Contributions Policy 2022 Variation A

1 June 2023

Financial Policies

Contents

1 Overview and purpose

The purpose of development contributions is:

- 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.

The purpose of this policy is to:

- provide predictability and certainty to stakeholders in how infrastructure for growth, including major transformational infrastructure, is to be funded and to provide transparency of what is to be funded and what has been delivered.
- provide for those involved in development to make fair payments to the council to reflect the expected demand their developments will have on council infrastructure and the expected benefits residents and businesses occupying these developments will derive from council infrastructure.
- set contribution charges at levels that help achieve the scale, type, quality and location of development that the Auckland Plan 2050 vision aspires to.
- to support the principles set out in the preamble to Te Ture Whenua Māori Act 1993.

1. The contribution charges are derived by dividing the capital expenditure for growth in the Recovery Budget (10-year Budget 2021-2031) and capital expenditure identified in the policy that the council intends to incur beyond 2031, by the estimated number of new residential and non-residential developments.
2. Auckland is expecting 145,800 new residential dwellings and 4.9 million square metres of non-residential floor space over the next ten years and will grow to a population of 2.4 million by 2050..
3. Council's capital planning anticipates a mixture of both public and private infrastructure development. Development contributions only recover the growth portion of capital expenditure projects incurred by council for public infrastructure.
4. Private infrastructure works required as a condition of consent are not included in the setting of the development contributions price and will be dealt with by the developer of the land.
5. Capital expenditure projects funded by contributions are set out in schedule 4 and schedule 8.
6. The contribution charges are dependent on which funding area development is occurring in, as well as the type and size of development being carried out.
7. The Contributions Policy, in line with the Auckland Plan 2050, promotes particular types of development because of the lower marginal cost of infrastructure provision through a more compact future Auckland. This policy uses a range of demand factors to reflect the lower demand expected from these forms of development.
8. Typically charges differ dependent on the size of a development and are set to reflect its average capacity to house occupants or level of business activity. Developments with larger capacity or more activity will place higher demand on new growth infrastructure.
9. The contribution charges are set out clearly and unambiguously in the policy, assisting those undertaking development to assess the financial viability of their projects early in the process. An online estimation tool is available for all to use at www.aucklandcouncil.govt.nz.
10. Payment timing varies depending on the type of consent and is described in Attachment A of this policy.
11. There are no charges for water supply and wastewater infrastructure under this policy. The cost of this infrastructure is charged directly by Watercare Services Limited or Veolia Water to their customers.
12. The Contributions Policy has been developed in accordance with the purpose and principles in Section 197AA and 197AB of the Local Government Act 2002 (LGA 2002).

2 Applicable policy

13. This policy applies to applications lodged on or after 1 June 2023
14. Development contribution per unit of demand prices will apply to applications based on applicable lodgement dates (as per Attachment D).
15. Subject to clause 16, where a development has multiple applications lodged during the currency of different policies, the policy in force at the time each application was lodged will apply to that application.
16. If different policies apply at the time of lodgement of applications for resource consent and for building consent in relation to the same stage of development, the developer may choose which policy they wish the charge to be calculated under.

3 Use of development contributions or financial contributions

17. The council considered the options available to it for funding the capital expenditure it is planning to incur in connection to the growth of Auckland, or has already incurred in anticipation of that growth. The council considered the purposes of and reasons for development and financial contributions and other funding sources and determined that:
    a. development contributions should be used as the main funding tool for growth related infrastructure provided by the council.
    b. financial contributions will be used as set out in Schedule 6
    c. the option of using and investigating other funding sources be retained.
18. Financial contributions that have been imposed in a resource consent will still be required to be paid as these are a condition of the consent.
19. The council requires development contributions to be paid in cash rather than land. For the avoidance of doubt, this means that land identified for stormwater, roads and reserve purposes in structure plans and framework plans will not automatically be required as financial contributions payable in land.

4 Definitions

20. The following definitions are used throughout the policy and highlighted in bold and italic:

Table 1

Term	Definition
Accommodation units	Defined in section 197 of the LGA 2002 as: *"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"* For clarification: *"rental accommodation"* above refers to short term rental purposes (no longer than 90 consecutive days), long term rental accommodation will be treated as dwelling units. *"temporary accommodation"* means a cabin, caravan, vehicle, tent, or other building or structure intended for human habitation for periods not exceeding 50 days in any continuous term of occupancy
Activity	A grouping of council functions required for development contributions as listed in Schedule 1.
Aged care room	Any dwelling unit in a *"rest home"* or *"hospital care institution"* as defined in section 58(4) of the Health and Disability Services (Safety) Act 2001
Allotment	Defined in section 218(2) of the Resource Management Act 1991 as: *(a) any parcel of land under the Land Transfer Act 2017 that is a continuous area and whose boundaries are shown separately on a survey plan, whether or not—* *(i) the subdivision shown on the survey plan has been allowed, or subdivision approval has been granted, under another Act; or* *(ii) a subdivision consent for the subdivision shown on the survey plan has been granted under this Act; or* *(b) any parcel of land or building or part of a building that is shown or identified separately—* *(i) on a survey plan; or* *(ii) on a licence within the meaning of subpart 6 of Part 3 of the Land Transfer Act 2017; or* *(c) any unit on a unit plan; or* *(d) any parcel of land not subject to the Land Transfer Act 2017.*
Attached dwelling unit - low rise	A dwelling in a development of up to four levels and three or more attached dwelling units
Attached dwelling unit - medium to high rise	A dwelling in a development of five or more levels and three or more attached dwelling units
Brownfield	Any already urbanised land to be redeveloped, often for more intensive or different land use.
Camp Grounds	Defined in section 2 of the Camping-Grounds Regulations 1985 as: *"means any area of land used, or designed or intended to be used, for rent, hire, donation, or otherwise for reward, for the purposes of placing or erecting on the land temporary living places for occupation, by 2 or more families or parties (whether consisting of 1 or more persons) living independently of each other, whether or not such families or parties enjoy the use in common of entrances, water supplies, cookhouses, sanitary fixtures, or other premises and equipment; and includes any area of land used as a camping ground immediately before the commencement of these regulations"*
Commercial	Land use associated with (but not limited to): a) communication services b) financial services c) insurance d) services to finance and investment

Term	Definition
	e) real estate f) business services g) central government administration h) public order and safety services i) local government administration services and civil defence j) commercial offices
Community facilities	Defined in section 197 of the LGA 2002 as: *"reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199"*
Community Infrastructure	Defined in section 197 of the LGA 2002 as: *"(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*
Council	Auckland Council, including, where necessary, one or more of its council-controlled organisations (CCOs)
Community outcomes	Defined in section 5 of the LGA 2002 as: *"the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region in the present and for the future"*
Detached dwelling unit	A stand-alone or duplex dwelling in a development (maximum of two dwelling units)
Development	Defined in section 197 of the LGA 2002 as: *"(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"*
Development Agreement	Defined in section 197 of the LGA 2002 as: "*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 objection	Defined in section 197 of the LGA 2002 as: "*means an objection lodged under clause 1 of Schedule 13A against a requirement to make a development contribution"*
Development contribution commissioner	Defined in section 197 of the LGA 2002 as: *"means a person appointed under section 199F"*
Dwelling or dwelling unit	Any building, or group of buildings, or any part of those buildings, that is used or designed to be used solely or principally for residential habitable space purposes by not more than one household.
Education and health	Land uses associated with (but not limited to): a) Education b) Health and community health services whether public or private
Greenfield	Land identified for future urban development that has not been previously developed.
Funding area	A geographical area used to accumulate the cost of activities and define a part of Auckland for development contribution purposes. For stormwater this includes any future development which extends the area served by a stormwater network
Gross development area [or GDA]	Gross development area equals: 1) The total floor area of any building measured from the outer faces of the exterior walls, or the centre line of walls separating two abutting buildings Plus

Term	Definition
	2) The area of any part of the ***allotment*** used solely or principally for the storage, sale, display, movement or servicing of goods or the provision of services on the ***allotment.*** The gross development area does not include: a) vehicular parking ancillary to the primary development, manoeuvring, loading and landscaping areas, and areas used only for primary production purposes (such as quarry workings, farm lands and orchards) the conversion of which to another use would require resource consent or building consent; and b) the area of plant equipment servicing the site and network infrastructure including pipes, lines installations, roads, water supply, wastewater and stormwater collection and management systems For the avoidance of doubt, the gross development area *includes* the areas occupied by network utility operators for carrying out their normal business, including offices, workshops warehouses and any outside areas
Gross floor area [or GFA]	The gross floor area is the total internal floor area of a dwelling measured: • from the exterior faces of the exterior walls, or • from the centre lines of walls separating two buildings or tenancies For the avoidance of doubt, the gross floor area excludes non habitable areas such as garage space
Household	A household consists of one or more persons who live in the same dwelling and share living accommodation and kitchen facilities.
Household unit	The unit of demand representing one average detached dwelling unit
Household unit equivalent[or HUE]	The unit of demand that creates an equivalency factor between a type of development and one average detached dwelling unit (***household unit***)
Impervious surface area [or ISA]	The area of any site which is not capable of absorbing rainwater
Kaumātua Housing	Housing for Māori over the age of 55 years situated on Māori land administered under the Te Ture Whenua Māori Act 1993 and on the same site as Marae or Papakāinga
Lawfully established	Any: a) ***allotment*** for which a title has been issued; or b) dwelling, or non-residential unit or building authorised under the Resource Management Act 1991 and with a building consent and, where required, a code compliance certificate
Lodged	The point in time at which an application that complies with all the requirements in section 88(2) of the Resource Management Act 1991 or section 45 of the Building Act 2004, has been submitted to the council
Māori land	Māori land is defined 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 10 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 Maori 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.
Network infrastructure	Defined in section 197 of the LGA 2002 as:

