.03%	7.27%	4.21%	4.77%	5.55%	3.88%	3.72%	5.70%	2.49%
Rates Increase (\$) Option 2	-	451,002	573,744	797,818	859,563	930,682	965,625	1,041,293	1,139,287	1,279,303
Rates Balance	49,461,869	53,674,591	58,478,661	61,993,644	65,843,202	70,392,822	74,010,682	77,681,591	83,016,042	86,052,126
Remodelled rates (excl. Growth) - Option 2	7.09%	6.94%	7.42%	4.54%	4.79%	5.57%	3.86%	3.76%	5.74%	2.61%
Option 2 - DC contribution to increase		0.91%	0.15%	0.33%	0.02%	0.02%	-0.02%	0.04%	0.03%	0.12%

7. That the Council notes that Option 2 would create inconsistencies with mandatory statements in the Council's 2024-2034 Long-term Plan and the Infrastructure Strategy 2024-2054. These inconsistencies would be clearly noted and explained when making the decision following consultation in accordance with s 80 of the Local Government Act 2002.
8. That the Council consults on the Development and Financial Contributions Policy 2024, in accordance with s 82 of the Local Government Act 2022, over the period from 30 October 2024 to 29 November 2024.

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Approved for submission by:
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1 Executive Summary Te Whakarāpopoto Whānui

- 1.1 Well planned growth has many positive outcomes for communities. It brings vibrancy and economic resilience and prosperity to the community. However, unplanned growth can be detrimental, putting a strain on infrastructure and stretching services. It is important that good quality transport, three-waters, parks/reserves and community infrastructure is in place to support the development that drives growth.
- 1.2 When growth-related infrastructure is put in place, it benefits the developers of new properties. However, for each growth-related capital works project, there can be other benefits to the wider community from the added utility from the infrastructure. These community benefits are positive externalities from the projects. Some would say that the projects would never be initiated in the absence of growth, so there the developers who drive that growth should pay the full cost of the project (through development contributions), despite the positive externalities that flow to the wider community. Others would say that if the wider community receives a benefit from the project, then they should pay for those benefits (through rates). There are two options for consideration in this paper: which option is ultimately chosen will depend on what view is taken in response to the above viewpoints.
- 1.3 The Development and Financial Contributions Policy (the Policy) explains how development contributions are calculated, charged and paid. It outlines the projects that Development Contributions fund. Some of these projects have already been done, with Council investing in infrastructure to support growth before new houses and business are built. Other projects (listed in Schedule 2 of the Policy) are still to be done.
- 1.4 Currently, the Policy assumes that all future capital works projects in Schedule 2 of the Policy are growth-related. This drives Option 1, with development contributions funding 100% of the cost of the projects. Option 2 changes this assumption, assessing each project in Schedule 2 and considering if a proportion of each project relates more to levels of service increases or renewals. Under Option 2, the value of the future growth-related capital works programme would be attributed to growth, reducing the contribution that development contributions fees would make to funding the programme. However, the levels of service-related and renewals-related capital works programme would be increased, and this is funded by rates.
- 1.5 Under Option 1, a Housing Unit Equivalent (HUE) built in the Fielding Urban catchment area would pay \$53,770 (incl. GST) in development contribution fees.
- 1.6 Under Option 2, a HUE built in the Fielding Urban catchment area would pay \$37,623 (incl. GST) in development contribution fees. However, rates in 2025/26 would need to rise an extra 0.91% to cover the extra \$451,000 rates required to fund the resulting increase in levels of service-related and renewals-related capital works programmes. In Year 10 of the Long-term Plan 2024-2034, an extra \$1.28M would be needed.
- 1.7 This paper is seeking approval to consult on the Policy and the potential development contribution fees. Council is being asked to consult with the community on both options. Council can choose to consult with a preferred option, or to present both options neutrally to garner views from the community before determining which option Council supports.

