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Ministry of Housing and Urban Development

Department of Internal Affairs

Submitted via email: development.levies@dia.govt.nz

Tēnā koutou,

Submission of Manawatū District Council on the Development Levies Consultation Document and Exposure Draft of the Local Government (Infrastructure Funding) Amendment Bill

Manawatū District Council (MDC) thanks the Ministry of Housing and Urban Development and the Department of Internal Affairs for the opportunity to submit on the Development Levies Consultation Document and the associated Exposure Draft of the Local Government (Infrastructure Funding) Amendment Bill. MDC supports in principle the intent to replace the current development contributions regime with a new development levies system as part of the “Going for Housing Growth” reforms, and agrees that growth should pay for growth to the greatest extent practicable rather than imposing unfair burdens on existing ratepayers.

Manawatū District Council supports the Government’s broader “Going for Housing Growth” programme and agrees that councils need a more modern and sustainable toolkit to fund and finance the infrastructure required to enable housing supply. The Council considers reform of development contributions to be timely, particularly given the increasing cost of infrastructure delivery, the need to maintain resilience and levels of service, and the growing fiscal pressure on local government balance sheets. MDC supports the policy direction of shifting growth-related infrastructure costs away from existing ratepayers and onto new development, while noting that development levies will need to operate as part of an integrated funding and financing framework. In particular, the effectiveness of the proposed levy system will depend on workable regulations, realistic transitional arrangements, and alignment with council infrastructure strategies and long-term planning cycles.

This submission provides detailed feedback on the Bill’s provisions and responds to specific consultation questions. Our comments reflect Manawatū District Council’s previously established positions, including via its Development Contributions Policy and input via the Development Contributions Working Group (DCWG). We aim to assist in developing robust, workable legislation that achieves Government’s goals while ensuring

councils can sustainably fund infrastructure and implement the system without undue complexity or risk.

Summary of Key Recommendations

Support for Purpose and Principles: MDC supports the Bill's purpose and the inclusion of clear principles (necessity, sufficiency, proportionality, particularity, transparency, and economic efficiency). These principles appear to be logical extension and clarification of the existing principles in the Local Government Act and will improve interpretation and promote consistency. We recommend that the principles be maintained and possibly strengthened to emphasize full cost recovery for growth-attributable infrastructure and fairness between new and existing communities.

Development Levies Policy Requirements: MDC generally supports the proposed content requirements for development levies policies (ss 110A–110C, Sch 13B), including alignment with financial/infrastructure strategies and use of the special consultative procedure. We welcome the change allowing a draft policy to take effect from notification (to prevent a 'goldrush' of pre-adoption consents locking in old charges which then result in an under-recovery of infrastructure costs). However, care is needed to ensure the policy content requirements are not overly prescriptive or onerous to implement. We suggest providing updated guidance on fulfilling these requirements in practice.

Levy Areas and High-Cost Overlays: We support the ability for councils to define levy areas and high-cost overlays to reflect local infrastructure demand, design and cost variations. We note that the overlay will be particularly useful if the government adopts standardised calculations via regulations as proposed in the discussion document. MDC cautions that regulations tying levies strictly to short-to-medium term growth horizons (per Q2.1) may unduly constrain the use of high-cost overlays for larger, high-cost growth projects which may have to be anticipated and planned 10 or more years in advance (such as headworks infrastructure or strategic roading links). We recommend allowing some flexibility so that councils can recover costs for strategic long-term infrastructure in high-cost areas without breaching the intent of linking to foreseeable growth.

Establishment and Function of Levy Areas: MDC supports the proposed shift toward a levy area model, which replaces the rigid cost attribution requirements of the current development contributions framework with a more flexible and serviceable spatial unit for growth funding. This change is particularly welcome given the evolution of national urban policy since the 2012 changes to the Development Contributions regime.

Under the existing regime, councils are required to establish a direct causal nexus between individual developments and the specific infrastructure projects that serve them. While this approach was conceptually aligned with more tightly sequenced and spatially confined development patterns, it has become increasingly misaligned with the demands placed on councils under the National Policy Statement on Urban Development (NPS-UD). The NPS-UD now requires councils to plan for and enable a surplus of serviced land and to

accommodate development across a much wider range of locations — often beyond previously planned sequencing or growth areas.

MDC has had difficulty applying the causal nexus model in practice, particularly where infrastructure is shared across developments or where sequencing has shifted due to market demand. This creates legal, financial, and administrative uncertainty for both Council and developers, especially in areas of fragmented or out-of-sequence growth.