Term	Definition
	"the provision of roads and other transport, water, wastewater, and stormwater collection and management"
Non-commercial development	Defined as development that is being undertaken without the intention to lease, sell, or rent the development, for profit or capital gain. Regardless of the use to which the profit is put.
Not-for-profit development	Non-commercial developments undertaken by a not-for-profit entity
Objector	Defined in section 197 of the LGA 2002 as: *"means a person who lodges a development contribution objection"*
Production and distribution	Land uses in which goods are manufactured, fabricated, processed, converted, repaired, packaged, assembled, stored, distributed or serviced including (but not limited to): a. horticulture, agriculture, mining, quarrying, forestry, fishing, services to agriculture, oil and gas exploration and extraction, water supply and wastewater processing, electricity generation and supply b. meat and meat product manufacturing, dairy product manufacturing c. food, beverage, malt and tobacco manufacturing, textile and apparel, wood product, paper and paper product manufacturing d. printing and publishing e. petroleum and industrial chemical, rubber, plastic and other chemical product manufacturing f. metal, structural, sheet, and fabricated metal product manufacturing g. transport equipment, machinery and equipment manufacturing h. furniture manufacturing i. construction, wholesale trade, road transport, water and rail transport, air transport, services to transport and storage
Retail, hospitality, recreation and personal services	Land use associated with (but not limited to): a. Retail trade b. Restaurants and bars c. Cultural and recreational services d. Personal and other community services e. Campsites and non-residential structures on a camp ground
Retirement unit	Any dwelling unit in a retirement village (other than an aged care room)
Retirement village	A managed comprehensive residential development used to provide accommodation for aged people: Includes: • the use or development of any site(s) containing two or more units that provides accommodation, together with any services or facilities, predominantly for persons in their retirement, which may also include their spouses or partners; and • recreation, leisure, supported residential care, welfare and medical facilities (inclusive of hospital care) and other non-residential activities accessory to the retirement village. • Kaumātua Housing Excludes: • Single dwellings The retirement village must be registered under section 10 of the Retirement Villages Act 2003.
Service connection	Defined in section 197 of the LGA 2002 as: *"a physical connection to a service provided by, or on behalf of, a territorial authority"*
Small ancillary dwelling unit	The first dwelling unit ancillary to the primary dwelling unit on an allotment with a gross floor area of 65m² or less

Term	Definition
Student Accommodation	Living accommodation, primarily used or designed to be used by registered students or guests of tertiary education institutions, and which is served by one or more communal living areas, such as lounges, study areas, laundries or kitchens.

5 Development contribution general provisions

21. The council identifies the total cost of capital expenditure that it expects to incur through the 10-year budget, and capital expenditure on infrastructure which it intends to incur beyond the period of the budget, as well as capital expenditure already incurred in anticipation of growth: and then identifies the share of that expenditure attributable to growth (developments). The council then considers the overall impact of the allocation of the cost of growth and the level of development contributions on landowners and developers, future buyers, general ratepayers across Auckland and the council's wider growth objectives, before determining what development contributions will be required.

Activities

22. The council has identified a number of activities that are appropriate for funding through contributions. These activities form the basic building blocks that enable new development to proceed.
23. It should be noted that under this policy there are no charges for water and wastewater infrastructure. The cost of this infrastructure is charged directly by Watercare Services Limited and Veolia Water Auckland to their customers.
24. The council can require development contributions for the following broad classes as set out in section 199(1) of the LGA 2002:
    a. reserves
    b. network infrastructure
    c. community infrastructure.
25. The council has determined that within these broad classes it is appropriate to use development contributions as a funding source for capital expenditure related to activities listed in Schedule 1.
26. Section 106(2)(c) of the LGA 2002, requires the council to explain why, in terms of matters in section 101(3) of the Act, it has determined to use development contributions or financial contributions as a funding source for each of these activities.
27. The basis for the council's consideration is set out in Schedule 5 of this policy and referred to in the council's Revenue and Financing Policy.
28. Within these activities, development contributions will not be required to fund:
    a. operating and maintenance costs
    b. any part of capital expenditure projects that is funded from another source
    c. costs incurred by the council to fund renewal of assets and/or to increase existing levels of service that are below the stated service standard.

Funding areas

29. Development contributions may be required from developments across the whole of Auckland using regional, sub-regional and local geographic ***funding areas***. Development occurring within each area may be required to pay contributions applicable in that ***funding area***.
30. The funding areas underlying this policy are listed in Schedule 3 and indicated on the funding area maps available on the council's website, www.aucklandcouncil.govt.nz
31. For clarity the council considers that for stormwater activities, a development not only creates a demand for infrastructure within the hydrological catchment it is located in, but also creates demand (by the growth community within the development) for stormwater management and flood protection over a wider area.

Development types and units of demand

32. In meeting its requirements under Schedule 13(2) of the LGA 2002 to attribute units of demand to particular developments or types of development on a consistent and equitable basis, the council has considered:

a. the need to separate residential and non-residential activities because of the different demands they place on activities of the council
b. the range of residential development types and scales
c. the range of non-residential development types and scales
d. the future vision for Auckland set out in the Auckland Plan 2050 including the creation of a more compact city to make better and more efficient use of infrastructure
e. the need for the Contributions Policy to align with Auckland Plan 2050 outcomes
f. the complexity of trying to make the policy account for every different development type
g. the availability of data to support differential unit of demand factors for various types of development.

33. The council considers that:

a. there is data currently available to identify some average demand factors for a limited number of residential development types which enables the policy to support the compact urban form promoted by the Auckland Plan 2050
b. there is data currently available to identify some average demand factors for a limited number of non-residential development types
c. using broad averages for a limited number of development types is sufficient to approximate the range of development likely to occur in Auckland
d. it is important to use common, standard frameworks for the classification of non-residential developments.

34. Schedule 2 sets out the types of residential and non-residential development that have been identified, and provide the unit of demand factors applicable to each. It also sets out zero unit of demand factor for some forms of development that generate negligible demand or cannot at present be shown to generate a demand for infrastructure.

35. Stormwater demand that causes council to invest in public infrastructure can arise if there is an increase in peak flows or an increase in volume, duration or frequency of the flows, by the development of a site.

Position on existing allotments and land use

36. In attributing units of demand to a particular development or type of development as required by Schedule 13(2) of the LGA 2002, the council's assessment using Schedule 2, will include the demand generated by existing lawfully established allotments or land use on the development site (refer to step 2 below).

37. Existing lawfully established allotments or land use are assumed to already be appropriately serviced with reserves, network infrastructure, or community infrastructure as per Schedule 2 and will place no additional demand for new or additional assets or assets of increased capacity. The council will deduct units of demand for existing development from the total units of demand expected to be generated by the proposed development.

Staged subdivision development

38. Where a staged subdivision development is undertaken under a single consent, the contribution calculated will be based on the contribution amounts applying on the date of consent lodgement and will continue to apply to each stage of the development.

39. Where a staged development is undertaken under multiple consents, each consent shall be subject to the policy applying at the time each separate consent is lodged.

6 Development contribution assessment

40. The council will endeavour to assess the contributions on a development's first application for consent or connection authorisation. It may re-calculate a development for contributions on any subsequent application in relation to the same development.

41. If for any reason the council does not assess development contributions on an earlier application for consent or authorisation, it may assess development contributions on a subsequent application for the same development project.

Test for development

42. Under section 198 of the LGA 2002, Auckland Council may require a development contribution to be made when:

    a. a resource consent is granted under the Resource Management Act 1991 for a development within the region
    b. a building consent is granted under the Building Act 2004 for building work situated in the region
    c. an authorisation for a service connection is granted.
    d. a certificate of acceptance is granted under the Building Act 2004.

43. However, development contributions can only be required where a ***development*** as defined by section 197 of the LGA 2002 is to occur.

44. Under section 197 of the LGA 2002, ***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;*

    (b) does not include the pipes or lines of a network utility operator".

