



Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development



Internal Affairs
Te Tari Taiwhenua

Going for Housing Growth

Supporting Growth Through a Development Levies System: Summary of Submissions

20 May 2026

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Any questions should be directed to development.levies@dia.govt.nz.

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Contents

Part 1: Overview and key feedback from submitters	4
Consultation on proposals to introduce development levies	4
Part 2: Summary of submissions	8
1 The need for development levies and overall approach	8
2 Linking future projects to expected growth and high-cost overlays	9
3 Strengthening development agreements	9
4 Bespoke levies	10
5 First-mover arrangements	10
6 Criteria for use of development levies	11
7 Regulation-making and standardisation	12
8 Implementation timeframes	13
9 Impact of standardisation, costs and benefits	13
10 Units of demand	14
11 Units of demand for residential development	15
12 Units of Demand for non-residential development	15
13 Indicators of occupancy and service demand	16
14 Reporting	17
15 Administrative charges	18
16 Intangible assets to include in levy calculations	18
17 Further consultation	19
Purpose and principles of the development levies regime	19
High-cost overlays and non-standard design	20
The proposed regulatory regime	21
Interactions with local government and planning reforms	22
Impacts on Māori housing, Te Ao Māori and Tikanga	23
Development Levies Policies	24
Crown Exemptions	25
Other topics raised by submitters	25
Appendix 1: List of questions	26
Appendix 2: List of submitters	29

Part 1: Overview and key feedback from submitters

Consultation on proposals to introduce development levies

Background

In December 2024, Cabinet agreed to replace the current system of development contributions with a development levies system. Under the proposed system, councils would charge levies across wider levy areas that cover whole communities or service networks, rather than tying charges to specific locations.

Between November 2025 and February 2026, the Department of Internal Affairs and the Ministry of Housing and Urban Development consulted on proposals to introduce development levies under the Local Government Act 2002 (LGA02). We sought submissions on a consultation document and a partial exposure draft of the Local Government (Infrastructure Funding) Amendment Bill.

This consultation sits within the Government's *Going for Housing Growth* programme, which aims to improve housing affordability by increasing the supply of land for development and ensuring infrastructure can support growth. The proposals focus on Pillar Two of the programme: improving infrastructure funding and financing to support urban growth.

Part one of this document provides a high-level overview of the submissions. Part two summarises the responses to each question in the consultation document, and several additional topics discussed by submitters.

What did we ask?

The consultation sought feedback on the detailed design of the proposed development levies system, focussing on the questions set out in **Appendix 1**. It asked about:

- how councils should identify and allocate growth-related infrastructure costs
- how councils should define levy areas and high-cost overlays
- how levies should be calculated and adjusted
- the roles and operation of development agreements and bespoke assessments
- the rules for how levy revenue can be used
- the regulation-making powers needed to standardize key elements of the system,
- the transitional arrangements for shifting from development contributions to development levies.

What did we get back?

We received 56 submissions from local authorities, local government organisations and expert groups, developers, developer organisations and individuals, as shown in **Figure 1: Breakdown of development levies submissions by organisation type**. A list of submitters is attached as **Appendix 2**. Most local government submitters were in favour of the proposals, whereas the reaction of the development sector was mixed.

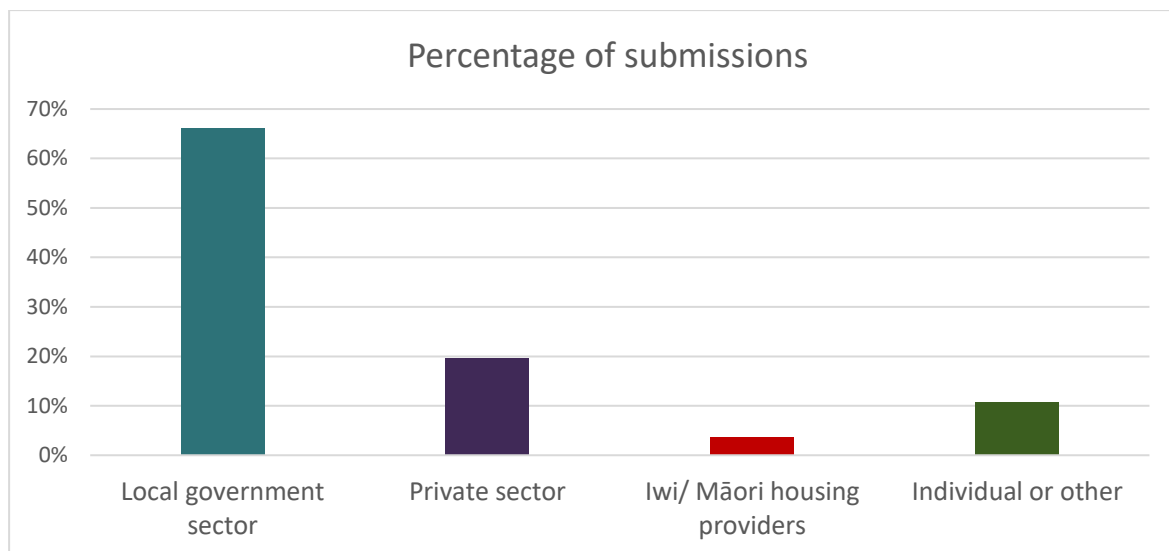


Figure 1: Breakdown of development levies submissions by organisation type

In this summary of submissions, the term ‘council’ or ‘local government’ includes council-controlled organisations and local government organisations or expert groups. The term ‘developer’ includes developer and other private sector organisations.

The most important issues raised by councils, developers and other submitters were:

- the planning horizon and including projected future growth in the levy calculation
- trade-offs between national consistency and flexibility to take account of local conditions, particularly in assessing units of demand
- criteria for using development levies, including possible use of mechanisms such as multiple levy areas to maintain the causal nexus versus flexibility to use levies to respond to demand
- bespoke levies, first mover provisions and development agreements
- implementation, timing, transitional arrangements and phase-out of development contributions.

Other important issues raised by councils were:

- calculating units of demand for residential and non-residential developments
- links with policy initiatives such as the Planning Bill proposals, rates capping and Infrastructure Funding and Financing legislative changes
- opposition to Crown exemptions to the levy.

Other important issues raised by developers were:

- transparency and reporting on levy calculations and use
- retirement villages as a special case,
- the role of the proposed independent regulator.

Important issues raised by other submitters included:

- the inclusion of infrastructure-related intangible assets,
- the treatment of Māori land and funding for Māori housing.

A summary of issues raised is presented thematically in **Table 1**.