2 Contribution to Community Well-being and Council's Community Outcomes Te Tūhono ki ngā Whāinga a te Kaunihera mō te Oranga Hapori me te Whakawhanake Hapori

2.1 Relationship to Council's strategic priorities (community outcomes):

A place to belong and grow He kāinga e ora pai ai te katoa - Development contributions fund growth projects.	ü
A future planned together He kāinga ka whakamaherea tahitia tōna anamata e te hapori tonu - Development contributions fund growth-related projects that provide the infrastructure required for sustainable growth.	ü
An environment to be proud of He kāinga ka rauhitia tōna taiao - Development contributions fund the provision of parks and reserves, complementing growth and housing development.	ü
Infrastructure fit for future He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā - Development contributions fund the roading and three-waters networks required to accommodate growth.	ü
A prosperous, resilient economy He kāinga ka tōnui tōna ōhanga - Development contributions fund growth-related projects, supporting growth that drive economic prosperity and resilience.	ü
Value for money and excellence in local government He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi - The Development and Financial Contributions Policy supports the fair and equitable sharing of costs of capital works, and the apportionment of those costs between growth, levels of service and renewals.	ü

3 Background Ngā Kōrero o Muri

3.1 Sustainable growth is important for the ongoing prosperity of the District. More households mean that there are more ratepayers across which to spread the costs of developing, maintaining and renewing council assets and providing council services. More businesses provide economic resilience, more opportunities for employment and add to the overall economic vibrancy.

3.2 Section 197AA of the Local Government Act 2002 allows Council to recover a fair, equitable and proportionate portion of the total cost of capital expenditure required to service growth over the long-term by charging development contributions. Council currently funds growth-related water, wastewater, stormwater, transport and reserves infrastructure from development contributions. Currently, Council does not fund community infrastructure using development contributions.

- 3.3 In the 2018-28, 2021-31 and 2024-34 Long-term Plans, Council prioritised the use of development contributions to provide infrastructure in Precinct 4 and Precinct 5. This reflects Council's view that investment in these areas would result in the greatest yield in increasing the number of rating units (growth), therefore reducing the impact of rates across the District. This approach means that development contributions across the District are consolidated to achieve the greatest outcome in Precincts 4 and 5. This is referred to as the "One Network Approach."
- 3.4 Schedule 2 of the Policy lists the future capital works that support growth. In the current Policy, 100% of the cost for each project in the Schedule is apportioned to growth. However, this report proposes a second option, where each project in Schedule 2 is reassessed and reapportioned across growth-related, levels of service-related and renewals-related works. This would mean a reduction in the overall work apportioned to growth, reducing the overall cost needing to be funded by development contribution fees, but increasing the amount needing to be funded by rates.
- 4 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia
- 4.1 Development contribution fees are calculated by dividing the cost of growth-related capital works by the forecast number of Household Equivalent Units (HUEs) created across all developments. The concept of a HUE is an average standard residential unit and the demand they would typically place on infrastructure. Table 5, at paragraph 42 in the Policy, summarises the demand measures used in the definition of a HUE.
- 4.2 There are three catchment areas in the Mānawatu District for development contributions. These are:
- Feilding Urban – development contributions for developments in this area cover water supply, wastewater, stormwater, transport and reserves infrastructure;
 - Feilding Intensification Area – development contributions for developments in this area cover the same infrastructure as Feilding Urban, but a 0.65 differential factor is applied to the Feilding Intensification Area to recognise that, in most instances, there is no requirement to increase the capacity of the local infrastructure, but demand is still increased on the main pipelines and treatment plants; and
 - Rural and Villages – development contributions for developments in this area cover transport and reserves infrastructure, but not three waters infrastructure.
- 4.3 The development contribution fee payable on an individual development site will depend on the number of HUEs the site creates, and which catchment area the development is in.
- 4.4 Over recent years, there has been a slowdown in New Zealand's economy. This has seen a reduction in the number of residential HUEs that are forecast over the 20 year period of the Policy – a reduction from 3,665 residential HUEs previously forecast using the Household assumptions in the 2021-2031 Long-term Plan, to 2,766 residential HUEs forecast in the Household assumptions in the Long-term Plan 2024-2034.
- 4.5 HUEs for business have been forecast by referring to the five-year average, and projecting this forward. This has seen the number of forecast business HUEs increase significantly, from 160 forecast in the previous policy to 1,580 in the proposed policy.