45. On receiving an application for subdivision consent, resource consent, building consent or service connection, the council will:

    a. test that the application represents a development under section 197
    b. determine whether alone or in combination with other developments the application under consideration will have the effect of requiring new or additional assets or assets of increased capacity and, as a consequence, the council will incur capital expenditure to provide appropriately for this
    c. ensure that any development contribution that may be required, is provided for in this policy.
    d. check that it is not prohibited by section 200 of the LGA from requiring a contribution.

46. If the council is satisfied that the application meets the legal requirements above, it will assess contributions using the following steps:

Step 1 – Proposed development, assessing the total units of demand

47. The council will assess the demand from the development using the demand factors set out in Schedule 2.

48. The amount of development contribution payable under this policy depends on the demand the development is expected to place on reserves and infrastructure by virtue of its type, scale and location.

49. The policy uses the ***Household Unit Equivalent*** as a measure of demand.

50. Schedule 2 gives the units of demand expected from a defined range of different types and sizes of development as compared to that of an average sized single detached dwelling (***Household Unit***) with a demand of 1 (***Household Unit Equivalent***). The demand for each different development type within the development will be assessed separately.

51. ***Development*** can be in the form of additional ***allotments*** or additional land use activity or a combination of both. Using Schedule 2 it is possible to calculate the units of demand from all ***allotments*** and land use expected after the ***development*** occurs; and the council will use the higher amount (allotment or land use) to determine the final demand on the site.

Step 2 – Credits, assessing units of demand for ***allotments*** or land use currently on the development site

52. The council will make a deduction of units of demand calculated using Schedule 2, for the most recent lawfully established ***allotments*** or land use on the site up to a maximum of ten years prior to the date of lodgement.
53. A deduction for existing units of demand:
    a. will not be used to reduce the units of demand on a development below zero;
    b. will only apply to existing units of demand on the development site; and
    c. will not be transferable to or from another development site
    d. will not be based on monetary value.
54. The council may require a development contribution to be paid for any lawfully established ***allotment*** that has previously been prevented from being developed by any legal restriction or was exempt from paying development or financial contributions in the past but is now able to be developed.
55. Using Schedule 2 it is possible to calculate the units of demand from all ***allotments*** and land use expected before the ***development*** occurs. The demand for each different development type within the development will be assessed separately.
56. The calculation of units of demand for existing ***allotments*** or land use will be undertaken on an ***activity*** by ***activity*** basis and use the higher amount of ***allotment*** or land use, not an addition of both.
57. If payment has been received for reserves on non-residential development, credits for these payments will be taken into account.

Step 3 - Contribution charge calculation

58. The assessed units of demand existing on the site (step 2) are deducted from the assessed units of demand proposed by the development (step 1) to calculate the additional units of demand on the site. The lowest value possible from this calculation is zero.
59. The additional units of demand value is then multiplied by the contribution unit price as set out in Schedule 3 for each relevant activity and funding area to calculate the contribution payable.

Step 4 – Calculation of total contribution payable

60. The total development contribution payable is calculated by adding the contributions payable for each ***activity*** determined in steps 1 to 3.
61. Development contribution assessments are calculated exclusive of GST and do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985. A tax invoice will be issued at the time of supply in accordance with this policy.
62. The time of supply shall be the earlier of:
    a. The council issuing an invoice to the applicant; or
    b. The payment of the development contribution in accordance with this policy.

Adjustment of contributions for reserve acquisition and reserve development

63. Section 203(1) of the LGA 2002 requires that a development contribution for reserves calculated under this policy must not exceed the greater of:
    a. 7.5 per cent 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.
64. Contribution charges for reserves set out in Schedule 3 will be reduced where they exceed the maximum reserve contribution allowed under section 203(1) of the LGA, to the level of the statutory maximum.
65. Both the reserve acquisition and reserve development contributions are combined to create the contribution for reserves that is subject to the statutory maximum in section 203(1).

66. For purposes of section 201(1)(d) of the LGA 2002, the council will determine the value of additional allotments and land on the following basis:
    a. for compliance with 63a) using the most recent rateable land valuation for similar allotments in the vicinity of the development, those similar lots being identified at the discretion of the council. Where the contribution calculated exceeds the value calculated using the rateable value, the applicant will be required to obtain a market valuation; and
    b. for compliance with 63b), the council will use the average value equivalent of 20 square metres of land in the vicinity of the development. Where the contribution calculated exceeds the average rateable value of land within the vicinity of the development, council will undertake a valuation of a range of land in the vicinity.

Payment date and enforcement

67. Invoices will be issued in accordance with Attachment A - Payment timing and enforcement.
68. Invoices become due for payment immediately upon issue.
69. Where invoices remain unpaid beyond the payment terms set out in this policy, the council may invoke normal debt collection practices to recover outstanding debt including the actual costs associated with the debt collection. Attachment A details further action available to council if debt remains unpaid.

7 Development contribution assessment review

Reconsideration of requirement for development contribution

70. The council will reconsider, at the request of the applicant, an assessment of the total contribution payable if the applicant considers that:
    a. the development contribution was incorrectly calculated or assessed; or
    b. the development contribution policy has been incorrectly applied; or
    c. the information used to assess the development against the contribution policy, or the way this information has been recorded or used when requiring the development contribution was incomplete or contained errors.
71. A request for reconsideration must be made within ten working days after the date on which the applicant receives notice from the council of the level of development contribution that the council requires.
72. An applicant may not apply for a reconsideration if the applicant has already lodged an objection under section 199C and Schedule 13A of the LGA 2002. However, applying for a reconsideration does not prevent the applicant from filing an objection under section 199C of the LGA 2002.
73. A request for reconsideration must be made in writing to the person at the council who gave notice of the development contributions assessment and identify the basis on which the reconsideration is sought together with, as appropriate, the legal and evidential grounds in support of the application for reconsideration.
74. The council may, within ten working days of receiving the request for reconsideration, request further information from the requester to support the grounds stated in the reconsideration.
75. The council will proceed to determine the request for reconsideration if:
    a. it has, in its view, received all required information relating to the request; or
    b. the requester refuses to provide any further information requested by the council (as set out above).
76. In considering the request for reconsideration, the council will make its decision without convening a hearing.
77. In all cases, the council will give written notice of the outcome of its reconsideration to the applicant within 15 working days after:
    a. the date the application for reconsideration is received, if all required information is provided in that application; or
    b. the date the application for reconsideration is received, if the applicant refuses to provide further information; or
    c. the date the further information is received from the applicant.
78. An applicant may object to the outcome of the reconsideration by filing an objection under section 199C of the LGA 2002.

Development Contribution Objections

79. A person may lodge an objection to the development contribution requirement on the grounds that council 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 contribution 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.
80. An objection may not challenge the content of a development contributions policy prepared in accordance with section 102 of the LGA 2002.

81. An objection must be lodged within 15 working days after the date on which the ***objector*** received notice of the level of development contribution required.

82. If an ***objector*** has received notice on the outcome of a reconsideration under section 199B of the LGA 2002, the 15 working day period begins on the day after the date on which the ***objector*** received the notice of the outcome of the reconsideration.

83. The notice of objection under Schedule 13A(1) of the LGA 2002 must –

    a. be in writing; and
    b. set out the grounds and reasons for the objection, and
    c. state the relief sought; and
    d. state whether the **objector** wishes to be heard on the objection.

84. If a development contribution objection is lodged, the council may still require the development contribution to be paid, but will not use it until the objection has been determined.

85. If the council does not require a development contribution to be paid pending the outcome of the objection, it may withhold consents or permissions in accordance with section 208 of the LGA 2002 until the objection has been determined.

86. The council may, in its discretion, allow an objection to be served on it after the 15 working days period specified, if satisfied that exceptional circumstances exist.

87. An objection is heard by one or more ***development contributions commissioners***. The hearing process is set out in Schedule 13A of the LGA 2002. The cost for services of a ***development contributions commissioner(s)***, the hearing and administration support will be payable by the ***objector***. All other fees/charges will be borne by the respective parties.

88. Applicable fees and allowances for a witness appearing at a development contribution hearing must be paid by the party on whose behalf the witness is called.

Exemptions

89. Development contributions will not be required under this policy where there is a relevant legislative exemption under the LGA or any other Act of Parliament.

Development on Māori land

90. Auckland Council recognises that land is a taonga tuku iho of special significance to Māori people. The council is committed to promoting the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāhi tapu. The council supports the facilitation of the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū through grants available under the Cultural Initiatives Fund for development of marae and papakāinga and Māori housing[1]. Grants made under this fund can cover costs associated with development including development contributions payable under this and former policies. To that extent, the grants are in lieu of remission of development contributions under this policy, which is unnecessary because of the grants.

91. Recognising that much of the parkland in Auckland was previously Māori land, this policy provides that not-for-profit development on Māori land is exempt from the payment of contributions for reserves.