Table 1: Key submission points by submitter type and theme

Theme	Council and local government organisation views	Developer and developer organisation views
Support for development levies	Support for the overall approach with suggested improvements. Councils viewed the proposed system as more flexible, transparent, and able to support long term infrastructure funding. Some stated that the current system under-recovers the cost of growth, shifting the burden to ratepayers.	Mixed views: some indicated support, one some qualified support (with significant changes requested), and the remainder opposed. Comments ranged from minor improvements to fundamental changes. Concerns centred on risks of overcharging, unfair allocation of costs, and lack of transparency.
Planning horizon: including future growth	Opposition to a short to medium timeframe because many infrastructure projects are planned over a 30+ year horizon. Sometimes high-cost overlays arise from infrastructure requirements decades in the future. Concerns about the 'sufficient commitment' to future projects requirement being unclear.	Support for a short to medium term planning horizon because it improves predictability of infrastructure costs and prevents developers from being charged for projects that may never proceed. Some support for limiting eligibility to projects listed in councils' long-term plans.
Units of demand¹ residential and non-residential	Strong support for national consistency for units of demand but allowing flexibility for the value of units to be set individually to account for local conditions. Broad agreement on the categories for residential development, with minor tweaks. Most supported number of bedrooms as an indicator of occupancy for residential. There were a range of suggestions for improving the non-residential categories.	Support for national consistency on units of demand, especially for retirement villages. Support for indicators of demand that are simple and easy to define and understand.
Criteria for use of development levies, including causal nexus and levy areas	Strong support for flexibility in how development levies are spent to enable councils to respond to emerging growth patterns. Accept that levy revenue should be ringfenced by service but not required to be spent on specific projects as community needs change. Some concerns about large levy areas leading to cross-subsidisation and weakening incentives to build where existing infrastructure capacity exists, and some concerns about the criteria for reserves levies.	Oppose cost-sharing across levy areas and flexibility in using levy revenue on the grounds it negates 'growth pays for growth'. Some argued that if the infrastructure project that levies have been collected for does not proceed, then councils should issue refunds as the development has not benefited from the infrastructure.
Crown exemptions	Strong opposition to the Crown being exempt from development levies on the basis that the Crown's development also puts pressure on infrastructure.	Concern that Crown exemptions weaken alignment of benefits from infrastructure and infrastructure funding responsibilities, and place additional pressure on local authorities' finances.

¹ Quantified estimates of service level demand as a result of growth. Eg: a three bedroom house is one unit of demand for wastewater, and a one bedroom unit is 0.33 units of demand.

Theme	Council and local government organisation views	Developer and developer organisation views
Bespoke levy assessment², first-mover provisions³ and development agreements⁴	Support for bespoke levies. However, councils don't want to be forced to consider every request for a bespoke assessment to prevent them from becoming the norm. They noted how resource intensive assessments are to complete. Support for first-mover provisions but with clear criteria that reimbursement only applies to genuine extra capacity. Some support for linking development agreements to the land so obligations remain on change of ownership. Some support for a national template for development agreements.	Support but have concerns about the triggers for council requiring a bespoke assessment being too broad and would prefer these be more defined. Some support for a standardised methodology. Support for first-mover provisions with clear criteria and repayment timeframes. Support strengthening development agreements. Suggest the Bill should require councils to have clear assessment criteria and timeframes and avoid double charging.
Implementation, timing, phase out of DCs, and links with Planning Bill proposals, rates capping and IFF changes	Support for aligning implementation of development levies with long-term plan (LTP) cycles. Some support for an extended transition period so councils can navigate concurrent reforms and resourcing constraints. Concern two years is not enough time, five or six years preferred by some councils. Concern about losing financial contributions as a cost recovery tool before levies can be charged.	Split support between extended transition over up to six years, and quicker change. Support for phased transition to higher charges, preferred a longer phase in period. Support for transition provisions that capture first-mover arrangements and recognition of prior development contributions and existing development agreements.
Administrative charges, timing of invoicing, interest on levies and effective date of revised policies	Supported administrative charges, with a variety of views including a hybrid model of a fixed base charge for simple assessment and variable fees for complex proposal. Want early invoicing of development levies and interest on unpaid levies, support revised policies taking effect on notification. Split support for compulsory phasing in of higher charges over three years to avoid a period of reduced revenue. Support for amended levies policies taking effect on notification	Mostly support with some opposed, with a preference for fixed administrative fees for standard assessments and formula-based fees only for complex bespoke work. Some support for setting charges in regulations. Want late invoicing of development levies, e.g. when houses are occupied. Some opposition to interest on unpaid levies and for amended policies taking effect on notification, with preference for a lead-in period.

² Bespoke levy assessments are used where development does not meet standard levy conditions because it is outside a levy area, relying on infrastructure-dependent plan rules, involving restricted or discretionary activities, enabled by private plan changes, or proceeding through fast-track consenting. Developers may request bespoke levy assessments.

³ First-mover developers that build infrastructure that creates capacity for future development elsewhere may be reimbursed by councils for the costs of doing so.

⁴ Voluntary contractual agreements between developers and councils about the provision or supply of infrastructure

Part 2: Summary of submissions

This part of the report is a high-level summary of responses, arranged by question number, to questions posed in the consultation document that accompanied the exposure draft. It also provides summaries of major issues that submitters raised that were not in scope of the consultation.

1 The need for development levies and overall approach

Councils and local government organisations generally supported replacing development contributions with development levies, viewing the proposed system as more flexible, transparent, and able to support long term infrastructure funding. Christchurch, Palmerston North, Hamilton, Whakatāne and Tasman, noted that the current system under-recovers the cost of growth, shifting costs to ratepayers. Local government organisations such as Taituarā, Water NZ and Local Government New Zealand (LGNZ) shared these views. Councils including Waipā supported the proposal and encouraged weight be given to the Development Contributions Working Group’s feedback. Tauranga questioned whether a wholesale system change is justified and proposed targeted improvements to development contributions noting that development levies would still rely on constrained council debt capacity.

Overall, councils saw a need for a system that ensures ‘growth pays for growth,’ better aligns with intensification or greenfield development patterns, and provides more responsive funding tools. However, councils highlighted several significant design challenges to be addressed such as whether some proposed features may worsen existing challenges, particularly in high-growth, financially constrained environments or brownfields environments.

Developers and developer organisations had mixed views: some supported replacing development contributions with levies; some gave conditional support; and the remainder opposed the development levies framework. Reasons for support included the need for national consistency and standardisation. Developers want development levies to be fair, proportionate, and evidence based.

Developers such as Fletcher Living, Summerset Group and Quayside Properties supported development levies proposals in principle, but they opposed allowing levies to be reassessed after policy changes or after three years; frequent reviews could undermine development feasibility and certainty. The Property Council of New Zealand (Property Council) supported the Bill’s purpose, but questioned the underlying policy assumption: that levies will be absorbed by land values. They suggested that the levies may affect development feasibility or end prices for the homeowner and recommended this be investigated by independent experts.

Te Matapihi did not support levy settings that would increase upfront development costs on Māori land without recognition of its distinct legal, cultural and structural context. Ngāi Tai ki Tāmaki supported reform but believed that any new infrastructure charging regime must be capable of operating consistently with Te Tiriti o Waitangi and the statutory Treaty framework within the LGA 02. Therefore, the statute must include explicit safeguards that actively protect Māori rights and interests.

2 Linking future projects to expected growth and high-cost overlays

Most councils supported the principle but raised concerns about the undefined ‘short to medium term’ and ‘sufficient commitment’ to future projects and sought definition of these terms. Some, including Upper Hutt and Waikato, raised concerns about uncertain growth forecasting and changes to long-term plan project lists; three-year council terms make ‘sufficient commitment’ uncertain. Many councils, including Christchurch, Southland, Manawatū, and Western Bay of Plenty, considered a ‘short to medium term’ timeframe, too short. They argued that core infrastructure is planned over a 30-plus year horizon as the assets, such as three waters assets, last for decades. Excluding long-term projects would lead to under-recovery and costs falling on ratepayers. Councils also noted that time limitations could reduce their ability to create high-cost overlays where the higher costs are caused by infrastructure requirements decades in the future. Ōpōtiki wanted clarity on when high-cost overlay applies and if growth assumptions could change due to geographic constraints or hazard risks.