The proposed levy area model responds to this challenge by allowing councils to define coherent geographic areas within which growth-related infrastructure costs can be aggregated and recovered. This will improve funding transparency, simplify administrative processes, and align better with the realities of regional infrastructure delivery. In practice, the approach is also closer to how MDC has historically modelled and delivered growth infrastructure — i.e., at the scale of a whole urban area or growth corridor, rather than by isolated development site.

Council therefore supports the proposal in principle and considers that it will provide a more stable and adaptable foundation for infrastructure cost recovery under contemporary urban policy settings.

Calculation of Development Levies: We support establishing an improved standardized cost-allocation methodology (Schedule 13C) across all councils to improve consistency and confidence in the system. Regulations should prescribe how to apportion project costs to growth versus renewal or level-of-service, as proposed. We endorse setting clear parameters (e.g. a threshold for remaining asset life under which no cost is allocated to renewal) to prevent under-allocation of growth costs. At the same time, some local flexibility should remain to account for unique project circumstances.

Units of Demand and Standardisation: MDC conditionally supports efforts to standardise units of demand and development types nationally to improve clarity and comparability of levies (Q10.1). However, we have concerns that the draft approach may be too granular, risking disputes and gaming over categorizations. We recommend using broader development categories (fewer, more generalized types) with clear definitions (e.g. what constitutes a “bedroom”). Regulations should allow reasonable flexibility to reflect local conditions (Q10.2), such as variations in geography, or service usage, while avoiding a one-size-fits-all metric that could misprice demand (Q10.3).

Limitations on Requiring Levies: MDC supports the continuation, and further clarification of provisions to prevent double-charging and ensure fairness (ss 211N–211P). MDC strongly opposes any exemption for the Crown or central government projects from development levies – all development, public or private, should pay its fair share.

Use of Levy Funds: MDC supports the proposed provisions restricting the use of development levy revenue to growth-related purposes and within the benefiting levy area (ss 211Q–211S). Council agrees that transparency regarding how levy revenue is applied will be critical to maintaining confidence in the integrity of the system and demonstrating compliance with the principles of particularity and transparency.

However, MDC cautions against creating overly prescriptive or duplicative reporting requirements that increase compliance costs for councils. MDC recommends that any reporting obligations relating to the collection, allocation and expenditure of development levies be incorporated into existing annual reporting frameworks (for example through Annual Report disclosures), supported by nationally standardised templates prescribed through regulations.

MDC supports disclosure of material variances between forecast and actual expenditure, including where planned growth projects are materially deferred, cancelled, or substituted. This would provide appropriate accountability while avoiding unnecessary administrative burden and recognising that levy-funded infrastructure programmes often span multiple years.

Bespoke Levies: MDC supports the option of bespoke levy assessments for unique developments, provided strong safeguards are in place. Councils should retain full discretion to decline a requested bespoke assessment if it would jeopardize funding or if the development's impacts can be managed under the general policy. We also seek clear provisions for cross-boundary developments (developments spanning districts), acknowledging in such cases that a bespoke approach may be needed to avoid unfunded impacts on neighboring councils.

First-Mover Provisions: MDC acknowledges the inequity faced by “first mover” developers who install infrastructure that benefits later developments, and we support in principle the new ability to reimburse first movers via levy revenues (s 211T). However, we have significant concerns about implementation. Diverting levy revenue to private developers transfers financial ‘holding’ risk from developers to councils and could undermine council capital programmes. The mechanism would require councils to act as revenue intermediaries, collecting and managing levy income that may be contractually committed to third parties. This introduces additional administrative, collection and enforcement responsibilities, including managing payment timing risk, non-payment processes, and associated disputes. Without clear statutory safeguards, councils could face material compliance costs, reputational risk, and financial exposure if anticipated development does not proceed as forecast.

MDC recommends that first-mover reimbursement provisions be limited to significant, non-routine infrastructure that creates demonstrable network capacity for future development, and not apply to standard local infrastructure. The Bill should clarify that reimbursement is limited to the additional “upsizing” cost attributable to servicing future growth, rather than the full cost of the infrastructure. Councils should retain discretion to enter into reimbursement arrangements, set reasonable time limits, and recover reasonable administrative and compliance costs associated with establishing and managing first-mover agreements.