- 4.6 In summary, there has been an increase in the total number of forecast HUEs (residential plus business HUEs) from 3,824 to 4,356.
- 4.7 Construction costs and interest costs have increased substantially over the past three years. Despite the total number of HUEs increasing, the decline in residential HUEs, teamed with higher construction costs, and higher interest rates being applied to work that has already been completed, flows through to significant increases in development contribution fees (far higher than the Producer Price Index - the level to which development contributions can be increased by without triggering the need for consultation).
- 4.8 On 4 July 2024, Council considered a report recommending increases in development contributions based on the current settings of the Policy. In that report, Councillors asked that the Funding Policy Summary in the Policy be revised to reflect the economic slowdown. Officers have subsequently made these revisions, which can be found in paragraphs 103-107 of the draft Policy, which is attached as Attachment A.
- 4.9 In the 4 July 2024 report, the following increases were proposed:

Table 3: Development Contribution fee per HUE – current Policy versus proposed (as at 4 July 2024)

Catchment area	Current total DC fee per HUE	Proposed total DC fee per HUE	\$ increase from current to proposed	Percentage increase
Feilding Urban	\$ 26,342	\$ 53,770	\$ 27,428	104%
Feilding Intensification Area	\$ 19,696	\$ 38,883	\$ 19,187	97%
Rural and Villages	\$ 7,355	\$ 11,235	\$ 3,880	53%

- 4.10 The proposed fees were compared to those of other councils, and it was noted that they were comparatively high, particularly for the Feilding Urban area. For example, the developments contributing fees for most catchment areas in Palmerston North were considerably cheaper than those proposed in Feilding, (albeit one catchment area, Whakarongo, had a fee of \$53,186 (incl. GST) per HUE, similar to the \$53,770 per HUE proposed in the Feilding Urban catchment area). More information on comparisons is provided in Attachment B.
- 4.11 Whilst direct comparisons are difficult, some Councillors were concerned that if Feilding has comparatively higher development contribution fees, this would be a disincentive for developers to develop sites in the District. Council laid the 4 July 2024 report on the table, seeking further options from officers that would result in lower development contribution fees.

Analysis of options

- 4.12 In accordance with s 77 of the Act, Council must identify all reasonably practicable options to achieve the object of a decision, assessing the advantages of each option in terms of their disadvantages and advantages. Three main options were identified by officers, as outlined below.
- 4.13 Underpinning all options is the balance between affordability for developers and affordability for ratepayers. Ultimately someone must pay for the infrastructure required because of growth. If developers pay a lesser share of the cost of new infrastructure, then ratepayers have to fund the remainder.
- 4.14 The Policy outlines a cost allocation approach to allocate the cost of each asset or programme between three principal drivers – growth, levels of service and renewals. This allocation is specified in Schedule 2 of the Policy, which is focused on development of Precincts 4 and 5. For the most part, capital expenditure in these areas is solely related to growth and is therefore 100% funded by development contributions.
- 4.15 The Council request for further options prompted officers to look more closely at the projects in Schedule 2, to consider if the costs and benefits of each project was more appropriately attributed to growth, levels of service or renewals. Given growth-related works are funded by development contributions, and levels of service-related and renewals-related works are funded by rates, a change in the allocation of project costs would impact both the calculation of development contributions, and the total rates required, to fund capital works. Option 2 below is based upon this reassessment.

Option 1 - Development contribution fees are calculated using revised cost allocation settings in the Development and Financial Contributions Policy.