Conditions and criteria for remissions, postponements and refunds

92. There are no remissions provided for within this policy.

93. The council will not consider applications for reductions of development contributions on the grounds of financial hardship, that the developer has a charitable purpose, that the development is a social development or is part of the Government's Kiwibuild Programme or for any other reason.

94. Under this policy there are no offsets of contributions for works provided by a developer. If a developer undertakes works on behalf of council it is expected that the developer and council will enter into a works agreement or private developer agreement, but any development contributions must still be paid.

[1] Māori housing grants are only available for housing developments undertaken in conjunction with an urban marae and must fill the same general purpose as papakāinga.

95. Council does not accept land in lieu of contributions to be paid. All contributions should be paid, and any land accepted by council's Park and Recreation team will be purchased and paid for under a sale and purchase agreement.

96. The policy makes no provision for payment of development contributions invoices to be postponed. However, the council may, at its discretion, agree to a payment arrangement in the context of debt recovery where contributions have not been paid by the due date. This will be administered by the Accounting Services Team.

97. The council will refund development contributions in accordance with section 209 and section 210 of the LGA 2002 where:

    a. the resource consent lapses under section 125 of the Resource Management Act 1991; or 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. council does not provide the reserve, network infrastructure or community infrastructure for which the development contribution was required.

98. For the purposes of Section 210(1)(a) of the Act, the council will refund a development contribution taken for a specified reserve purpose if the money is not applied to that purpose within 20 years after the contribution was received.

Development Agreements

99. The council may enter into development agreements or other agreements in circumstances where there is a need to allocate responsibility between developers and the council for the construction and funding of public works associated with a development in order to support outcomes in the Auckland Plan.

100. Development agreements will not be used to reduce the amount of any contribution calculated under this policy. It is expected that any agreement will include provisions that will underline the expectation for payment of development contributions by developers and a works contract for the purchase of infrastructure constructed by the developer.

101. Where an applicant undertakes work on behalf of the council, this will be done within normal procurement procedures and paid for under the terms of that engagement. Development contributions will still be payable by the applicant where they are required under this policy.

102. Sections 207A to 207F of the LGA 2002 sets out criteria to be included in a development agreement.

8 Ancillary Information

Calculation of development contributions in Schedule 3

103. In accordance with Section 201(1) of the LGA 2002, this section contains, in summary form, an explanation of and justification for the way in which each development contribution in Schedule 3 is calculated.

104. Detailed cost allocation modelling is available on request.

105. In accordance with Section 106(3) of the Act, the full cost allocation methodology is kept available for public inspection on the council website at: www.aucklandcouncil.govt.nz

106. In accordance with Section 201A(6) a copy of the schedule of assets (Schedule 8) to be funded by development contributions is available on the council website at: www.aucklandcouncil.govt.nz

107. The charges in Schedule 3 are calculated in the following manner:

   a. The total cost of capital expenditure divided by expected growth (measured in HUEs) equals the development contribution charge
   b. The development contribution charge is determined in the DC model and is calculated by activity and funding area
   c. Growth capital expenditure by activity and funding area is determined using the process identified in Table 11 Attachment B.
   d. Growth by funding area and type of development is determined using the process identified in Table 12 Attachment C
   e. The growth outputs are used as an input into the DC model Table 13 Attachment C.

Auckland Council Development Contributions model

108. The DC model contains all capital expenditure projects in the 10-year budget and includes capital expenditure projects already delivered by the council in anticipation of growth. In accordance with LGA 2002 Schedule 13, clause 1(2), the DC model also includes some expenditure the Council intends to incur beyond the long-term plan period which is required to cater for development in Drury, which is one of the Council's priority growth areas.

109. The council records information for its capital expenditure projects and programmes in terms of their relationship to the following expenditure types:

Renewal	Maintains and continues the provision of services. Increases the physical integrity and remaining life of assets with no change to the asset base
Level of service	Results in improved standards of quality, reliability, responsiveness, safety, comfort, flexibility, regulatory requirements or similar. May or may not result in new or additional assets
Growth	Increased availability and capacity to cater for increased people, water, traffic or similar. Associated with an increase in the asset base – the number of assets, total area or length

110. This initial categorisation and individual project and programme information inform the development contributions methodology but is not the sole basis for cost allocation.

111. The methodology uses a model which lists projects and programmes under each activity and funding area for which development contributions may be required. The calculation of the development contribution amounts (if any) payable for any project or programme line in the model is carried out in order to ensure compliance with legislation and is explained in Attachment B.

112. The DC model calculates the growth share of capital expenditure for the projects in a funding area attributable to each unit of demand in that funding area to meet the requirements Schedule 13 of the LGA 2002 and generates a schedule of development contribution charges for the development contributions policy as required by Section 201(2) of the Act.

113. The schedule of development contributions charges (Schedule 3) sets out the various prices chargeable under each ***activity*** and within each ***funding area*** within Auckland.

114. The DC model enables a calculation of borrowing requirements to deliver the growth proportion of capital expenditure projects and interest cost to be incorporated in the unit prices. The cost of borrowing to provide infrastructure for growth is part of the total cost of growth-related capital expenditure recoverable through development contributions, and is appropriately paid for by growth.

115. The model applies interest to both credit and debit balances as appropriate.

116. The DC model's core inputs and actions are explained in Attachment C.

Financial contributions

117. The Auckland Unitary Plan (AUP) has replaced all former local authority district plans in the Auckland Region. Section 106(2)(f) of the LGA 2002 requires that this policy summarise the financial contribution provisions. These are set out in Schedule 6.

118. The council will not require a development contribution for community facilities if, and to the extent that it has under Section 108(2)(a) of the Resource Management Act 1991, imposed a financial contribution condition on a resource consent in relation to the same development for the same purpose.

119. Schedule 6 shows purposes for which the council:

    a. may require a financial contribution on a resource consent in relation to a development in cases where the development is exempt from paying development contributions for the same purpose
    b. requires financial contributions which are different from any purpose for which it requires development contributions under this policy.

120. Nothing in this policy affects any requirement in the AUP to carry out works associated with avoiding, remedying or mitigating the adverse effects of an activity on the environment.

Public inspection of contributions policy information

121. This policy and its supporting information is available on the council website at: www.aucklandcouncil.govt.nz

Adoption of this policy

122. This policy was adopted on 27 April 2023. It becomes operative on 1 June 2023 and will remain in effect until a new contributions policy is adopted by the council.

Schedule 1 – Activities to be funded by development contributions

Table 2

Class	Activity	Activity description
Reserves	Reserves – Acquisition	Land acquisition for public open space of all types from small local parks to large regional parks
	Reserves – Development	Development and improvement of local parks, local sports parks and other local open space areas (in some cases this may include playgrounds and public toilets)
Network infrastructure	Stormwater	Development and improvement of network infrastructure, flood protection and control works including man-made and natural assets
	Transport	Development and improvement for the transport network including roads, walkways and cycle ways, public car parking facilities, public transport facilities and routes of all forms
Community infrastructure	Community Infrastructure	Development and improvement of local community infrastructure for the purpose of providing public amenities,

Schedule 2 – Development types and unit of demand factors

Land and building development

Table 3

Development type	Activities	Units of demand
Detached dwelling unit / duplex	Stormwater All others	1.0 HUE per unit 0.8 HUE per unit at 0m² - 99m² GFA 1.0 HUE per unit at 100m² - 249m² GFA 1.2 HUE per unit at 250m² and over GFA
Attached dwelling unit – low rise	Stormwater All others	1 HUE per 292m² ISA 0.7 HUE per unit at 0m² - 99m² GFA 0.9 HUE per unit at 100m² - 249m² GFA 1.1 HUE per unit at 250m² and over GFA
Attached dwelling unit – medium to high rise	Stormwater All others	1 HUE per 292m² ISA 0.6 HUE per unit at 0m² - 99m² GFA 0.75 HUE per unit at 100m² - 249m² GFA 0.9 HUE per unit at 250m² and over GFA
Retirement unit	Stormwater Transport All others	1 HUE per 292m² ISA 0.3 HUE per unit 0.1 HUE per unit
Aged care room	Stormwater Transport Community Infrastructure All Others	1 HUE per 292m² ISA 0.2 HUE per room 0.1 HUE per room 0.0 HUEs
Small ancillary dwelling unit	Stormwater All others	0.2 HUE per unit 0.6 HUE per unit
Accommodation units	Stormwater Reserve acquisition and development Transport All others	1 HUE per 292m² ISA 0.45 HUE per unit 0.45 HUE per unit 0.0 HUE
Student Accommodation	Stormwater All others	1 HUE per 292m² ISA 0.22 HUE per room
Any residential use not specified above	All	1.0 HUE per unit

Development type	Activities	Units of demand
Retail, hospitality, recreation and personal services	Stormwater Transport All others	1 HUE per 292m^2 ISA 1.0 HUE per 215m^2 GDA 0.0 HUE
Commercial	Stormwater Transport All others	1 HUE per 292m^2 ISA 1.0 HUE per 271m^2 GDA 0.0 HUE
Education and health	Stormwater Transport All others	1.0 HUE per 292m^2 ISA 1.0 HUE per 271m^2 GDA 0.0 HUE
Production and distribution	Stormwater Transport All others	1.0 HUE per 292m^2 ISA 1.0 HUE per 346m^2 GDA 0.0 HUE
Any non-residential use not specified above	Stormwater Transport All others	1.0 HUE per 292m^2 ISA 1.0 HUE per 277m^2 GDA 0.0 HUE

Subdivision development

Table 4

Development type	Activities	Units of demand
One residential **allotment** (vacant)	All	1.0 HUE per **allotment**
One Non-Residential **allotment** (vacant)	Stormwater Transport All others	1.0 HUE per **allotment** 1.0 HUE per **allotment** 0.0 HUE per **allotment**
Subdivision around existing development (Includes proposed developments)	All	As per Land and Building Development **unit of demand factors**
One **allotment** that is/was prevented from being developed by any legal restriction or that is/was exempt from paying development or financial contributions	All	0.0 HUE per **allotment**
One other **allotment**	All	1.0 HUE per **allotment**

These development types and their unit of demand factors are based on a range of sources. They reflect development types that are expected in Auckland and expected demands from these types of development.