Developers and other submitters, including the Retirement Villages Association and Urban Development Institute NZ (UDINZ), were supportive of the ‘short to medium term’ limitation because it improves predictability of infrastructure costs and better aligns costs with the actual infrastructure needed to service development. These submitters raised concerns about the low accuracy of long-term forecasts and reliance on assumptions. Fletcher Living and the Retirement Villages Association wanted eligibility specifically limited to projects within councils’ long-term plans.

Developers accepted that high-cost overlays would sometimes be required but argued that they should only be used where estimated costs are linked to specific short to medium-term projects. The Property Council recommended strengthening the weak area-wide causal nexus by requiring development levies policies to include a publicly exhibited list of growth-enabling infrastructure, supported by indicative delivery sequencing and reporting.

3 Strengthening development agreements

Most councils, including Christchurch, Palmerston North, Selwyn, and Manawatū, supported strengthening development agreements, with some amendments. Some councils recommended that agreements be linked to the land so that obligations remain if a developer on-sells or becomes insolvent, and suggested requiring information from developers upfront. Auckland Council recommended that the scope and level of detail required is clarified before a development agreement is considered. Councils also proposed having time-bound delivery commitments before entering into an agreement to avoid councils investing based on predicted development that does not occur.

Some councils, such as Upper Hutt, suggested having a national template to provide consistency, while stressing the importance of allowing councils to have flexibility. Several councils, including Waimakariri and Timaru, noted the need to consider the impact on current and future ratepayers, as well as housing and employment benefits, in their assessment of a development agreement. Ensuring the development agreement provisions align with bespoke levy assessments and cross-boundary development was also raised. Watercare stated that development agreements are not widely used across the country, but they are a good tool to provide contractual certainty for the council and developer.

Consideration should be given to the legislation that encourages the use of development agreements.

Developers and other submitters, including the Property Council, Retirement Villages Association, Tamaki Regeneration Company and the UDINZ, also supported development agreements. They wanted clear assessment criteria and timeframes for councils to consider a development agreement. Some submitters, including the Gillies Group, requested that councils should reduce levies when the developer has already constructed the required infrastructure to avoid double charging. Others, including the Tamaki Regeneration Company and Retirement Villages Association, supported considering housing and employment needs in assessing development agreement requests. Commercial & Industrial Consultants Ltd requested that development agreements are made public in the interests of transparency.

4 Bespoke levies

Councils, including Hamilton, Waikato, and Auckland, generally supported bespoke levies. However, they opposed mandatory assessments due to the strain on resources and argued that councils need to be able to decline bespoke levy unless they are for 'genuinely atypical development'. Selwyn, and Waimakariri noted that bespoke levy assessments are time consuming and expensive. Christchurch City stated that assessments often cost more than \$100,000 and argued that these costs should be covered by developers. Auckland Council echoed concerns about over-use of the provision and excessive demands on council time to prepare assessments. Tauranga City Council proposed that councils should have discretion to decline assessment requests and emphasised that a bespoke levy agreement must not compel councils to change capital programmes outside normal long term plan processes.

Councils opposed bespoke levies being lower than the general levy, to discourage developers trying to reduce their charges and did not want bespoke levies to commit them to delivering specific infrastructure. Watercare supported bespoke assessments but stressed the importance of having the flexibility to use development agreements instead.

Developers including Gillies Group, Tamaki Regeneration Company, and the Property Council also supported the bespoke levy proposals, especially for non-standard developments. However, they raised concerns about the triggers for bespoke assessments being too broad and councils having too great a mandate to require bespoke assessments. Like councils, developers sought clarity that bespoke levies be limited to developments defined as genuinely atypical. Some submitters, including the Property Council, suggested that there should be a standardised methodology for calculating bespoke levies and rules around what infrastructure costs can and cannot be recovered.

5 First-mover arrangements

Many councils noted inconsistent use of first-mover mechanisms under the development contributions system. Examples of current first-mover developments include developers constructing major intersections for future developments (Christchurch, Waimakariri, Queenstown-Lakes, Waitaki, Horowhenua), upsizing stormwater assets (Hamilton, Manawātū, Matamata-Piako), and putting in transport and water infrastructure (for example

at Milldale Housing Development in Auckland). In Christchurch reserves built by developers are community assets that later developments benefit from.

Councils, including Auckland, Hamilton, and Palmerston North, agreed that first-mover arrangements should only apply to significant non-routine infrastructure and reimbursements should be limited to the upsizing component, not full project costs. They wanted clear cost verification requirements to separate growth and non-growth components, caps on reimbursement limits, and national guidance on first-mover mechanisms. Gisborne supported the proposed approach where a first-mover creates an asset and the council provides the first developers with a credit or reimbursement.

Non-council submitters also supported first-mover mechanisms, including UDINZ and Tāmaki Regeneration Company. Examples provided by Hugh Green Ltd included upgrades to intersections that benefit neighbouring developments, trunk lines for water services, and arterial roads that open up more land for development. Developers requested certainty on the scope of the mechanism and time limits, noting they need predictable repayment timeframes, and regulatory oversight with the ability to challenge cost allocations.

6 Criteria for use of development levies

Most councils supported flexibility in the spending of development levies, emphasising that actual projects may differ from planned ones over time as community needs change. They suggested that levies should be ringfenced for the infrastructure type they were collected for but should not be project specific. Some councils, including Waimakariri, Kaipara, and Kāpiti, requested that guidance should be issued on how much projects can change from the original intent without requiring a refund of development levies. Tauranga considered that using a single, aggregated levy area could mask price signals and sought two to three levy areas to better reflect differences in historic and predicted infrastructure costs across the district.

Many councils, including Queenstown and Dunedin, and Taituarā, raised concerns that the draft Bill appeared to narrow the range of reserve types and community infrastructure levies could be used to fund and that the proposals introduced ambiguity around cross-boundary issues.

Some submitters, including Te Uru Kahika and Local Government NZ, requested that flood protection be explicitly included as an eligible infrastructure type, while others – including Queenstown, Tauranga and Tasman – wanted cemeteries included. Tauranga also wanted solid waste and recreation facilities included.

Ngāi tai ki Tāmaki recommended strengthening provisions relating to reserves and cultural landscapes and sought clarification that reserve-related levy expenditure may include culturally grounded environmental protection, restoration and enhancement.

Developers, including the Property Council and the Retirement Villages Association, opposed flexibility and argued that if the project that levies were collected for does not proceed then the levies should be refunded. Fletcher Living also argued that community infrastructure such as libraries should be funded by rates, not levies.

Both council and non-council submitters, including Auckland and Waikato councils, Horticulture NZ, and Master Builders, emphasised the importance of clear reporting requirements for the anticipated and actual use of development levies, including standardised accounting codes and reporting templates. These submitters noted the need for clear rules about using levy funding for areas outside the boundary or across the whole district which could mean infrastructure is far away from the paying development that benefits from it.

7 Regulation-making and standardisation

Councils such as Hamilton, Auckland, Christchurch, Selwyn, and Manawātū supported regulation-making powers to underpin the system and improve the consistency and transparency of development levy processes. Many advocated for regulations specifying the detailed levy calculation methodology, including units of demand cost allocation principles and accounting for intangible assets, administration charges, recordkeeping, and information disclosure. Hastings suggested regulations specify processes for reassessment and dispute resolution. Tauranga preferred a small number of categories of development types for simplicity and to minimise costs.

