Date:	**Wednesday 5 March 2025**
Time:	**10.00am**
Meeting Room:	**Room 1, Level 26**
Venue:	**Te Wharau o Tāmaki - Auckland House** **135 Albert Street** **Auckland**

Tira Hautū / Governing Body Workshop

Government Infrastructure funding reforms and Proposed Contributions Policy 2025

OPEN NOTES ATTACHMENTS

ITEM	TABLE OF CONTENTS	PAGE
3	**WORKSHOP: Government Infrastructure funding reforms and Contributions Policy 2025**	
	A. 5 March 2025, Governing Body Workshop: WORKSHOP: Government Infrastructure funding reforms and Contributions Policy 2025, Presentation	3

Note: The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.


Funding growth infrastructure
Proposed Government reforms
Contributions Policy 2025
Governing Body Workshop
5 March 2025

1


Funding reform

2

Item 3

Attachment A

Going for Housing Growth

- **Objectives:**
  - Increase affordable housing
  - Improve living conditions for renters and homeowners
  - Support productivity, economic growth and job creation
- **Three pillars**

Freeing up land for development and removing unnecessary planning barriers	Improving infrastructure funding and financing	Providing incentives for communities and councils to support growth

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Pillar 2

Government announcements on 28 February:

- Development levies
- Updates to IFF and targeted rates

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Development levies

- DCs can't recover costs outside areas where growth and infrastructure planned
- Developer levies recover aggregate growth share of costs planned or not
- Single average levy for (transport, stormwater, parks, community facilities) across urban area
- Higher charges can be set for areas with particularly high-cost infrastructure
- Out of zone development can have separate charges set
- Third party funding can be used for non-growth component at funder discretion
- Regulatory oversight applying standard national methodology for calculation

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Updates to IFF Act and targeted rates

- **Infrastructure Funding and Financing Act**
  - Streamlined development and approval process
  - Making it easier for landowner/developer proposals where they are the subject of the levy
- **Targeted rates**
  - Allowing rates to be set based on date of creation of a rating unit

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Timeline

- Bills introduced September 2025
- Enacted mid 2026
- Development levies introduced with 2027 LTPs

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Potential impacts on Auckland Council

Overall approach seeks to address a number of issues raised by Auckland Council and wider sector

- Provides improved certainty for both council and developers
- Mechanism to charge development in areas where investment is not yet fully planned

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Further details to come

- Will full-development approach to required infrastructure and expected development be taken?
- How much specificity will be required to establish aggregate costs of growth?
- Will regulatory regime replace testing and policy development through courts?

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Next steps

- Staff to continue engagement with government officials as policy fleshed out and legislation developed
- Contributions Policy will still be required for at least next two years – continue with updates and improvements

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Item 3

Attachment A

Contributions Policy 2025

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Consultation

- Consultation ran from 30 Sep to 15 Nov
- 147 submissions received
- Memo on submission themes distributed to all elected members on 13 February

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Consultation issues for consideration

- Tāmaki stormwater
- North-west funding areas
- Footpaths and safety features in AHP areas
- Drury cycleway

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Other consultation themes

- Opposition to long-term view
  - Policy decision of the council to match long-term cost with long-term growth to fairly recover costs
- Dispute of impact on house prices
  - Economic analysis provided with consultation material
- Issues with data or calculations
  - Being addressed by staff prior to your decision-making
- Requests for more collaboration with developers
  - Working together on options to accelerate infrastructure
  - Area-based collaboration - e.g. Franklin

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Item 3

Attachment A

Tāmaki stormwater

Primary network options

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Tāmaki is growing quickly

- Household numbers are expected to increase 2.5 times
- Impervious Surface Area (ISA) is expected to increase from 45% to 90%

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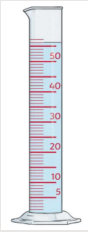
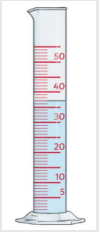
What is in the Stormwater DC Policy

- Developers raised concerns about scale of investment, cost and DCs, and share to growth against share to existing properties (ratepayers)
- Catchment scale projects ($70m) that address flood mitigation and water quality improvements (such as the Omaru Creek/Maybury Reserve) will remain in the proposed DC policy
- Decision needed on a level of service for the piped stormwater network (primary drainage system)
- The piped network manages drainage from sites and roads in frequent to medium sized storms – not extreme flood events