Schedule 3 – Schedule of development contributions

Table 5

Development contribution assessments are calculated exclusive of GST

Regional

		$
Reserve Acquisition	Auckland wide	557
Reserve Development	Auckland wide	3776
Transport	Auckland wide	3816
Community Infrastructure	Auckland wide	632

Sub-Regional

		$
Reserve Acquisition	Drury IPA	15,060
	Urban	2,465
	Northwest Greenfield	7,005
	North Greenfield	2,135
	South Greenfield	6,663
Stormwater	Urban Auckland	313
Transport	North	2,285
	Central	1,219
	West	421
	South	189
	Hauraki Gulf Islands	6,966
	Drury IPA	
Community Infrastructure	Drury IPA (Community space)	8,099

Local

		$
Reserve Acquisition	Warkworth	
	Dairy Flat	
	Flatbush	
	Takanini	
	Hingaia	
	Paerata / Pukekohe	4
	Hibiscus	8
	North Shore	2,807
	West	2
	Central	19
	South (West)	56
	South (East)	
	Rural North Upper	6,087
	Rural North Lower	
	Rural West	15
	Rural South West	
	Rural South East	
	Rural Islands	
	Tamaki	
Reserve Development	Warkworth	15
	Dairy Flat	
	Northwest	1,140

	Flatbush	91
	Takanini	1,035
	Drury / Opaheke	8,197
	Hingaia	2,492
	Paerata / Pukekohe	41
	Hibiscus	616
	North Shore	321
	West	536
	Central	631
	South (West)	812
	South (East)	391
	Rural North Upper	
	Rural North Lower	
	Rural West	358
	Rural South West	239
	Rural South East	215
	Rural Islands	
	Tamaki	760
Stormwater	Ararimu	29
	City Centre GPA	6,437
	East Coast Bays	4,171
	Flatbush GPA	54
	Metro Manukau GPA	373
	Manurewa Papakura GPA	24,084
	Greater Takapuna GPA	15,574
	Greater Tamaki GPA	8,052
	Helensville	
	Hibiscus Coast	
	Inner West Triangle GPA	8,996
	Kumeu / Huapai	8
	Mahurangi	274
	Manukau Central	571
	Manukau North	45
	Manukau South	796
	Manukau West	
	NORSGA GPA	2,697
	Otahuhu GPA	227
	Other Auckland	
	Pukekohe GPA	112
	Tamaki East	
	Tamaki West 1	113
	Wairoa	89
	Waitakere Ranges	125
	Waitemata Central 1	4,386
	Waitemata North	1,954
	Waitemata North	
	Waitemata West	7,413
	Waiuku	1,037
	Warkworth	

	Waitemata Central 2	1,051
	Tamaki West 2	
	Tamaki West 3	
	Whenuapai / Redhills	
	Dairy Flat / Wainui / Silverdale	
	Drury West	
	Opaheke Drury	
	Hauraki Gulf Islands	1,609
	Omaha / Matakana	
	Oakley	3,714
Transport	Drury South	27,190
	NorthWest	5,283
	Dairy Flat / Wainui / Silverdale	4,957
	Tamaki AHP	4,913
	Albany	2,792
	Rural North	655
	Rural West	622
	Rural South	42
	Mt Roskill AHP	1,603
	Mangere AHP	3,265
	Drury East IPA	50,533
	Drury West 1 IPA	29,797
	Drury West 2 IPA	18,643
	Ōpaheke IPA	26,184
	Southern Growth Area 1	423
	Southern Growth Area 2	2,411
	Southern Growth Area 3	1,457
Community Infrastructure	Warkworth	
	Dairy Flat	
	Northwest	2,601
	Flatbush	4,767
	Takanini	6
	Drury/Opaheke	822
	Hingaia	
	Paerata / Pukekohe	1,143
	Hibiscus	388
	North Shore	3,674
	West	2,564
	Central	1,660
	South (West)	1,680
	South (East)	
	Rural North Upper	557
	Rural North Lower	172
	Rural West	101
	Rural South West	149
	Rural South East	428
	Rural Islands	609
	Tamaki	4,654

* A development may be in Regional, Sub-regional and Local funding areas, or any combination of these.
* All developments are in the Regional funding area.
* Great Barrier Island will be assessed on a case-by-case basis due to the nature of the funding area it is located in.

For all development contributions in this schedule, all or any of the following events will give rise to the requirement for a development contribution (subject to the other provisions of this policy including the Test for Development section):

(i) granting a resource consent under the Resource Management Act 1991 or
(ii) granting a building consent under the Building Act 2004; or
(iii) granting a certificate of acceptance under the Building Act 2004; or
(iv) granting of an authorisation for a service connection

Schedule 4 – Summary of capital expenditure for growth ($m)

Table 6

LGA reference	106(2)(a)	106(2)(a) and s201A(3)	106(2)(a)	106(2)(a)	106(2) (b) (i)	106(2) (b) (ii)	106(2)(b) (iii)	106(2)(d)	106(2)(d)	106(2) (d)
Purpose for which contributions may be required	Total cost of capital expenditure ($m) expected to be incurred until the financial year 2030/2031 to meet growth demand (i)	Total cost of capital expenditure ($m) expected to be incurred beyond financial year 2030/2031 to meet growth demand (ii)	Total cost of capital expenditure ($m) already incurred to meet growth demand (iii)	Explanation of capital expenditure	Proportion of capital expenditure for growth that will be funded by:			Total amount of funding ($m) to be sought from:		
					DC	FC	Other	DC	FC	Other
Community Infrastructure	93.2	145.0	165.8	Used to provide new or expanded community centre and hall facilities, playgrounds and public toilets	100%	0%	0%	290.0	0.1	0.0
Open space acquisition	589.4	142.3	86.7	Used to acquire land for local and regional open space purposes	100%	0%	0%	536.1	0	0.0
Open space development	607.5	198.2	23.0	Used to provide capacity within local sports facilities and other park infrastructure	100%	0%	0%	518.1	0	0.0
Stormwater	272.4	0.0	115.9	Used to provide capacity within the stormwater network and ensure flood protection measures are sufficient	100%	0%	0%	318.8	0.1	0.0
Transport	1,116.3	671.1	354.3	Used to provide capacity within the transport and public transport network	100%	0%	0%	849.9	0.1	0.0
Total	**2678.8**	**1,156.7**	**745.7**					2,512.9	**0.3**	**0.0**

Notes:

(i) – total cost of capital expenditure related to growth occurring from 2021 onwards (now – within ten years; and future – beyond ten years)

(ii) – includes interest relating to the cost of borrowing for growth occurring now (within ten years; but excludes interest relating to growth expected to occur in the future (from year 11 onwards)

(iii) - some consents were lodged when legacy financial contribution policies applied and will generate some financial contribution revenue if they proceed

This is a schedule required by Section 106(2) which:

a. summarises and explains the total cost of capital expenditure identified in the long-term plan that the council expects to incur to meet the increased demand for community facilities resulting from growth; and
b. states the proportion of that capital expenditure that will be funded by—
   i. development contributions
   ii. financial contributions
   iii. other sources of funding.

Section 100 of the Local Government (Auckland Council) Act 2009, enables Auckland Council to require development contributions to fund the council's contribution to the total cost of capital expenditure by Auckland Transport

Schedule 5 – Considerations of activity funding

When deciding what sources council uses to meet its funding needs, it must consider the matters set out in section 101(3) of the Local Government Act 2002. This involves elected members exercising their political judgement and considering the proposal in the context of council's funding decisions as a whole.