Objections and Review: MDC supports a robust objections and reconsideration process (ss 211ZI–211ZQ & Sch 13D) to safeguard developers’ rights and ensure fair application of levies. We recommend that the objections framework closely mirror the current

development contributions regime, with independent development levy commissioners appointed to hear and determine individual objections. Commissioners should be selected on the basis of demonstrated experience in local government law, planning and infrastructure funding, and should retain a strong understanding of local planning and financial contexts.

MDC considers that determination of individual levy objections should remain a locally grounded, quasi-judicial function. We would be concerned if this role were transferred to a centralised regulatory body without sufficient local government expertise. The purpose of objections should be confined to factual errors, misapplication of the adopted Development Levies Policy, or procedural defects. It is not appropriate for objections to relitigate the merits of a duly adopted policy or the underlying growth strategy once subject to special consultative process.

MDC also supports a formal reconsideration (internal review) step prior to objections to resolve straightforward matters efficiently and reduce unnecessary escalation.

Regulations and Implementation: MDC agrees that many detailed aspects of the development levies system should be set via regulations (211ZZO). We generally support the proposed regulation-making powers, including standardising units of demand, cost allocation methods, administration charges, information disclosure, and record-keeping. It is crucial that councils are closely involved in developing these regulations (Q17.1) to ensure they are workable. We recommend a collaborative approach, with opportunities to assess draft regulations on real-world scenarios before they are finalized. Additionally, any national templates for annual reporting or policy content should align with councils' existing financial systems to minimize administrative burden.

Independent Regulator: MDC conditionally supports the introduction of an independent regulator for development levies, provided its role is clearly defined and appropriately limited. The regulator should focus on system-level functions such as compliance assurance, guidance, data collection, benchmarking, and reviewing Development Levy Policies for consistency with legislative requirements and principles. This role should support transparency and consistency across councils without displacing locally accountable decision-making.

MDC does not support any role for the regulator in determining levy amounts, directing which projects councils must fund, or substituting its judgement for decisions made through Long-Term Plan processes and community consultation. The regulator's role should also be clearly distinct from the objections and reconsideration framework, with dispute resolution continuing to sit with independent development levy commissioners and local reconsideration processes.

If a central agency such as the Commerce Commission is appointed as the regulator, it will be essential that it is appropriately resourced and equipped with expertise in local government infrastructure planning, funding, and financing. Local government infrastructure delivery differs materially from other regulated utility sectors, and this capability should be explicitly embedded within the regulator's functions.

MDC also notes two practical system design considerations that will be important to ensure the regulator is accessible and efficient:

- Funding model: clarity is required on whether the regulator will operate on a user-pays basis or be funded through taxation or levies on developers and/or councils.
- Caseload management: safeguards should ensure the regulatory framework does not create unnecessary delay or administrative congestion, particularly for smaller councils or developments.

Transition Period: MDC supports a phased transition from development contributions (DCs) to development levies (DLs) over a suitable period. A three-year transition (2028–2030) aligned with Long-Term Plan cycles appears appropriate to allow councils and developers to adjust (Q8.1). During the phase-in, clear rules should prevent exploitation of the changeover. We support the proposal that consent applications lodged after the draft levies policy is notified will be subject to the new levies (preventing last-minute DC “lock-ins”). For consents already subject to requirements to pay development contributions, we support the provision that those charges will lapse if not paid within 3 years, after which a fresh levies assessment applies. This will curb land-banking under old rules. To manage impacts on developers (Q8.2), we suggest transparent communication of the new levies well in advance and consider allowing staged payments if needed. We also note that councils may face a temporary funding shortfall during the transition (DC revenue declining before levy revenue ramps up). Some flexibility or support (e.g. short-term financing mechanisms) may be needed to bridge this gap so that critical infrastructure investment is not delayed (Q8.3).

The sections below provide detailed comments and responses to consultation questions.

Question 1.2: Do you have any feedback on the overall approach for development levies?

MDC is cautiously optimistic about a standardised levy calculation as it could improve clarity and consistency. It would reduce the debate about the figures and methodologies councils use in calculating DCs. However, we note that standardised figures may represent averages that do not reflect differences in actual demand for services across districts, potentially resulting in over- or under-funding of infrastructure. The inclusion of principles such as the reserves cap and indexation is welcome, as they demonstrate an attempt to balance developer fairness with council funding sustainability.