- 4.16 Under this option, the cost allocations in Schedule 2 outlining future capital works will, for the most part, allocate the entire cost of the project to growth, which is funded by development contributions.
- 4.17 The argument for allocating the entire costs of the projects to growth relates to the fact that they are all within Precincts 4 and 5. If growth did not occur, then Council would have not done these projects. Whilst there are positive externalities for existing residents from the projects (economic benefits, added utility), an argument can be put that the projects would not have been initiated unless there was growth, and therefore those who have created the growth should fund all of the infrastructure.
- 4.18 An advantage of this option is the administrative efficiency of taking the same cost allocation approach across all projects in Precincts 4 and 5.
- 4.19 However, the most obvious disadvantage of this option is that, for the reasons outlined above, the costs of growth infrastructure is met solely by developers, meaning that the development contribution fees will rise more significantly (more than doubling for the Feilding Urban catchment area) than they would under Option 2. There is a fear that if the fees are significantly higher than other areas, then developers will be disincentivised from developing property in Mānawatu (particularly Feilding) and this will further slow-down growth.

4.20 The development contribution fees under this option would be:

Table 4: Development contribution fees per HUE, by catchment area – Option 1

Catchment area	Proposed total DC fee per HUE
Feilding Urban	\$ 53,770
Feilding Intensification Area	\$ 38,883
Rural and Villages	\$ 11,235

Option 2 - Development contribution fees are calculated using the current cost allocation settings in the Development and Financial Contributions Policy

- 4.21 Under this option, the cost allocation for projects for future capital works (in Schedule 2 of the Policy) would be assessed project by project. A determination would be made, using the funding impact assessment under s 101(3) of the Act, about who benefits from each project, with costs allocated to growth for the benefit of developers, and to levels of service or renewals for the benefit of the wider community.
- 4.22 The argument for this option also hinges on the positive externalities of the projects. Whilst the growth projects are being done for the sole reason that growth is occurring in Precincts 4 and 5, the full cost would not be funded by development contributions because a proportion of each project provides more levels of service, or renews existing assets, to the wider community, who will pay for this through rates.
- 4.23 Initial workings have indicated that approximately 30% of the cost of projects for future capital works in Schedule 2 would be allocated to either levels of service or renewals, if this option is chosen.
- 4.24 The indicative reallocation of costs by activity for future capital works is summarised in the following table. It is important to note that these are indicative workings – a full funding impact assessment (in accordance with s 101(3) of the Act) would be completed for each project to confirm the cost allocation if, following consultation, Option 2 is the preferred option.

Table 5 – Indicative costs allocation for future capital projects.

Activity	Total value of future capital works	Indicative cost allocation - Option 2		
		Growth	Levels of Service	Renewal
Roading	\$17,743,165	\$12,787,657 72%	\$4,955,508 28%	\$0 0%
Wastewater	\$5,886,464	\$3,969,499 67%	\$1,344,510 23%	\$572,455 10%
Water	\$2,655,822	\$1,723,438 65%	\$932,384 35%	\$0 0%
Stormwater	\$10,254,133	\$8,368,289 82%	\$1,792,095 17%	\$93,750 1%
Parks and Reserves	\$1,930,899	\$650,060 34%	\$1,280,839 66%	\$0 0%
Total	\$38,470,483	\$27,498,943 71%	\$10,305,336 27%	\$666,205 2%

- 4.25 Under this option, the development contribution fees would still increase significantly, but that increase would be lower than under Option 1. The following table outlines the increase in fees under Option 2.

Table 6 - Development contribution fees per HUE, by catchment area – Option 2

Catchment area	Proposed total DC fee per HUE
Feilding Urban	\$ 37,623
Feilding Intensification Area	\$ 27,201
Rural and Villages	\$ 7,845

- 4.26 The major disadvantage of this option is that more cost would be pushed to ratepayers. The approximately 30% of the cost that will be reallocated to levels of service and renewals will ultimately be funded by ratepayers. This would mean that rates in 2025/26 would need to rise an extra 0.91% to cover the extra \$451,000 rates required to fund the resulting increase in levels of service-related and renewals-related capital works programmes. In Year 10 of the Long-term Plan 2024-2034, an extra \$1.28M would be needed. A more detailed outline of the
- 4.27 indicative rates impact is provided in Table 2 under Recommendation 5.
- 4.28 Section 80 requires Council to clearly identify inconsistencies, the reasons for the inconsistencies, and the intention to amend policies and plans to accommodate the decision. If Council decides to proceed with Option 2, then these inconsistencies will be clearly noted,

and subsequent Annual Plans will make reference to them until the inconsistencies are resolved as part of the 2027-2037 Long-term Plan.