Several councils including Taupō, Upper Hutt, Queenstown Lakes, Timaru, Western Bay of Plenty and Kaipara, stressed that any national standards must be evidence-based, practical, and take account of implementation costs. Councils wanted flexibility to accommodate district-specific growth patterns, infrastructure capacity and geographic constraints. Christchurch, Southland, Waimakariri, and Selwyn councils cautioned that over-standardisation risks misalignment with local realities, and potential under or over recovery of levy income. Councils requested collaborative development of regulations, adequate guidance, and regular review to ensure settings remain workable and achieve intended outcomes.

Developers including the Retirement Villages Association and the Property Council, and Horticulture NZ and Water NZ and several individuals supported regulation-making powers because greater national consistency would improve transparency, predictability, and fairness in setting development levies. Like councils, developers supported regulations that define units of demand, standardise administration charges, and improve information disclosure. They noted that current council practices vary widely. Developers also emphasised the importance of evidence-based methodologies and stakeholder consultation when setting national standards. They supported standardising contingency rates, mandatory Net Present Value discounting for future infrastructure costs, and prohibiting premature disclosure of project cost estimates. Commercial and Industrial Consultants Ltd opposed the recovery of intangible asset costs. Overall, developers view regulation-making powers as a means to ensure levy settings are proportionate, transparent, and economically neutral.

Te Matapihi stated that applying standard levy regimes to whenua Māori without accounting for collective ownership models, restriction on alienation, and limited access to conventional finance directly undermines development feasibility and further constrains the already limited Māori housing pipeline.

8 Implementation timeframes

Many councils favoured aligning implementation of development levies with long-term plan (LTP) cycles. Most councils, including Auckland, Waikato, Palmerston North, Whanganui, Hamilton, Manawatū, Waimakariri, Horowhenua, Wellington, and Watercare supported a three-year transition aligned to the 2027-2030 LTP cycle. Southland questioned the feasibility given that many councils have already started work on their next LTP. Tauranga viewed July 2028 as an ambitious starting point given the concurrent reforms. Upper Hutt and Kaipara preferred five or six years, deferring the start date until July 2030 due to acknowledge pressures of the concurrent reform of the planning system, having to run two systems in parallel and resource constraints.

Some councils expressed concern about a proposal for councils that implemented development levies before 2030 to phase-in higher costs, noting this would reduce revenue during the transition, shifting costs to ratepayers and risking infrastructure delivery. Auckland Council commented that legislation should provide councils with the ability to reflect infrastructure requirements that are subsequently identified in the regional spatial plans and land-use plans with a simplified process to update the development levies during this transition period.

Timaru noted that with the anticipated loss of financial contributions through resource management reforms, a quick transition to levies will be necessary to avoid lost revenue and burdening ratepayers. Dunedin and Taituarā proposed that transitional arrangements on developments should include financial contributions through a transitional provision empowering the collection of financial contributions to 1 July 2030 in either the Planning Bill or the Natural Environment Bill. LGNZ sought clarification on how the end of financial contributions will be addressed. Western Bay of Plenty, working solely with financial contributions, asked to be involved to ensure this is taken into account in the new system.

Developer views on timeframes for implementation were mixed; some, including Hugh Green Ltd, suggested a transition period of six years would be more suitable. Others, including Commercial and Industrial Consultants Ltd, believed a three-year phase in was appropriate. Many developers, including the Retirement Villages Association, Property Council, and Master Builders, argued for transitional provisions to ensure continuity for projects assessed under development contribution policies. Several developers called for clear national guidance, technical methods, reconciliation requirements, and resourcing support to manage the transition and avoid errors. Some developers called for a mandatory three-year phase-in of higher costs for all councils, not just those who implemented development levies before 2030.

9 Impact of standardisation, costs and benefits

Submitters were presented with options for attributing the benefits of infrastructure upgrades to renewal versus growth:

- applying a sliding-scale above a set threshold (based on the remaining life of the asset being replaced) for the proportion of costs to be allocated to renewal versus growth, with or without an upper threshold; or

- applying a sliding scale to replacement regardless of the remaining life of the asset being replaced.

There was support across submitter types for national consistency to improve transparency, reduce disputes, and strengthen defensibility of levy-setting. A common theme was the trade-off between standardisation and certainty versus the flexibility to take local conditions into account, as seen in comments above on regulation-making powers. Submitters requested clear national direction plus flexible, evidence-based local application, with robust guidance and disclosure.

Councils had mixed views on fixed caps versus sliding scales. They expressed concern about over-allocation to growth and transport complexities. Councils such as Kaipara and Porirua supported standardisation for national consistency and defensibility against legal challenge. Others saw benefits in standardisation provided flexibility is retained. Upper Hutt and LGNZ called for flexibility and recognition of asset condition, vulnerability to climate change and local service levels. Whanganui and Auckland saw benefits in a standardised approach for costs associated with renewals. They argued that regulations should allow a range of methodologies to reflect local variability, including condition and failure risk. New Plymouth stated that the move to standardise the cost recovery of growth infrastructure should not stifle innovation at the local level and should be integrated with resource management reform. Timaru saw challenges in apportioning growth components to existing work programmes in smaller urban areas with low growth.

Developers were concerned about over-allocating costs to growth; they preferred marginal-cost funding of growth capacity. The Property Council supported the objectives of improving consistency but warned of cost-shifting where renewal and growth intersect and seeks disclosure requirements and business cases. Developer organisations support consistency to limit over-allocation to growth. Tāmaki Regeneration Company, Registered Master Builders Association and Retirement Villages Association supported the proposal for regulations setting out a growth cost allocation methodology to limit overallocation of costs to growth. But they opposed the proposed methodology as it risks including maintenance and replacement work that would happen without growth. Tāmaki Regeneration Company favoured a marginal cost and sliding scale approach to allocate costs between renewal and growth.

10 Units of demand

Almost all councils and other submitters were in support of national consistency for units of demand but as with other aspects of the proposals, emphasised the importance of flexibility for the values assigned to those units.

Councils agreed that standard units would improve transparency and fairness, help developers compare councils, reduce disputes over assumptions and support smaller councils that lack resourcing. Councils such as Timaru, Taupō, Kaipara and Queenstown Lakes, and LGNZ, also wanted regulations to allow for the values of units to be set individually to allow for differences in local conditions. High rainfall impacting stormwater services was the most cited example of local conditions, which could be seen in water meter data. Non-council submitters including Horticulture NZ and Water NZ also supported this approach. Auckland supported having regulations that reflect local conditions such as

differences in the scale and nature of infrastructure required by different territorial authorities. Palmerston North suggested that the methodology for units of demand needs to be developed in partnership with councils. The Development Contributions Working Group provided a detailed critique and cautioned against a system that is too granular.

Developers including Summerset Group and the Retirement Village Association requested full standardisation for retirement villages, with limited local variation on the basis it does not apply to retirement village demand. The Property Council argued for full disclosure and transparent cost breakdowns for all levy-funded infrastructure projects prior to inclusion in a development levy calculation, and for standardised templates for this information.

11 Units of demand for residential development

The exposure draft proposed the following list of categories for residential development types: standard or detached residential units; ancillary or secondary units; attached or multi-residential units; retirement and aged care accommodation; and student, worker or visitor accommodation.