In relation to the indexation of levies for inflation, MDC notes that the current Local Government Act does not specify which Producer Price Index (PPI) should be applied. Given that development levies are intended to fund the delivery of physical infrastructure, including construction of pipes, roads, and buildings, Council recommends that the Construction Cost Index (CCI) be used as the appropriate benchmark for indexation. This would ensure that levy adjustments more accurately reflect actual cost movements in the infrastructure delivery sector.

Regarding the rules for use of development levies, MDC supports the inclusion of clause 211S as a contingency mechanism for rare cases where local reserve land is deemed

adequate. We support the added flexibility introduced by proposed section 211S, which allows development levies for reserves to be used outside the immediate levy area in limited circumstances. This departs from the current position under section 203 of the Local Government Act 2002, which requires a direct geographic link between the development, the contribution collected, and the reserve works funded. The proposed provision appropriately recognises that, in some districts, it may be impracticable to acquire or develop additional reserve land locally, whether due to land constraints, market conditions, or because the level of provision already meets or exceeds expected demand.

The ability to apply levy revenues to recreational assets outside the immediate levy area, or to contribute to regionally significant facilities through inter-council arrangements (with ministerial consent), is a pragmatic response to how communities access and benefit from shared open space networks in practice. MDC supports the intent of recognising water-based recreational assets; however, many coastal and inland water environments are not owned or controlled by territorial authorities and often provide broad public benefit. Levy eligibility should therefore be confined to council-owned, growth-related access infrastructure where a clear benefiting levy area can be identified and the principles of particularity and proportionality can be satisfied.

Question 2: 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?

In principle, MDC considers that linking levy-funded projects to reasonably anticipated growth is sensible, as it helps ensure levies are financing infrastructure that will be needed and used, improving accountability and reducing speculative cost recovery. However, the concept of “short to medium term” growth must be interpreted in a way that aligns with the broader planning framework. Under the proposed Planning legislation, regional spatial plans will identify land use and infrastructure requirements over 30 years or more. Major headworks infrastructure — such as trunk water, wastewater, and strategic transport assets — often needs to be planned and delivered well in advance of development uptake and may serve growth over several decades.

A rigid or narrow interpretation of “short to medium term” could therefore constrain councils’ ability to recover costs for lumpy, high-cost infrastructure that underpins spatially planned growth. This is particularly relevant to high-cost overlays, which are designed to reflect areas where infrastructure provision is materially more expensive.

MDC recommends that the legislation and regulations allow sufficient flexibility for councils to include appropriately apportioned costs of strategic, long-life infrastructure that supports spatially identified growth, even where full build-out extends beyond the immediate LTP period. A graduated or staged cost allocation approach may be appropriate, ensuring that levies remain linked to forecast growth while recognising the practical realities of infrastructure sequencing and investment. Without this flexibility, councils may face under-recovery of growth costs or be required to defer essential headworks infrastructure, which would undermine the intent of spatial planning reforms.

Question 3: Are there other ways that development agreements could be strengthened?

MDC supports the continued use of development agreements as a flexible tool for facilitating timely infrastructure delivery where the standard levy model does not align with the staging, complexity, or scale of a proposed development. The draft Bill's recognition of development agreements in bespoke levy settings and first-mover reimbursement arrangements is welcome. MDC suggests that development agreements must preserve council discretion over infrastructure sequencing. Agreements should not override the council's ability to delay or stage investment in line with funding capacity or coordinated growth priorities. This is especially important for infrastructure that connects to broader networks or where delivery timing may affect asset optimization. The legislation should provide for mechanisms to manage developments that span local authority boundaries. Development agreements should include provisions for inter-council cost sharing or coordination of infrastructure responsibilities to ensure equity and alignment where shared assets or catchments are involved. In a nutshell, the legislative framework must be sufficiently robust to ensure they are not used to bypass fair levy obligations, impose undue financial risk on councils, or distort infrastructure planning priorities.

Question 4: Are there other situations where bespoke levy assessments should be triggered?

MDC supports the inclusion of a bespoke levy assessment mechanism to ensure the levy system remains adaptable and equitable in practice. Bespoke assessments are essential where developments diverge significantly from the assumptions underpinning the standard levy model — particularly those based on Household Unit Equivalents (HUEs).

In particular, commercial and industrial developments often have highly variable infrastructure demands, especially in relation to water, wastewater, stormwater, and transport. These demand profiles are typically dependent on the specific use and operational intensity of the activity, which may only become clear at the time of consenting. In such cases, applying a standardised levy risks both over- and under-recovery, creating cost imbalances and undermining confidence in the system.