101(3) - The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of, —

(a) in relation to each activity to be funded, —

(i) the community outcomes to which the activity primarily contributes; and

(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and

(iii) the period in or over which those benefits are expected to occur; and

(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and

(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and

(b) the overall impact of any allocation of liability for revenue needs on the community.

The following section explains how, having applied the criteria in section 101(3), the council has determined to use development and financial contributions to fund the increased demand for reserve acquisition, reserve development, community infrastructure, stormwater, and transport community facilities resulting from growth, as shown in Schedule 4.

A The community outcomes to which the activity primarily contributes

Activity	A fair, safe and healthy Auckland	A green Auckland	An Auckland of prosperity and opportunity	A well connected and accessible Auckland	A beautiful Auckland that is loved by its people	A culturally rich and creative Auckland
Reserves – Acquisition	Y	Y		Y	Y	Y
Reserves – Development	Y	Y		Y	Y	Y
Community Infrastructure	Y		Y	Y	Y	Y
Stormwater	Y	Y	Y	Y	Y	
Transport	Y		Y	Y		

Council is required to provide infrastructure for growth to support the outcomes identified in the table above. Failure to provide this infrastructure will lead to worse outcomes (environmental, economic, and quality of life), particularly for those residents who would be served by it.

Provision of infrastructure to support growth requires council to determine how the infrastructure will be funded. Sources of funding include development contributions, Infrastructure Funding and Financing (IFF) levies, targeted rates, general rates, and government subsidies. Funding infrastructure often requires using a mixture of different funding mechanisms. The mix of funding sources can influence the type and location of development that takes place.

Funding the infrastructure entirely from general rates does not send the true economic signals to land developers. Charging development contributions to developers makes the cost of growth transparent and sends clear signals to developers and the growth community about the true cost of growth to the council. These costs will be reflected over time in the value of land. This provides clear signals on the cost of development in different areas.. Funding growth infrastructure from general rates. It would constrain council expenditure on other activities and lead to either reduced expenditure in growth and other infrastructure in the future (resulting in decreased service levels) or increases in rates that impact on their affordability.

Funding growth related infrastructure entirely from general rates could also constrain council expenditure on these and other council provided activities. This could lead to:

- reduced expenditure on growth and other infrastructure in the future (resulting in decreased service levels) impacting on the council's ability to deliver these outcomes in Drury and the rest of Auckland region
- increases in rates that will impact on the affordability of rates on ratepayers across Auckland.

The outcomes of these activities benefit development in different ways depending on the type of development being undertaken. The nature of infrastructure being provided to support these activities therefore provides rationale for differentiating development by type and location.

There are some historic financial contributions set by Auckland's former councils prior to amalgamation. These continue to fund spend on environmental protection activity and are the legal basis for funding growth infrastructure in relation to some historic consents. These will continue to be collected as appropriate.

B The distribution of benefits between the community as a whole; any identifiable part of the community; and individuals

Investment in infrastructure to support growth provides benefits from the provision of services and amenities to:

- existing landowners
- existing households and businesses
- new households and businesses.

Landowners receive an immediate benefit from the provision of stormwater and transport infrastructure that connects their land to the rest of the network. This connection allows for development to proceed on the land resulting in an increase in land value. Land values may also increase even before infrastructure that provides the actual connection to the wider network is completed (for example, transport infrastructure that improves connectivity in the wider area, or reserves and community infrastructure in the neighbourhood). Landowners benefit from the provision of reserves and community infrastructure that make a neighbourhood more attractive, thereby increasing demand for land in that area and increasing its value..

Existing households and businesses also obtain benefit from the provision of growth-related infrastructure by providing additional levels of service and decreasing congestion. However, some of these benefits reduce through time as additional residents and businesses take up the additional capacity created. The benefits these properties receive are funded from general rates.

The Council's decisions as to appropriate funding areas (regional, sub-regional and local) are based on an analysis of different areas of benefit associated with particular capital works programmes.

C The period in or over which the benefits are expected to occur

Council provided infrastructure that supports growth has very long useful lives. The growth capacity that new infrastructure provides is recovered from development as it occurs over time. Developers paying contributions only pay for the additional capacity that they create the need for, and will benefit from. General rates fund the maintenance and renewal of these assets

Developers will also receive growth-related benefits from infrastructure investment that is provided in the future. The long-term plan sets out the forecast infrastructure investment over a ten-year period. However, growth-related infrastructure investment to serve some new developing areas may be required beyond the ten-year investment timeframe in the long-term plan. Where this occurs, it is appropriate that developers in these areas contribute to the cost of the growth-related portion of that infrastructure. If these developers do not pay their share of future growth-related costs then their developments will end up being subsidised from other sources (ie: general ratepayer across Auckland) and they will be receiving the wrong economic signals.

Ongoing financial contribution monitoring costs can continue over time as long as environmental effects exist.

D The extent to which the actions or inactions of particular individuals or as a group contribute to the need to undertake the activity

Growth places additional demand on council services. Early developers contribute towards the need for infrastructure as much as late developers. Council is required to respond to this increased demand by providing additional infrastructure to support them. Additional investment is required at both a local and regional level.

Growth in households and business places demand on services provided at a regional level like sports parks and infrastructure that operates as an integrated regional network like elements of the transport system.

Other infrastructure requirements are more local in nature. For land to be developed, infrastructure is required to provide for the services the subsequent development will need like the requirement to manage additional stormwater flows.

Development contributions allow the council to recover the cost of additional infrastructure from new developments at a level that reflects the demand that they create. The drivers of demand for infrastructure vary based on development type and location. Development contributions are therefore differentiated by development type and location.

Financial contributions require those responsible for creating adverse effects to meet the cost of environmental protection measures. These are outside the scope of what can be funded from development contributions.

E The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

New infrastructure required to service growth comprises a major part of the council's overall capital expenditure. This infrastructure is often required before development can occur. Development contributions send clear signals to developers and the growth community about the true cost of growth to the council. Charging development contributions to developers differentially (i.e., having multiple funding areas (catchments) for each activity) makes transparent the cost of growth by activity, development type and location. These costs will be reflected over time in the value of land. This provides clear signals on the cost of development in different areas.

Setting and recovering development contributions separately incurs administration costs. However, these are immaterial compared to the revenue that development contributions generate for council.

The use of development contributions clearly identifies the costs of growth to developers. This improves developers' ability to hold the council to account for this expenditure. If solely part of general rates funded expenditure, there would be less transparency and hence less scrutiny of the council's capital expenditure. There would also be less certainty on the level of infrastructure investment to be provided by the council.

Financial contributions for specific purposes associated with particular developments are best funded distinctly from other council activities associated with development.

F Consideration of overall impact

Having considered the above criteria, the council needs to consider the proposal in terms of the overall impact on the community. This involves elected members exercising their judgement and considering the proposal in the context of council's funding decisions as a whole, not just in relation to these activities.

Matters for council to consider as part of this overall political judgement include:

- cost implications of infrastructure funding decisions on development and the challenges developers face in getting their products built. If development costs are too high this may act as a barrier to development and slow down growth. These impacts may be mitigated via foreshadowing upcoming price increases and transitioning to higher development contribution charges over time.
- including inclusion of growth-related infrastructure outside the ten-year period of the long-term plan will significantly increase the development contribution price in some locations. While it is appropriate to charge

the true costs of development in these locations, it will lead to large scale changes in development costs for some developers. This may impact on the profitability, or viability, of the developments being planned and disrupt development in these areas. However, the impacts will be relatively short lived while resulting in:

- better economic signals being sent (development not subsidised by future general ratepayers across Auckland and developers paying for the benefits they will receive)
- increased cashflow for council in the short to mid-term
- providing additional capacity for infrastructure in the future.

- economic research indicates that increasing the development contribution price will not generally increase house prices. House prices are determined by the balance of supply and demand.
- if the growth does not occur as forecast then there are implications on the general ratepayers across Auckland of under-recovery of infrastructure costs associated with (and incurred in anticipation of) growth. This will result in the council facing additional financing costs until development occurs. Part of these costs may end up being met from general ratepayers across Auckland.
- Forecasting capital expenditure over a 30-year horizon involves a higher degree of uncertainty than planning for capex over the horizon of the 10-year Budget 2021-2031. The risks uncertainty presents for both early developers and general ratepayers across Auckland can be managed, but not eliminated, by adjusting the level of investment required and the DC price in triennial DC policy reviews. However, there are implications for variances in costs and infrastructure investment which may result in either lower future development contributions and refunds to developers, or general ratepayers across Auckland bearing additional cost.
- if development contributions are not used then there are financial and service level implications for existing residents and businesses who would have to fund growth-related infrastructure from general ratepayers across Auckland
- historically Māori land was confiscated by the Crown, or forcibly sold through rating sales. Aucklanders currently receive benefits from this land and from land gifted by Māori for parks. Exempting not-for-profit developments on Māori land from contributions for reserves, partially acknowledges this issue.