Most councils, including Auckland, Selwyn, and Western Bay of Plenty, broadly agreed with the proposed categories and said the list is similar to the categories they already use, but suggested some refinements. Requested changes included:

- clarification of the treatment of short-term commercial accommodation such as 'AirBnB'
- separating retirement units from assisted living facilities due to their different demand patterns
- adding boarding houses, apartment buildings, tiny homes, and detached minor residential units as separate categories
- clarification of the treatment of self-contained vs non-self-contained dwellings
- clarification of the treatment of home-based businesses.

Palmerston North and Manawatū had a different view: that the proposed list was too detailed and fewer categories should be used. Wellington and Christchurch noted that even though demand for visitor and worker accommodation can fluctuate, councils must build infrastructure to accommodate the highest levels of demand so discounts should not be given for these development types.

The Tāmaki Regeneration Company requested that social and community housing and progressive home ownership should be separate categories with lower units of demand to recognise the wider community benefits that these development types create. The Commercial and Industrial Consultants Limited noted that the methodology must work for developments with multiple types.

12 Units of Demand for non-residential development

The exposure draft proposed the following list of non-residential development types: retail and service; commercial; industrial; education and training; medical and healthcare; community and institutional; recreation, entertainment and leisure; primary production and rural industries; transport and utility; and mixed use.

Approximately half of the councils that provided feedback, including Timaru, Waimakariri, Selwyn, Upper Hutt, and Western Bay of Plenty, agreed that the list is broadly suitable and aligns with their use of classifications. However, some proposed minor changes. Other councils, including Wellington, Palmerston North, and Auckland said that the list does not accurately reflect demand for service use. Christchurch and Kaipara councils submitted that the categories were too broad and should be refined to reflect the large differences in service demand within businesses in the same category. For example, food businesses require much more water than general retail.

Palmerston North recommended that the list be simplified and Auckland requested fewer broader categories to reflect that commercial properties often change their use and therefore service demand over time. They recommend aligning the development types with what a site could be used for over time. Waikato Regional Council suggested aligning development types with activity classes in forthcoming national direction.

Submitters recommended additional development types including car parks, tourism operations, and hospitality. Categories that were identified by various councils as being outliers for high service use included mixed-use rural facilities, hairdressers, laundromats, car washes, service stations, and garden centres. A few councils recommended clarifying definitions for some examples, and many requested clarification around 'mixed-use'.

Developers had less to say in this area, with just the Commercial and Industrial Consultants Limited agreeing to the proposed list. The Retirement Villages Association stressed that retirement homes should be treated as residential development and assessed based on the number of residential units.

13 Indicators of occupancy and service demand

Residential

Most councils supported using the number of bedrooms as the primary indicator for residential development, arguing that bedrooms closely correlate with expected occupancy and service demand and the measure is easy to understand, verify, and administer. Christchurch noted that census data shows a correlation between the number of bedrooms in a residential unit the number of people living in it. Councils including Taupō, Auckland, and Selwyn saw a need for a consistent national definition of 'bedroom' to avoid developers labelling rooms that are intended to be used as bedrooms as 'offices' or 'libraries' to get around the rules and reduce how much they must pay. They stated that the stated number of bedrooms may not reflect expected occupancy. These councils preferred gross floor area (GFA) as an indicator.

Some councils, including Kāpiti and Waitaki, suggested that neither bedroom number nor GFA were good indicators of expected occupancy and stressed that the cost of delivering services like transport vary greatly depending on the location of the development (e.g. developments next to a train station may have lower demand than greenfield development). Waikato Regional Council suggested metred water use or licenced motor vehicles as alternative indicators for specific services.

Councils noted residential developments that may require different treatment include retirement villages and assisted living, student accommodation, and tiny homes. This is because these developments may have lower demand than other standard residential developments, or otherwise would not suit the indicators (e.g. tiny homes having a very low GFA).

Feedback was more mixed from non-council submitters, with Horticulture NZ supporting either bedrooms or GFA, Water NZ preferring number of bedrooms, and an individual preferring GFA. All non-council submitters expressed a preference for an indicator that is simple and easy to interpret. Summerset Group and the Retirement Village Association both requested special rules for retirement villages due to their low occupancy rates, on site facilities, and their Occupancy Right Agreements which strictly limit resident numbers.

Non-residential

Councils suggested a range of indicators that could be used for non-residential demand, including number of bathrooms, traffic movements, visitor numbers, and activity-specific matrices. Most councils acknowledged that multiple indicators are likely to be needed to reflect the diversity of commercial and industrial property uses.

Some councils requested national consistency for certain non-residential developments including unmanned buildings such as certain petrol stations and storage facilities, and mixed-use developments.

14 Reporting

All submitters supported information disclosure, reporting on aspects of the operation of the levy, and oversight by an independent regulator. Councils, including Waikato Regional Council and LGNZ fully supported public disclosure of information differentiating between rates and levies revenue, links with infrastructure, and remissions. They saw it as a way of building confidence in the levy setting system. LGNZ suggested the reporting and disclosure should be treated as a learning mechanism, allowing levy methodologies to be refined over time.

Palmerston North, Matamata-Piako and Southland noted the potential administrative burden of information disclosure. Kaipara suggested that the cost of reporting should be recovered from levies, not from ratepayers. Upper Hutt acknowledged the potential commercial sensitivity of some of the information. Selwyn proposed that refunds of unspent levies should be included in reporting requirements. Christchurch supported reporting on remissions. Auckland Council opposed reporting levy schedule calculations or individual developer levies.

Ngāi Tai ki Tāmaki proposed mandatory publication of Māori impact indicators including impacts on papakāinga feasibility, land development, remissions and deferrals and cumulative financial burdens. They requested that there be Māori advisory capability within the regulator.

Development organisations such as the UDINZ, Subdivision Association of NZ and Retirement Villages Association supported standardised information disclosure and oversight by an independent regulator. However, some also raised concerns about commercial sensitivity. Developers such as Hugh Green Ltd. sought disclosure of unspent levies, allocations, and spending across levy areas. Registered Master Builders requested retrospective reporting on what was collected versus delivered; periodic reconciliation to track actual growth and infrastructure delivery. The Property Council asked for reporting regulations including retrospective delivery reporting, and disclosure of assumptions. Fletcher Living requested independent audits of council models.

15 Administrative charges

The majority of local authority submitters supported being able to recover costs through administrative charges, most favouring charging when a consent is granted. Four (Upper Hutt, Kaipara, Kāpiti and Waitaki) favoured a fixed charge as being simpler to administer. Five (Porirua, Selwyn, Timaru, Waimakariri and Queenstown Lakes) a sliding scale of charges. Seven councils (Waikato Regional, Palmerston North, Christchurch, Hamilton, Auckland, Manawātū, Western Bay of Plenty and Southland) and the Development Contributions Working Group favoured a hybrid model of a fixed base charge for simple assessments and a sliding scale of charges for more complex developments. Hamilton City Council proposed using an estimate of an hour of staff time for a standard assessment and a sliding scale for more complex or high-value projects, with the methodology set out in regulations.

Taupō did not support a separate administrative charge on the basis that it is difficult to separate staff time spent on development contributions from other consenting activities. Auckland Council requested a system that fairly shares the cost between simple and complex consents. Tauranga noted the system and staffing investment required to implement features like interest charging and reassessments. They supported charging models that recover full administrative costs proportionate to complexity.