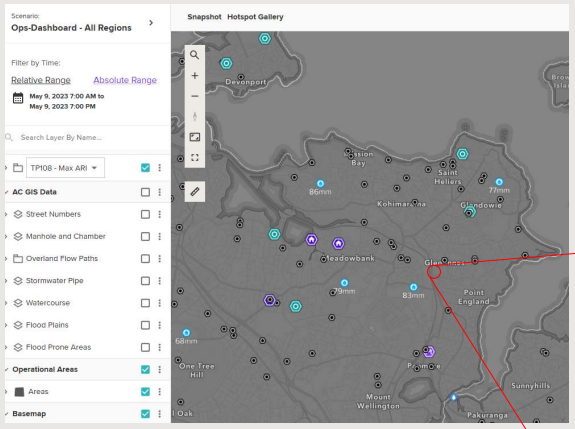
An extreme storm has a 1% chance of happening each year (or 1 in 100)
In Tamaki this is equivalent to 56mm of rain falling in 1hr.



A medium sized storm has a 10% chance of happening each year (or 1 in 10).
In Tamaki this is equivalent to 37mm of rain falling in 1hr

17

An approximate 10% storm occurred on 9th May 2023



14 Requests for service to the Council from the Tamaki Catchment
https://www.rnz.co.nz/news/national/489572/in-pictures-widespread-flooding-as-auckland-hit-with-heavy-rain

Nuisance flooding on property

Road flooding Apirana Ave

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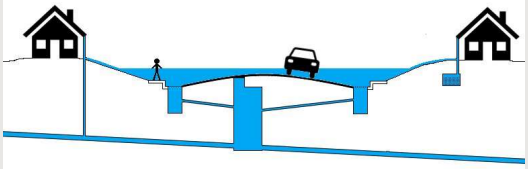
Item 3

Attachment A

Existing Development Pre-intensification

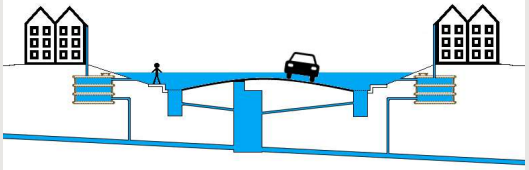
10% chance of a storm this size each year ≈37mm in 1hr



- The current pipes were designed to handle storms that have a 50% chance of happening each year, but larger storms (with lower probabilities) cause **frequent flooding.**
- Runoff flows overland once network is full
- Dangerous depths on some roads, hazard worse and more frequent with growth and climate change.
- Numerous properties use soakage to ground to manage stormwater.

Status Quo Option: Developers mitigate onsite

10% chance of a storm this size each year ≈37mm in 1hr



- **Existing pipes are retained, so there is still frequent flooding**
- Developers use tanks, cumulative impact can increase depths.
- Dangerous depths on some roads, will get worse and more frequent
- High reliance on compliance.

Primary Network Costs

Developer on site Cost	DC Cost	Rates Cost Escalated (Renewals only)
$2 billion	$0	$37m

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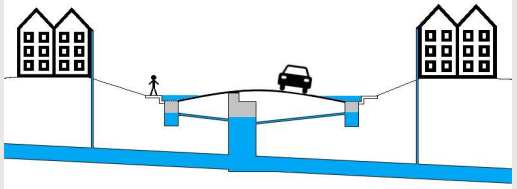
Consultation Option: All Primary Network Upgraded

10% chance of a storm this size each year ≈37mm in 1hr



- Bigger pipes across the catchment to handle storms that have a 10% chance of happening each year, **Less frequent flooding on roads and properties.**
- Low reliance on compliance
- Significant funding commitment from Council 2034-2054

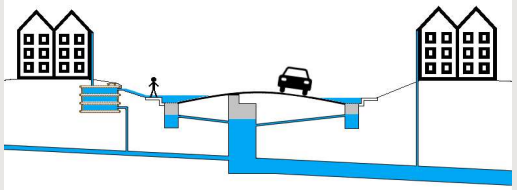
Primary Network Costs (with KO projects removed)

Developer Cost on site Costs	DC Cost Escalated (Growth)	Rates Cost Escalated (Renewals & improvement)
$	$512m	$156m

Alternate Option: Upgrades prioritised for road safety (Targeted Upgrades)

AC0

10% chance of a storm this size each year ≈37mm in 1hr



- Bigger pipes only where depth on roads is dangerous, designed to handle storms that have a 10% chance of happening each year, **Less frequent road flooding.**
- Developers upstream of upsized pipes use tanks.
- Medium reliance on compliance

Primary Network Costs

Estimated Developer on site Costs	DC Cost Escalated (Growth)	Rates Cost Escalated (Renewal & improvement)
$566m	$280m	$192m

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Slide 20

AC0 Current LTP Growth investment 2024-2034 is $276m = Option 3 is a 48% increase in stormwater growth investment per decade
Andrew Chin, 2025-02-25T20:46:30.829