Taking account of all these considerations and the challenges facing Auckland using development contributions best advances the needs of the community by providing a revenue stream to fund growth-related infrastructure that would otherwise be met from general ratepayers across Auckland. Development contributions set to recover the cost of growth-related infrastructure pass the costs of that infrastructure onto those who create the demand for it and benefit from it. This also avoids general ratepayers across Auckland subsidising development for which they get little benefit and means that general rates revenue can be directed to achieving the objectives laid out in the Auckland Plan 2050.

Schedule 6 – Summary of financial contribution provisions

Auckland Unitary Plan (AUP) has replaced all former local authority district plans in the Auckland Region. Provision for the taking of financial contributions only remains in the precincts section of the AUP.

This table shows where financial contributions may apply:

Table 7

Plan section	Plan reference	Purpose (activity)	Can the council require a financial contribution for this purpose if the development is………	
			Exempt from development contributions?	Liable for development contributions?
I214. Wynyard Precinct	I214.6.5. Financial contributions	Public open space, public pedestrian facilities and public access to the coastal environment.	Y	N
I330. Saint Lukes Precinct	I330.6.8. Additional off-site road works I330.6.10. Financial contributions/development contributions	Road works	N	Y
I336. Sylvia Park Precinct	I336.9. Special information requirements	Drain reconstruction Road works Off-site amenity including children's play areas, street landscaping, paving and furniture, pedestrian facilities and environmental improvements.	N	Y

Schedule 7 – Significant assumptions

Section 201(1)(b) of the LGA 2002 requires the policy to set out 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.

The following are the significant assumptions underlying the policy:

Table 8

Significant assumption	Estimate of potential effects	Level of uncertainty
The rate and level of residential growth will occur is on the Macro Strategic Model – Scenario I11.v6 (August 2020) household forecast and the Chief Economist's rating unit forecast model. The location the growth is based on Macro Strategic Model – Scenario I11.v6 (August 2020) household distribution. The type of development is based on analysis on building consent data. The rate, level, location and type of non-residential growth will occur is based on the forecasts in the Macro Strategic Model – Scenario I11.v6 (August 2020). The residential growth forecasts are based on medium population growth scenario, recent consent data and macro-economic factors. The non-residential growth are based on a medium population and employment growth scenario over 30 years. Growth can be influenced by a wide range of factors including: changes in demographics, changes in social and economic conditions, the performance of the economy and the effect of local, national and international forces	If development is lower than that forecast by the growth model, the amount of revenue generated through this policy will be reduced The council may need to review the growth forecasts to reflect a longer take up period than anticipated in the medium scenario. This will affect the ability of the council to fund growth related infrastructure, which itself may need to be deferred Where appropriate, to minimise this effect, the council will use broad funding areas to provide a degree of flexibility to provide capital expenditure where it is needed to cater for growth	Significant
The proportion of capital expenditure projects for growth is based on the best available information and aligned with both the forecast growth, the Auckland Plan 2050 and Unitary Plan	There is a significant likelihood that capital expenditure projects will alter over time due to a range of external factors Where significant changes occur to capital expenditure projects through an annual plan, it may be appropriate for the council to determine whether to revise the schedule of charges within the policy Provision of growth infrastructure in a period of low or uncertain growth can create a cost burden on the existing rating base as	Significant

Significant assumption	Estimate of potential effects	Level of uncertainty
	growth is not arriving to share the increased cost Where appropriate, the council will use broad funding areas to provide a degree of flexibility to provide capital expenditure where it is needed to cater for growth	
No significant changes to service standards are expected to occur other than those planned within asset management plans	Changes to service standards will affect both the level of on-site works required by those undertaking development and the scale and type of infrastructure provided by the council If significant changes occur the council will need to reassess the effect on capital expenditure projects and determine the materiality of change to the schedule of charges within the policy	Medium
As at today's date the Council's stormwater functions will transfer to a Water Services Entity (WSE) from 1 July 2024, if the Water Services Entities Bill is enacted in its current form. Two significant assumptions are that the new WSE continues Council's planned capital expenditure on stormwater after 1 July 2024, and that legislation provides that stormwater development contributions paid over the next two years based on that capital programme do not need to be refunded notwithstanding that Council does not incur any stormwater capital expenditure after 1 July 2024	The potential effects if these assumptions are incorrect is that Auckland Council may need to make a partial refund of stormwater contributions.	Medium
Some transport capital expenditure (projects) planned for Drury will be eligible for and receive National Land Transport Fund (NTLF) funding from Waka Kotahi, on the basis of their expenditure being included in the National Land Transport Plan (NLTP). Without such funding alongside Council funding, some of this capital expenditure may not proceed, at least in the same form as is currently envisaged. Uncertainty as to the inclusion of Council/Auckland Transport projects within future NLTPs	If the NLTF funding is not received projects may need to be scaled back or cancelled, although they may be included in equivalent projects which do attract NTLF funding.	Medium

Significant assumption	Estimate of potential effects	Level of uncertainty
increases with time; it is harder to predict the Government's future intentions for land transport funding beyond the period covered by Auckland Transport A Plan and the current Regional Land Transport Plan.		
The cost of growth incorporated in the contributions charge is calculated net of all third-party income. This policy assumes that the level of third-party funding will not change over the development phase of the projects.	If the level of third-party funding is reduced, the council will have understated the cost to be recovered through this policy. If the level of third party-funding is increased, the council will have overstated the cost to be recovered through this policy In either case the council will assess the materiality of the difference and determine whether to revise the schedule of charges within the policy and provide for a lower or higher expectation of third-party income	Low
That there is no significant difference between the actual rate of inflation and interest compared with that estimated in the 10-year budget and used for the beyond 2031 Drury projects	Changes to inflation and interest are common variables in any policy of this nature. If inflation or interest rates increase, the costs to be recovered by development contributions also increase. Where significant changes occur that materially affect the schedule of charges, the council can decide to adjust the policy accordingly	Medium
Developments will in general exhibit common demand characteristics that enable the council to consider them as part of a simple overall classification of development types	All development will be attributed with the average demand as set out in Schedule 2 for the development type under which it is classified Developments individually may create a lower or higher demand on infrastructure than the average demand for their development type Development overall will create the demand levels required to recover the cost of infrastructure for growth	Medium
Applicants are only required to pay development contributions on additional development that is the subject of a consent application. Any existing lawfully established *allotments* or land uses on the development site are assumed to have either: • paid development or financial contributions under relevant legislation at the time; and/or • have been exempt from paying contributions.	The assumption that lawfully established allotments are deemed paid for development contributions purposes requires all new subdivisions to pay for one unit of demand at the point of subdivision This is likely to have limited effect given that the final built form or land use on the allotment will be equal to or higher than a single unit of demand for that development type	Low

Significant assumption	Estimate of potential effects	Level of uncertainty
This assumption applies in accordance with Schedule 2 unit of demand factors only.		
Council is required to mitigate stormwater for the need of flood and environment protection that benefits all Aucklanders. This may result in the need to provide flood or environmental mitigation to developments that do not directly enter council's network.	All developments will benefit from flood and environmental protection that allows Aucklanders to travel on the transport network, access schools, shops, hospitals and other essential services as well as swim at the beaches and enjoy the natural environment.	Medium

Schedule 8 – Assets for which development contributions will be used

The schedule is too large to be included within the policy. A copy of this schedule is available on the council website at: http://aucklandcouncil.govt.nz/developmentcontributions

Attachment A – Payment timing and enforcement

Payment Timing unless otherwise agreed in writing

Invoices become due for payment immediately upon issue and will be generated at the following points:

Table 9

Type of consent	Timing of invoice
a resource consent for subdivision	at the time of application for a certificate under section 224(c) of the Resource Management Act 1991 an invoice will be issued for each stage of the development for which a separate certificate under section 224(c) of the Resource Management Act 1991 is applied for, even where separate stages are part of the same consent
a resource consent for land use for: a. any non-residential development for which a subdivision consent or building consent will not be necessary for the development to proceed; or b. any residential development for which a subdivision consent or building consent will not be necessary for the development to proceed; or c. any development for which an invoice cannot be issued on building consent or subdivision consent	at the time of a request for an invoice, or immediately upon unauthorised commencement of the land use consent, or six (6) months after the time of granting the resource (land use) consent
a building consent for residential use	Six (6) months after the time of granting the building consent
a building consent for non-residential use	at the time a request is made for a code compliance certificate or a certificate of public use, or 24 months after granting, whichever is the earlier
a certificate of acceptance	at the time of granting of the certificate of acceptance
authorisation for service connection	at the time of approval for connection

- Any single building consent for residential use which contains five (5) or more attached dwelling units, will be treated as non-residential use for issue of invoice / payment timing. For avoidance of doubt, this does not apply for developments that contain individual building consents of less than five dwellings on the single consent.
- A request for invoice on a resource consent (not included above) must be made prior to commencement
- Payment may be made on any granted consent, however the earlier payment timing of any granted consents applies
- Where a customer requests an invoice before the timeframe stated in Table 9, the invoice is immediately payable
- Any payment arrangements will be dealt with by the Council's Accounting Services Team
- The invoice to be 'overdue' is 10 working days after the invoice is issued

Council Enforcement

Where invoices remain unpaid beyond the payment terms set out in this policy and the invoice, the council will invoke normal debt collection practices to recover outstanding debt including the actual costs associated with the debt collection.