Bespoke assessments are also appropriate where a development exhibits significantly atypical demand characteristics within a levy area. Another relevant scenario is where a developer voluntarily builds significant infrastructure and no development agreement is in place — a bespoke assessment could ensure that developer is not effectively charged twice (once via works, and again via the levy).

However, Council cautions that bespoke assessments must not become a mechanism through which councils are compelled to commit to unplanned infrastructure investment. Put differently, bespoke assessments should enable tailored cost recovery for atypical developments — they should not override a council's infrastructure planning frameworks or investment priorities. If a bespoke assessment identifies infrastructure needs that are not included in Council's Long-Term Plan or capital works programme, those needs should be treated as developer-led, unless Council expressly agrees otherwise via a development agreement. In sum, bespoke assessments serve a vital purpose but must remain governed

by local planning discretion, cost recovery integrity, and voluntary agreement between parties.

Question 5: Are there other ways of ensuring fairness to first mover developments?

The proposed first mover reimbursement mechanism has the potential to encourage developers to invest in infrastructure that has surplus capacity. Under a reimbursement system, the council could collect levies from subsequent developments in that vicinity and reimburse the pioneer for the share of capacity those later users consume. Whilst this could be simulated through development agreements, having an explicit policy framework for it would make it clearer to all parties. MDC recommends that the new system define how long and under what conditions reimbursements occur (to manage expectations – e.g. first movers should not expect open-ended paybacks forever, perhaps a time limit or a capacity threshold can be set).

Key Concerns

The following points elaborate on the safeguards and clarifications required to give effect to the principles outlined above.

MDC considers that the mechanism proposed under section 211T raises several issues that require further legislative clarity and operational safeguards to ensure fairness, transparency, and financial stability.

The Bill should require clear definition of the benefiting area to ensure that only developments that genuinely benefit from the infrastructure contribute to reimbursement. Councils should retain full discretion to determine benefit areas, apply time limits, and document these parameters in any agreement to avoid disputes and over-recovery.

Robust cost verification provisions are essential. Councils must be able to require sufficient evidence of claimed costs (including scope, standards, procurement approach, and allocation of growth versus non-growth components) prior to entering into reimbursement arrangements, and retain discretion to reject or amend claims that are excessive or not growth-related. Councils should also be able to recover reasonable administrative and compliance costs associated with assessing and managing reimbursement arrangements.

The Bill does not currently address what happens if the first-mover developer encounters financial difficulty, becomes insolvent, or seeks early repayment due to private debt obligations. Council recommends that section 211T include provisions that clarify the treatment of liabilities in such scenarios, including whether rights to repayment can be assigned or inherited, and what protections exist to avoid levy-funded reimbursement being misused or misdirected.

MDC is also concerned that the proposed framework could shift financial and operational risk onto councils by requiring them to collect levy revenue and transfer it to private developers. Councils should not be expected to make reimbursement payments in advance of levy collection, and repayment should remain conditional on actual levy

revenue received. Clear statutory safeguards are required to manage cashflow risk and non-payment issues.

Given the public interest in the use of levy revenue, MDC recommends that first-mover reimbursement agreements be subject to appropriate transparency requirements, including publication of agreement terms, cost components, and repayment flows, in a form that is proportionate and administratively feasible.

Question 15: Most appropriate approaches for setting the administration fee

MDC supports the introduction of an allowance to impose an administration charge related to development levies. S.211ZZI (Currently a placeholder clause) appears to enable a charge to cover costs of processing levy assessments, particularly bespoke assessments. Currently, basic processing of DCs is just part of Council's overhead, but complex cases (especially objections or bespoke negotiations) incur significant staff and consultant time. Being able to recover these costs ensures that users (developers) and not general ratepayers bear the system's overhead.

In terms of a preferred structure of admin charge, MDC supports a hybrid model combining a fixed base fee with a variable component based on actual effort. This ensures small developments are not overcharged, while larger or bespoke developments contribute fairly to the additional administrative workload. This could look like:

- A standard base charge for straightforward levy assessments (e.g. \$200),
- Plus, hourly cost recovery for complex or bespoke assessments.

We consider this approach as equitable and aligns with how council recovers time in other processes and can be tailored locally within a nationally consistent framework.