Two developers, Hugh Green and Commercial and Industrial Consultants, favoured fixed charges. Tāmaki Regeneration Company and Retirement Villages Association supported the hybrid model. The Property Council recommended that if administrative charges are implemented, the need is justified and they are tightly ring-fenced and reflective of actual administrative costs. Horticulture NZ did not support separate administrative charges, as this would risk double charging where applicants also pay consent fees.

16 Intangible assets to include in levy calculations

The majority of the comments were from councils, who expressed broad support for including growth related intangible assets such as models, planning and GIS tools, and asset management systems in levy calculations. Several councils called for 'all relevant' items to be eligible. Auckland Council submitted a list of intangible assets they believe should be included, such as hydraulic models, regional intellectual property assets and technology and systems to support public transport. Tauranga City Council proposed including operational expenditure that is 'capex-like'.

Waikato Regional Council did not support intangible asset cost recovery via levies. They raised concerns about downstream level of service, water quality, cultural/ecological considerations.

Water New Zealand proposed including catchment planning and water modelling/mapping. Some submitters specified inclusion criteria, that intangible assets be linked to growth, and be necessary and transparent. Others specified exclusions such as staff salaries.

One developer, Commercial and Industrial Consultants, and one individual proposed that intangible assets should be excluded. Another individual supported including intangible assets but stated that councils need clarity on what is chargeable, what is an operational overhead, what is strategic planning, and what should remain within general rates.

17 Further consultation

Councils asked to be consulted further on the Bill and regulations. The key area for further consultation was the levies methodology, including development types and allocating units of demand, bespoke levy assessments, and balancing consistency with flexibility to take account of local circumstances. Councils also wanted to discuss information disclosure, transitional provisions and links with the Local Government (Water Services) Act 2025 and concurrent policy initiatives such as the provisions of the Planning Bill and the Infrastructure Funding and Financing Amendment Bill. New Plymouth will monitor the progress of the reform and provide a further submission when the Bill is introduced.

Developers requested consultation on units of demand and growth cost allocation methodology, administrative charges and information disclosure. UDINZ suggested the release of worked examples, indicative levy schedules, and detailed guidance to support more informed engagement to enable the sector to assess the likely impacts.

Purpose and principles of the development levies regime

Ngāi Tai ki Tāmaki requested a co-equal purpose in 211A that the system must be implemented consistently with Te Tiriti principles and must not impose disproportionate barriers to Māori housing paths.

Wellington supported the purpose and principles in the draft Bill and Tauranga supported all principles except (f) economic efficiency. Manawatū supported maintaining and possibly strengthening the principles to emphasize full cost recovery for growth-attributable infrastructure and fairness between new and existing communities.

Submitters commented on the following principles set out in section 211B:

- **Necessity:** Auckland Council requested changes to accommodate ‘assets to manage the cumulative impacts of growth, renewals bought forward as a result of the cumulative impacts of growth’.
- **Sufficiency:** the Property Council recommended removing references to time and Christchurch City sought clarification on ‘short to medium term’ and ‘long term’.
- **Proportionality:** Auckland Council and the Property council sought clarification that

cost allocations to growth should consider the extent to which growth has driven the need to invest, and that only expenditure required to deliver additional growth capacity can be allocated to growth.

- **Particularity:** the Property Council recommended including a new section relating growth-related capital expenditure to specific infrastructure projects or programmes.
- **Transparency:** the Property Council supported the principle and recommended simplified wording.
- **Economic efficiency:** Tauranga suggested removing this principle, and if retained, clarify criteria for determining a network is efficient.

Ngāi Tai ki Tāmaki requested including explicit recognition that levy design and application must not create disproportionate barriers to Māori land development, papakāinga, marae-connected housing, or iwi-led housing initiatives. They suggested additional principles including:

- Treaty consistency and active protection
- equity of access to housing, including for Māori and on Māori land
- recognition of Māori relationships with ancestral land, waters, sites, and taonga
- participation and tikanga-aligned engagement.

Dunedin proposed an alternative set of principles:

- growth should pay for growth
- the system should provide transparency and predictability
- the system should provide for variation and adaptability to local contexts
- the system should provide for cost effective implementation and administration
- the system (alongside the planning system) should encourage and promote growth infrastructure that is cost-effective to deliver and operate, as far as practicable.

High-cost overlays and non-standard design

Councils were broadly supportive of high-cost overlays as a mechanism to reflect genuine geographic variation in infrastructure costs, including Napier, Queenstown, and Gisborne. Examples of where infrastructure is more expensive to build included challenging topography, areas with geotechnical conditions, hazards, sea-level constraints, and sites with pumped wastewater.

Multiple councils requested that the term ‘substantial’ be replaced with ‘significant’ for the threshold for using a high-cost overlay, including New Plymouth and Matamata-Piako. The reasoning being that the term ‘significant’ is already used in the Local Government Act and provides a clearer definition.

Greater clarity and specified criteria for determining when a high-cost overlay is justified was also requested, including evidence standards and cost attribution. Some councils also questioned how high-cost overlays would interact with base levies and having multiple high-cost levy areas within one area.

Developers and other non-council submitters, such as the Property Council, acknowledged the reason for high-cost overlays but raised concerns about the distorting development patterns, especially for brownfield and intensification areas. They also acknowledged the need for clarity to avoid inconsistent application of the overlays and creating disproportionate barriers to development.

Most councils that addressed non-standard design opposed mandatory levy reductions for non-standard designs on the basis that levies are designed to recover the average service demand created new development, not be adjusted for every variation in a development. There were also concerns raised about forecast accuracy, risk of under-recovery, and potential high number of disputes and negotiation if many developers claim non-standard design.

Developers supported levy reductions for reduced demand, regardless of whether it is a non-standard design and regardless of whether it is an additional cost to the developer. Some submitters reasoned that anything that creates a measurable reduction in service demand should be eligible for a reduction in levies.

The proposed regulatory regime

Role of the regulator

Details of the proposed regulatory regime for development levies were not included in the discussion document and exposure draft because decisions had not been made about the role, functions, and powers of the regulator. However, the in-principle Cabinet decision about the Commerce Commission being the independent regulator was announced in November 2025. This meant submitters were aware that there was going to be independent regulation, and some commented on the regulator.

There was general support for having the Commerce Commission as the independent regulator for development levies to build confidence in the system and ensure consistency and transparency. Both councils and developers raised the need for the regulator's scope and purpose to be clearly defined to ensure to it did not duplicate the roles of the Auditor-General, Ombudsman, or the Minister of Local Government and that it do not undermine local decision-making.

Councils wanted the reporting requirements to align with existing local government requirements and for standardised templates, clear rules, consistent methodology, and guidance to support them to disclose the right information. This would help to avoid duplication and reduce the administrative burden. Smaller councils, such as Southland, raised concerns about administrative burden and proportionality.

Developers wanted the regulator to report on levy collection, forecasting assumptions, and actual infrastructure delivery outcomes. Developers also wanted the regulator to be involved in individual disputes to improve transparency (see discussion below) and protect against overcharging by councils. Some developers requested that the regulator audit territorial authorities' annual reports. Developers and development organisations, such as

Property Council NZ and UDINZ, called for the regulator to ensure transparency and consistency of the levy calculation methodologies.

Iwi Ngāi Tai ki Tāmaki raised that the regulator needed to have a statutory duty to consider Te Tiriti principles and Māori rights and interests when exercising oversight functions and to assess whether and remediate any disproportionate barriers or impacts on Māori land or Māori housing. They also raised the need to establish formal Māori advisory capability within the regulator's governance or operational structure.