- 4.29 This option would result in inconsistencies with the Long-term Plan 2024-2034. These inconsistencies relate to mandatory disclosures in the Long-term Plan that are required by Part 1 of Schedule 10 of the Act. These include requirements to state the amount of capital expenditure required for growth, levels of service and renewals, and disclosures about the sources of funding and the amount of funding from each source. This option could also result in inconsistencies with the Infrastructure Strategy, which is required to state the expected capital expenditure on infrastructure to maintain existing levels of service.

Option 3 (discounted by officers) – to use rates to subsidise growth-related capital works

- 4.30 Councillors have considered whether future growth-related capital work should be subsidised by rates. This would acknowledge the positive externalities (economic development, increased utility) that would flow from the growth-related capital works to the wider community.
- 4.31 Various scenarios were considered by Councillors, ranging from a 90:10 development contributions:rates mix, down to a 50:50 development contributions:rates mix.
- 4.32 This option has been discounted however, given under Option 2 officers have considered the individual projects that make up the future capital works programme, and apportioned the costs across growth, levels of service and renewals. This approach would see growth-related works still being funded 100% by development contributions, but the proportion of the projects that add to levels of service or renewals for existing residents would be reallocated, reducing the value of the growth-related works programme.
- 4.33 In light of the project by project analysis and our ability to more thoroughly assess cost allocations by project in Option 2, the approaches in Option 3 would be arbitrary and would be difficult to defend through a funding impact assessment.

5 Te Kīwai (o te kete)

- 5.1 Te Kīwai is the engagement process which guides Council's practice and ensures the onus to engage and include Māori is shared between Council and all partners. In this manner, we progress both the articles and principles of Te Tiriti o Waitangi by maintaining the balance between Kawanatanga (Governance) of the Council and Tino Rangatiratanga (Sovereignty) of whānau, hapū, and iwi Māori.
- 5.2 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

6 Community Engagement Te Whai Wāhitanga mai o te Hapori

- 6.1 Section 106(6) of the Act requires Council to consult on its Development and Financial Contributions Policy every three years, in a way that satisfies the principle of consultation listed in s 82 of the Act.
- 6.2 It is proposed that the consultation period runs from 30 October 2024 to 29 November 2024. The consultation will see information provided on the Council website, newspapers and at the

Council's main office. Councillors are keen to host a forum for developers so that they can discuss the options, and it is proposed that this is held on 21 November 2024.

- 6.3 All going to plan, it is proposed that Hearings for submitters who wish to present orally to Council will be held on 5 December 2024. Deliberations and a decision would then be made on 19 December 2024, allowing for the new Policy (and development contribution fees) to take effect on 3 February 2025.

7 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

- 7.1 Development contributions fund infrastructure required to support growth. Council is required to consult on the increases in development contribution fees. It is important that this is done expediently so that increases to development contribution fees can be implemented to adequately cover growth-related costs, and Council can progress with its growth-related capital programme.

8 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

- 8.1 The Long-term Plan 2024-2034 includes assumptions about the revenue from development contributions. This revenue reflects the growth assumptions that underpin the Long-term Plan and the Infrastructure Strategy 2024-2054. Whilst actual revenue from development contributions will fluctuate from year to year, over the long term this revenue is required to fund past and future investment in infrastructure for growth.
- 8.2 Not funding past and forecast investment in infrastructure for growth from development contributions would result in additional rate funding requirements.
- 8.3 Development contribution fees will enable Council to continue to recover the costs being incurred in the growth works in Precinct 4 and Precinct 5. Work continues ahead of the development contributions being received and is funded via debt.
- 8.4 The Financial Strategy outlines that the additional capital expenditure required to provide service to cater for growth will be recovered through development contributions. The total cost of capital expenditure for growth and funding sources is summarised as follows. Note that 2023 amounts are stated in italics to specify the changes made in the proposed updated Policy.