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

MDC includes intangible assets in a limited way. Our DC calculations primarily cover physical capital works (pipes, roads, etc.), but when an intangible investment is clearly linked to growth infrastructure, we incorporate it. Some examples include: the design and consenting of infrastructure, while technically not “tangible infrastructure” themselves, are part of the capital project cost and we include them proportionally.

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

MDC welcomes the opportunity to engage in the development of regulations underpinning the new levy system, whether directly or through representative bodies such as LGNZ, Taituarā, or the Development Contributions Working Group. The success of this legislative reform will hinge heavily on the detail and workability of its regulatory instruments. We are particularly interested in contributing to several key areas.

Accordingly, MDC is keen to be involved in shaping the standard definitions of development types and units of demand. These classifications are foundational to the levy

system, and additional input can help ensure they are grounded in the realities of how developments are consented, assessed, and implemented at the local level. For example, the precise definition of terms such as “bedroom,” “dwelling,” or mixed-use categories can have significant implications for both equity and enforceability. Consistency is important, but the chosen metrics must also be measurable, unambiguous, and enforceable in practice.

We are also keen to engage with the proposed cost allocation methodologies — particularly the formulas used to distinguish growth-related costs from renewals or level-of-service enhancements. By testing proposed formulas against real project data from our district, we can identify where the theoretical approach may not yield fair or feasible outcomes and propose refinements accordingly.

Should the regulations introduce a standardised administration charge, MDC would like to ensure any set amount or formula reflects the actual cost of processing levy assessments. Our operational experience can help calibrate these figures to ensure councils are not under- or over-recovering. Likewise, we would welcome input into any proposed disclosure or reporting templates, including annual levy statements or forward work programmes. It is important that these are both transparent and deliverable within existing systems and we would be open to piloting or testing draft templates for practicality.

Transitional arrangements are another area where regulatory clarity and sector input will be crucial. The details of how development contributions will be phased out, and how levies are phased in, including treatment of legacy credits and existing development agreements, will significantly affect operational implementation. Council input can help ensure these rules are fair, technically sound, and do not inadvertently lead to either double charging or funding shortfalls.

Other Matters

Reductions for Non-Standard Infrastructure Designs (s 211ZB)

While the intent to promote innovative, demand-reducing design is understandable, MDC has serious reservations about making such levy reductions mandatory. As drafted, this could undermine the integrity and sufficiency of levy funding, introduce complexity in enforcement, and inadvertently shift costs to ratepayers over time. Non-standard features do not necessarily reduce network capital costs. Developers might propose various on-site solutions that theoretically reduce usage of council networks, but, in practice, these often do not allow council to avoid or downsize any planned capital infrastructure at scale. Unless a development is completely off grid for a service, Council typically still needs to provide capacity as if it will eventually use the network. If we grant levy reductions liberally, we risk not collecting funds needed to build infrastructure that might ultimately be required. This creates a system-wide under-recovery problem.

Development contributions are generally averaged across areas not tailored to each lot’s individual design features, except in broad categories. Introducing lot-by-lot design-based

adjustments complicates the administration and moves away from the simplicity of a standard charge. It could also lead to perceptions of unfairness and invites a lot of case-by-case negotiation or even disputes about the degree of demand reduction. The Council prefers that substantive departures be managed via the bespoke assessment process, not an automatic mandatory reduction.

There is an enforcement ambiguity and long-term risk that concerns Council particularly where a developer gets a levy reduction for a non-standard infrastructure design and years later that infrastructure fails or is modified and the development now puts load on council infrastructure. It raises the question of whether Council can then retrospectively charge a levy. Ultimately, ratepayers might end up covering that usage.

For the above reasons MDC supports the Development Contributions Working Group (DCWG) recommendation to remove s 211ZB entirely, or only allow reductions when there are demonstrable, network-scale capital expenditure savings as a result.

Conclusion

MDC appreciates the opportunity to provide feedback on this consultation. We are committed to working constructively to ensure the new development levies system is successful. In summary, the Council supports the overall direction of replacing development contributions with development levies, and we believe the proposed framework can be made to work with the refinements and clarifications discussed above. Our key focus is on maintaining a financially sustainable system where growth pays for growth, done in a fair, transparent, and administratively feasible manner. In implementing this legislation, we urge central government to keep in mind practical implementation timeframes, the need for training and possibly new systems at councils, and to consider providing guidance or transitional support.

MDC does not wish to speak to this submission.

Yours sincerely,



Michael Ford

Mayor