Disputes resolution

Councils that raised the issue of disputes generally recommended replicating the existing disputes regime and transferring it to development levies. They submitted that individual levy objections should remain independent and that arbiters require local government expertise. They raised concerns that a central regulator would likely not have sufficient local government expertise. Auckland Council, supported in principle a dispute resolution mechanism, including considering whether some aspects could be handled by the Commerce Commission, such as a developer challenging the methodology used for calculating levies. However, the Commerce Commission would not be appropriate for disputes around particular levy assessment or use of levy revenue for specific infrastructure. Tauranga and Manawātū supported mirroring the current system for development contributions, with commissioners selected with relevant expertise and determinations locally grounded. Manawātū proposed that objections should be limited to factual errors, misapplication of the adopted development levies policy, procedural defects, or not relitigating the merits of an adopted policy.

The Property Council, Fletcher Living, and UDINZ all recommended that the regulator have oversight of the dispute resolution rather than direct involvement in individual disputes. However, Tāmaki Regeneration Company thought the regulator should determine individual disputes. Developer groups recommended that the independent regulator handle individual disputes. Fletcher Living sought strengthened safeguards including dispute resolution with an independent, low-cost review pathway (building on the 2013 Development Contribution objection model), and require annual, area-level reporting on levy collection and spend against an agreed growth project list. As well as independent review/objection process with statutory timeframes and modest fees, building on the 2013 objection provisions for DCs.' The Retirement Villages Association wanted clear, specific tests for the Commission to test a council's decision, statutory deadlines for decisions, and right of appeal against decisions.

Interactions with local government and planning reforms

Local government submitters and one individual raised concerns that the Bill is being progressed alongside other major planning, local government and water services reforms that directly affect growth, development timing, and council financing. Councils may be required to introduce a new system of funding growth-related infrastructure and new levies policies at the same time as implementing the proposals set out in the Planning Bill and proposed amendments to the Infrastructure Funding and Financing Act. The objectives of the Planning Bill include planning well for growth and giving more certainty about how Māori interests are provided for. For local government this will mean implementing

forthcoming national policy direction through developing and implementing regional spatial plans and land use plans.

For the next long-term planning cycle, 2027-2030, councils will need to give effect to these new planning requirements, including revising infrastructure and financial strategies, and align these instruments with development levies policies. At the same time councils will be subject to the proposed rates capping, changes to the Infrastructure Funding and Financing Act, and the simplifying local government including three months to put forward proposals for simplifying arrangements in their regional.

Submitter views on the timing of implementing development levies are set out above in the section **8 Implementation timeframes and phase in**. The Development Contributions Working Group noted that the collective impact of the reforms will increase the pace of development and the scale and timing pressures on infrastructure investment; the development levies proposals must be integrated with the planning framework. A few councils, including Waimakariri and Gisborne, noted the potential increased workload for councils may impact other services.

Auckland Council noted that the initial phase in of development levies would happen during the period of transition to the new planning system. They recommended considering clear alignment between the development levies bill provisions with the Planning Bill provisions that require councils to consider infrastructure delivery when forming their regional spatial plan and land use plans, including private plan changes and change requests.

The Property Council noted the sweep of reforms underway and the uplift of council resources that will be required, and that most regions face significant infrastructure challenges constrained by current funding requirements. The Property Council also proposed that the requirements for development levy policies to describe land use plans and strategies should align with the RM reform terminology, i.e. 'explicitly reference spatial plans, relevant environment plan chapters, and any regional reorganisation or growth plans relevant to the Planning and Natural Environment Bills.'

Impacts on Māori housing, Te Ao Māori and Tikanga

Te Matapihi He Tirohanga mō te Iwi Trust (Te Matapihi) does not support levy settings that increase upfront development costs for Māori land without explicit recognition of its distinct legal, cultural, and structural context. The new system must account for community-led papakāinga developments with collective ownership models, intergenerational land retention obligations, low operating margins and limited access to conventional finance. Higher development costs would erode feasibility. Te Matapihi seeks explicit recognition of Māori freehold land, impacts on affordable housing supply and alternative methods of paying or deferring levies. Te Matapihi supports transparent levy calculation frameworks, clear cost allocation and early notification of levy changes.

Ngāi Tai ki Tāmiki (Ngāi Tai) supports the proposed development levies regime in principle if it improves transparency, predictability, and the sustainability of infrastructure funding mechanisms, but it must be consistent with Te Tiriti o Waitangi and not present structural barriers to Māori land development or housing initiatives. Infrastructure funding decisions shape where growth occurs, and will directly influence the mauri of waterways (stormwater

and wastewater); protection of wāhi tapu and wāhi tūpuna; preservation of open spaces and feasibility and affordability of papakāinga and marae-connected housing and delivering affordable housing.

Ngāi Tai seek an explicit Te Tiriti/Māori rights framework; mandatory protections for papakāinga, marae-connected housing and Māori land development; Māori engagement and impact assessments and Treaty-capable oversight and accountability. These factors need to be reflected in the purpose and principles, and in the development levies policies. Ngāi Tai also proposed that the independent regulator have Treaty capability including reporting on Māori impacts. Ngāi Tai provided a list of detailed recommendations addressing these issues.

Development Levies Policies

The Development Contributions Working Group supported the intent to make development levies policies effective from the date they are ‘notified for consultation’. For consistency this should be referred to as when ‘publicly available’, and this term be defined as the point at which a draft levies policy is formally released through the council reporting process that initiates public consultation.

Dunedin City recommended that any remissions should be set out in the development levies policy, and the reasons for expecting the ratepayers to meet the cost. Manawātū generally supported the proposed content requirements including alignment with financial and infrastructure strategies, use of the special consultative procedure and allowing the draft policy taking effect from notification. Kaipara suggested that the cost of developing and maintaining levies policies should be recovered as an administration charge, and several councils requested guidance. Porirua supported the proposed three-year review cycle for levies policies and linking of the policy’s effective date to the launch of the consultation rather than policy adoption. LGNZ requested that councils should be explicitly enabled to undertake special assessments within their levy policies to determine appropriate units of demand and levy charges to account for developments that do not fit neatly into standard typologies.

Tauranga suggested that cross-boundary issues could be resolved by empowering a council to enforce a neighbouring council’s development levy policy or allowing a council to charge outside its territorial boundary. Taituarā proposed that development levy policies should refer to the key elements of water service strategies. Whanganui suggested that a template would assist councils to develop policies, while taking account of local issues.

Waikato Regional Council proposed including recognition of Treaty settlement responsibilities, including those related to Te Ture Whaimana o te Awa o Waikato. Western Bay of Plenty requested clarification of whether councils could include reductions for papakāinga and community housing in levies policies.

Ngāi Tai ki Tāmaki supported development levies policies including Māori outcomes. It supported integrated planning, but only if Māori outcomes are explicitly required as a core policy element rather than left to discretionary interpretation. Specifically, Ngāi Tai requested that policies:

- include a Māori impact statement for levy areas and high-cost overlays
- define papakāinga and Māori land typologies

- include mandatory remission and deferral categories for Māori housing and Māori land development, and
- report publicly on Māori cultural, housing and land development outcomes.