The following are additional enforcement options council can use:

Table 10

Type of consent	Enforcement options
a resource consent for subdivision	withhold a certificate under section 224(c) of the Resource Management Act 1991 and may 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
a resource consent for land use for: a. any non-residential development for which a subdivision consent or building consent will not be necessary for the development to proceed; or b. any residential development for which a subdivision consent will not be necessary	prevent the commencement of the land use consent under the Resource Management Act 1991 and may 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
a building consent / certificate of acceptance	withhold a code compliance certificate under section 95 of the Building Act 2004, withhold a certificate of acceptance under section 99 of the Building Act 2004 and may 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
authorisation for service connection	withhold a service connection to the development and may 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

Attachment B – Cost Allocation

Cost Allocation Methodology Explanation

Table 11

Step	Explanation	Justification under LGA 2002
1.	Allowances for costs to be included. Purpose: To ensure only assets, projects or programmes or work identified in the LTP, or capital expenditure beyond the LTP period that the council intends to incur (or historic assets, projects or programmes) undertaken to meet the requirements of growth are included in the contribution calculation	Section 199(1) Section 197AB(1)(a) and (b)– The council may only require contributions where it expects to incur capital expenditure Section 199(2) - Development contributions may be used to pay in full or in part for capital expenditure already incurred by the Council in anticipation of development Section 201A: a schedule of assets must include assets for which capital expenditure has already been incurred by a territorial authority in anticipation of development. Section 204(1), Section 197AB (d) – Contributions must only be used towards capital expenditure for the purpose of the activity or the group for which they were required Schedule 13, clause 1(2) - A territorial authority may identify capital expenditure for the purposes of calculating development contributions in respect of assets or groups of assets that will be built after the period covered by the long-term plan and that are identified in the development contributions policy.
2.	Screening provisions. Purpose: To ensure certain costs are not included in contribution calculation	Section 204(1), Section 200(1) – Operating and maintenance costs, subsidies, grants, the costs of works to be funded by developers and third parties and not paid for by the council and the costs of works expected to be recovered from financial contributions are excluded from the contribution calculation. In addition, development contributions do not apply to a resource consent in relation to the same development for the same purpose, if the developer will fund or otherwise provide for the same reserve, network infrastructure, or community infrastructure, if the 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, or if a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure, or community infrastructure
3	Cost allocation between different sources of funding Purpose: To ensure costs attributable to level or service or renewal are not funded through development contributions and ensure fair attribution of costs among sources of funding	Costs of capital expenditure projects or programmes attributed initially between various sources of funding including the existing and growth communities and all of Auckland or parts of it, using Section 101(3)(i),(ii),(iv) and (v) considerations with appropriate weight given to each and Section 197AB (c)

Step	Explanation	Justification under LGA 2002
4.	Cost allocation – intergenerational equity Purpose: To ensure fair attribution of costs among sources of funding	The portion of any capital project or programme to be funded by the growth community in any activity funding areas is allocated between "new" growth occurring in the 10-year budget period and "future" growth occurring after year ten. This is to ensure compliance with Section 101(3)(iii) considerations and completes the considerations under Section 101(3)(a) of the Act. Schedule 13, clause 1(3) - The total cost of capital identified in subclause (1) may in part relate to assets intended to be delivered beyond the period covered by a territorial authority's long-term plan if— (a) the assets concerned are identified in the development contributions policy; and (b) the total cost of capital expenditure does not exceed that which relates to the period over which development has been assessed for the purpose of setting development contributions.
5.	Totalling and attribution	Schedule 13 clause (1) and Section 197AB(1)(g) – the total costs of capital expenditure (at an activity level) attributable to new growth in the 10-year budget period, and after year ten, as provided in this policy, within the whole city or parts of it (funding areas), is totalled. Attribution of costs to growth units of demand expected in the area over that period is carried out in the DC model
6.	Declaration and reporting	Section 106 - the primary output from the DC model comprises three tables of annual capital expenditure by activity that relates to: 1) the growth costs attributable to the "new" community paying contributions before year ten 2) the growth costs attributable to the "future" community paying contributions after year ten 3) the sum of the total growth capital expenditure. The portion of capital costs to be recovered through financial contributions (if any) are identified separately and extracted at Step 2

Before adopting the Contributions Policy, the council's Governing Body (or a committee of the Governing Body) will stand back and consider, under section 101(3)(b) of the Local Government Act 2002, the overall impact of the proposed costs of growth to be funded by development contributions, and the development contributions charges, calculated after applying the cost allocation methodology and funding model summarised in Attachment C. At this point, after considering matters such as fairness and affordability, the council can decide either to confirm or adjust the proposed changes.

Attachment C – DC model

DC model Inputs

Table 12

Input	*Explanation*
Auckland Council Development Contributions Growth Model (ACDCGM) for both residential and non-residential growth	This provides the incremental annual growth forecasts that are used as the denominator in the calculation to generate the unit prices for development contributions
Capital expenditure costs relating to growth	This provides the growth proportion of the capital expenditure projects that provides capacity for the period of the long-term plan, for some capital expenditure that has already occurred or will occur after the end of the long-term plan. This is used as the numerator in the calculation to generate the unit prices for development contributions. This includes both infrastructure already built (historic) and infrastructure planned as part of the 10-year budget (new) and infrastructure included in the policy that the council has planned to provide beyond 2031 (future)
Infrastructure type unit of demand factors for each identified type of development	This provides the model with the data to convert the growth forecasts (population and employment) into units of demand for each **infrastructure type**
*I*nterest rates	The council uses its effective interest rate for debt in the near term and long term, as forecast by the Auckland Council's Treasury team, to model the contributions price. This is consistent with the approach used in the 10-year Budget 2021-2031. Due to longer time period covered by the proposed amendments to the contributions policy and long-term uncertainty we forecast ahead ten years and assume rates will remain at the ten-year level for the remainder of the forecast period.

DC model Actions

Table 13

Action	Explanation	Justification
1.	Adjustment of Macro Strategic Model – Scenario I11.v6 (i11 Drury DC Revised Version) and Chief Economist's rating unit forecast model **Purpose:** To convert the growth data into units of demand and to determine the likely payment profile for contributions	Growth units have variable units of demand associated with them (e.g., detached house = 1 unit of demand) and therefore the number of each type predicted by the ACDCGM must be converted to units of demand for the purposes of the DC model Further adjustment of the growth data is required to more accurately forecast the likely occurrence of income arising from this policy The timing of payment is a key determinant of the level of borrowing required by council
2.	The cost of capital expenditure used to calculate development contributions under this policy reflects the costs attributable to growth over the next 10 years for the projects included in the LTP period and over the recovery period for the projects to start after the LTP period. The additional costs for projects included in the LTP attributable to growth beyond the 10-year period will be recovered from future growth. **Purpose:** To derive the costs to be recovered by contributions over the recovery period under this policy	To ensure the expenditure profile reflects the costs to be recovered through this policy from growth over the period which the project is expected to cater for growth
3	Iteration of income expectation and borrowing cost arising from various unit prices **Purpose:** To derive a unit price that brings the closing balance to zero over the recovery period	Growth will generally pay for the cost of growth Having identified the cost of growth and the number of units of demand and their likely payment timing - the growth units arising over recovery period should fully fund the total cost of growth attributed to them. Income profile and borrowing cost are the only components in the model that remain variable and inter-related in the model – income is a product of price multiplied by units of demand; price is a product of costs in the year (including interest) divided by growth; interest is a product of borrowing levels arising from a surplus of cost over income
4	Reporting contribution unit prices and summary of capital expenditure for growth	Requirements of legislation

Attachment D – Policy Dates

Auckland Council Contribution Policy Dates

Policy	Dates
Interim Policy	• Lodged and granted before 1 July 2012
Choice of Interim Policy or 2012 Policy	• Lodged before 1 July 2012 and not granted until after 1 July 2012
2012 Policy	• Lodged between 1 July 2012 and 8 August 2014
2012 Amdended Policy	• Lodged between 9 August 2014 and 30 June 2015
2015 Policy	• Lodged between 1 July 2015 and 31 July 2016
2015 Policy Variation A	• Lodged between 1 August 2016 and 30 August 2017
2015 Policy Variation B	• Lodged between 1 September 2017 and 31 December 2018
2019 Policy	• Lodged between 1 January 2019 and 9 January 2022
2022 Policy	• Lodged between 10 January 2022 and 31 May 2023
2022 Policy Variation A	• Lodged on or after 1 June 2023