Table 7: Total cost of capital expenditure for growth and funding sources.

ACTIVITY	TOTAL CAPEX	GROWTH CAPEX	DC FUNDED CAPEX	TOTAL CAPEX PROPORTION FUNDED BY DEVELOPMENT CONTRIBUTIONS	CAPEX PROPORTION FUNDED FROM OTHER SOURCES	DEVELOPMENT CONTRIBUTION INTEREST	TOTAL AMOUNT TO BE FUNDED BY DEVELOPMENT CONTRIBUTIONS
Calcs	A	B	C	C/A*100	((A-C)/A)*100	D	C+D
Water supply							
Feilding	\$77.0M 2023: \$60.8M*	\$3.9M \$4.2M	\$3.9M \$4.2M	5.1% 6.8%	94.9% 93.2%	\$3.8M \$1.2M	\$7.7M \$5.4M
Wastewater							
Feilding	\$120.3M \$67.4M	\$8.3M \$10.5M	\$8.3M \$10.5M	6.9% 15.5%	93.1% 84.5%	\$6.5M \$2.7M	\$14.9M \$13.2M
Stormwater							
Feilding	\$54.7M \$28.1M	\$14.9M \$6M	\$14.9M \$6M	27.3% 21.3%	72.7% 78.7%	\$17.5M \$6.7M	\$32.4M \$12.7M
Total Reserves							
District wide	\$8.7M \$12.2M	\$2.6M \$3.6M	\$2.6M \$3.8M	29.6% 31.2%	70.4% 68.8%	\$13.5M \$2.3M	\$6.1M \$6.1M
Total Transport Infrastructure							
District wide	\$270.1 \$216.5M	\$25.3M \$12.2M	\$25.3M \$12.2M	9.4% 5.6%	90.6% 94.4%	\$5.3M \$1.6M	\$30.6M \$13.8M
Grand Total	\$530.8M \$385.0M	\$55.1M \$36.7M	\$55.1M \$36.7M	10.4% 9.50%	89.6% 90.5%	\$36.5M \$14.5M	\$91.6M \$51.2M

9 Statutory Requirements Ngā Here ā-Ture

9.1 Sections 102(2)(d) of the Local Government Act 2002 provides that Council must adopt a policy on development contributions or financial contributions.

9.2 The power for local authorities to prescribe fees and charges is set by a number of statutes, including the Local Government Act 2002.

9.3 The following sections of the Local Government Act 2002 are also relevant to the Development and Financial Contributions Policy 2024:

- Section 77 (Requirements in relations to decisions);
- Section 80 (Identification of inconsistent decisions);
- Section 82 (Principles of consultation);
- Section 102 (Required funding and financial policies);
- Section 106 (Policy on development contributions, scale, and scope of development contributions, when consultation is and is not required);
- Section 197AA (Purpose of development contributions);

- Section 197AB (development contributions principles to be taken account of);
- Section 201 (significant assumptions and explanation and justification for the way each development contribution is calculated, and conditions and criteria that will apply to remission, postponement, or refund);
- Section 201A (a schedule of assets for which development contributions will be used);
- Section 202 (charges to be applied in each area, and the methodology for the charges);
- Section 202A (information about how reconsideration requests can be lodged);
- Section 203 (development contributions maxima);
- Schedule 10 (Long-term plans, annual plans, and annual reports).

10 Delegations Te Mana Whakatau

10.1 The Council has the authority to decide on this matter.

11 Conclusion Whakatepenga

11.1 This report seeks approval to consult on the 2024 Development and Financial Contributions Policy, and the proposed development contribution fees.

11.2 Council is being asked to consult on two options, with each option requiring some different information in sections of the Development and Financial Contributions Policy.

11.3 If Council indicates a preferred option, then a draft Policy based on that option will be provided as part of the information supporting the consultation. If Council does not indicate a preferred option, then two drafts of the Policy will be provided (based on each of the two options).

12 Attachments Ngā Āpitihanga

- Attachment A - Draft Development and Financial Contributions Policy (based on Option 1)
- Attachment B – Development contribution comparisons between Councils