The Property Council supported national consistency of development levy policies to address the current high degree of variability in development contributions policies. They recommended standardised templates to give developers assurance that levies are directed toward development-related infrastructure and that this will be delivered within an appropriate timeframe. The Property Council and the Retirement Villages Association suggested that development levy policies complement the information disclosure scheme by requiring publication of levy-funded infrastructure programme, including indicative delivery sequencing and regular reporting on levy collection and infrastructure delivery outcomes, since the previous three-year levy policy. The Retirement Village Association and Hugh Green Ltd opposed the first levies policies taking effect when they are made publicly available for consultation, and wanted first-mover agreements set out in levies policies.

The Tāmaki Regeneration Company requested that levy policies be based on the best available information. They proposed that development contributions should be locked in for any development consented before the first development levies policy comes into effect, relief provided for developments consented after the first development levy policy takes effect. They also requested that levies are only reassessed at three yearly intervals, and giving developers longer to pay the existing assessment. They supported using the special consultative procedure for levies policies, but questioned whether councils be constrained by financial and political disincentives to making changes in response to submissions.

Crown Exemptions

Councils were strongly opposed to the Crown being exempt from development levies on the basis that development by the Crown contributes to infrastructure demand and therefore the Crown should pay its way like other development types. Some developers also submitted in opposition to the Crown being exempt from development levies, as the cost of developing infrastructure to support the Crown development would fall to developers or ratepayers.

Other topics raised by submitters

Submitters raised several points that fall outside the scope of the exposure draft but relate to the proposed development levies system. These comments have been passed to the subject matter experts to consider when preparing drafting instructions for the Bill. Points raised include:

- indexation of levies: whether to use indexed annual levy increases or rely on a triennial review of levies policies to give effect to increases
- financial matters, including interest charges, inflation, costs, reimbursement.

Appendix 1: List of questions

Overview

Question 1

- 1.1 Do you have any feedback on why development levies are needed?
- 1.2 Do you have any feedback on the overall approach for development levies?

4.5 How levies are determined

Question 2

- 2.1 What do you think of the requirement to link future projects used in a levy calculation to growth expected in the short to medium term? How might this impact council's ability to set high-cost overlays?

4.7 Development agreements

Question 3

- 3.1 Are there other ways that development agreements could be strengthened?

4.8 Bespoke levy assessments

Question 4

- 4.1 Are there other situations where bespoke levy assessments should be triggered?

Question 5

- 5.1 Can you provide case studies or examples that are representative of first mover developments?
- 5.2 Are there other ways of ensuring fairness to first mover developments?

4.9 Use of development levy revenue

Question 6

- 6.1 What process could we put in place to provide clarity about the differences between the anticipated and actual use of levy funds?

4.10 Regulation-making powers

Question 7

- 7.1 Do you agree with the proposed topics for which regulation-making powers would be established?
- 7.2 Are there any unexpected or unintended impacts you think could result from standardising these parts of the development contributions system?
- 7.3 What other aspects of the current development contributions system could benefit from regulations or standardisation?

4.11 Transition to development levies

Question 8

- 8.1 What time period would be suitable for moving to development levies?
- 8.2 How can the phase-in to development levies be used to manage the impact on developers?

8.3 How do you think the phase-in proposals above would affect councils' ability to fund the infrastructure necessary to provide for growth?

5.1 Growth costs to be recovered by development levies

Question 9

9.1 What would be the impact of standardising how the maximum cost attributable to renewal should be determined?

9.2 What should be considered in assigning benefit to existing communities versus development?

5.2 Setting units of demand for charging development levies

Question 10

10.1 To what extent would greater national consistency in interpreting units of demand improve clarity, fairness, and comparability of development levies across councils?

10.2 How much flexibility should regulations allow in reflecting local conditions such as density, geography, or service delivery models?

10.3 Are there risks in fully standardising both measurements and values for units of demand across all councils?

Question 11

11.1 Does this list capture the main types of residential development that councils typically assess for development contributions?

11.2 Are any of the listed development types too broad or too narrow to be useful in practice?

11.3 Are there any residential development types missing from the list? Please specify and describe their characteristics.

Question 12

12.1 Does this list capture the main types of non-residential development that councils typically assess for development contributions?

12.2 Are any of the listed development types too broad or too narrow to be useful in practice?

12.3 Are there any non-residential development types missing from the list? Please specify and describe their characteristics.

Question 13

13.1 What are your views on using the number of bedrooms or gross floor area as indicators of expected occupancy?

13.2 Are there other indicators that better reflect likely service demand for certain types of development?

13.3 Are there other examples of development types that may warrant differentiated treatment?

5.3 Public information disclosure requirements

Question 14

14.1 What further information would you like to see in a disclosure scheme?

5.4 Other matters

Question 15

15.1 What approach do you think is most appropriate for setting the administration fee: o a fixed amount (per application or reassessment for example) o a formula-based calculation (based on staff hourly rate or percentage of levy charge for example) o a sliding scale?

15.2 Are there any risks or unintended consequences of introducing an administration charge that we should consider?

Question 16

16.1 For councils: what types of intangible assets do you currently include when calculating development contributions?

16.2 Which intangible assets do you think should be included in the levy calculation?

16.3 Are there any intangible assets you believe should not be included in the levy calculation?

5.5 Further consultation on levy regulations

Question 17

17.1 Are there specific aspects of the levy regulations that you would like the opportunity to provide input on?

Appendix 2: List of submitters

Local authorities

Auckland Council
Christchurch City Council
Dunedin City Council
Gisborne District Council
Hamilton City Council
Hastings District Council
Horowhenua District Council
Kaipara District Council
Kāpiti Coast District Council
Manawatū District Council
Matamata-Piako District Council
Napier City Council
New Plymouth District Council
Ōpōtiki District Council
Palmerston North City Council
Porirua City Council
Queenstown Lakes District Council
Selwyn District Council
Southland District Council
Tauranga City Council
Tasman District Council
Taupō District Council
Timaru District Council
Upper Hutt City Council
Waikato Regional Council
Waipā District Council
Waitaki District Council
Waimakariri District Council
Wellington City Council
Western Bay of Plenty District Council
Whakatāne District Council
Whanganui District Council

Local Boards that submitted as part of Auckland Council's submission

Albert-Eden Local Board

Devonport-Takapuna Local Board

Houkura Statutory Board

Howick Local Board

Kaipātiki Local Board

Māngere-Ōtāhuhu Local Board

Manurewa Local Board

Maungakiekie-Tāmaki Local Board

Ōrākei Local Board

Papakura Local Board

Puketāpapa Local Board

Rodney Local Board

Waitematā Local Board

Council Controlled Organisation (CCO)

Watercare

Quayside Properties Limited

Local government organisations and expert groups

Development Contributions Working Group

Local Government New Zealand

Taituarā – Local Government Professionals Aotearoa

Te Uru Kahika – Regional and Unitary Councils Aotearoa

Developers

Commercial and Industrial Consultants Limited

Fletcher Living

Gillies Group Limited

Hugh Green Limited

Summerset Group

Tāmaki Regeneration Company

Developer organisations

Property Council New Zealand

Registered Master Builders Association of New Zealand Incorporated

Retirement Villages Association

Subdivision Advocacy NZ (SANZ)

Urban Development Institute of New Zealand

Individuals

Bill Mitchelmore

Tracey MacLeod

Sophie McInnes

Māori housing

Ngāi Tai ki Tāmaki

Te Matapihi

Other

Horticulture New Zealand

Water New Zealand