Supplementary Analysis Report: Improving Local Government Infrastructure Funding Settings

Coversheet

Purpose of Document	
Decision sought/taken:	Supplementary analysis of decisions taken by delegated Ministers in May 2025 to improve local government infrastructure funding settings
Advising agencies:	Department of Internal Affairs (DIA) and the Ministry of Housing and Urban Development (HUD)
Proposing Ministers:	Minister of Local Government, Minister of Housing
Date finalised:	5 November 2025

Problem Definition

New Zealand's current development contributions regime, which relies on a project-specific link between development and infrastructure costs, is not fit for a more permissive planning system. Councils cannot reliably recover the costs, of infrastructure leading to significant under-recovery, higher rates, and weaker incentives to enable housing growth.

Executive Summary

Pillar two of the Government's Going for Housing Growth (GfHG) programme seeks to address persistent challenges in funding the growth costs of infrastructure. Under the current development contributions regime, councils struggle to fully recover growth-related infrastructure costs. This under-recovery shifts costs to existing communities and constrains councils' ability to respond flexibly to housing demand. Legislative changes and a more enabling planning environment have amplified these issues, making the existing system increasingly unfit for purpose.

Why Government intervention is required

Recent and planned reforms to planning legislation are creating a more flexible and demand-responsive environment for housing development. Councils can no longer predict with certainty where and when growth will occur, yet the current development contributions system relies on predictability to allocate costs. As a result, councils are unable to recover a proportionate cost of growth-related infrastructure from developers. Without intervention, the following issues will persist:

- Continued under-recovery of the growth costs of infrastructure.
- Increased pressure on rates to meet un-recovered growth-related infrastructure costs.
- Delays in infrastructure delivery, constraining housing supply.
- Timely development discouraged.

Options considered and preferred approach

In December 2024, Cabinet decided to replace development contributions with development levies. Cabinet delegated responsibility for detailed design decisions to the Minister of Local Government and the Minister of Housing.

The agreed purpose of the development levies system is to allow councils to recover the capital costs of infrastructure needed to provide capacity for growth from new developments. Cabinet agreed this "growth pays for growth" approach would have the following features, which set the scope for detailed design decisions.

- Separate levies for each of six council services, and the ability for Water Organisations to also set levies for the water services they provide.
- Each urban centre as a discrete levy area, with high-cost overlays (additional charges within levy areas where infrastructure costs are significantly higher than the area average) to enable price differentiation where infrastructure costs vary significantly.
- Prescribed methodologies for levy calculation.
- Provisions for bespoke or individually tailored levy assessments
- Development agreements (a contract between a council and developer) for unanticipated development.
- Flexibility for different infrastructure delivery models (e.g. developer-led and third party).
- Council discretion to transition to higher charges under the levy system within set timeframes, with a standardised phase-in approach where there are increased costs
- Regulatory oversight (focusing first on information disclosure requirements and also including oversight on levy pricing, and calculation methodology).

Options considered for establishing these features are summarised in Section 2. Further refinements included adding an economic efficiency principle (levies should distribute growth costs in a way that encourages efficient infrastructure networks), clarifying Auckland's sub-regional levy area requirements, specifying criteria for high-cost overlays, revising remissions (reduction or cancellation of charges, e.g. for social housing), credits (recognition of existing service connections or prior levels of demand), and administrative charges (to recover council costs), and reassessment of levies (periodic updates to reflect policy changes or time elapsed). Options relating to these refinements are also summarised in Section 2.

Expected impacts

Replacing development contributions with development levies will deliver significant benefits for councils, developers, and communities. The shift to development levies improves cost recovery, provides for equitable charging, and enhances transparency and levy predictability through mandatory disclosures, including levy calculation methodology, growth cost assumptions, and demand unit definitions.

Councils will gain flexibility to fund infrastructure where demand emerges, reducing reliance on rates funding and supporting housing supply. Developers benefit from clearer rules and predictable charges, with an assessed levy rate set for a defined period (subject to interest and periodic reassessment), providing developers with price certainty during project planning.

Key benefits:

- Improved cost recovery and fairness between developers and communities.
- Stronger alignment between planning and funding systems.

- Provides flexibility for equitable charging where needed.
- Greater transparency and accountability.

Key risks and mitigations:

- Transitional affordability pressures on developers if charges rise quickly, mitigated by phased implementation (for councils, phased transition means a longer period of under-recovery and more pressure on rates).
- Administrative complexity and inconsistency, mitigated by an administrative cost component (a charge that enables councils to recover the costs of assessing development levies) and standardised processes.
- Risk of judicial review, mitigated through clear legislative criteria and guidance.[1]

Distributional effects:

- Social housing in high-growth areas may benefit from ratepayer funding where councils and communities decide to offer remissions.
- Reduces the disproportionate burden on existing communities by shifting growth-related infrastructure costs from ratepayers to developers, ensuring that those who create demand for new infrastructure contribute fairly.

Stakeholder views

Stakeholders understand the rationale for replacing development contributions with development levies, recognising benefits such as improved cost recovery, transparency, and flexibility to fund infrastructure where demand emerges. Council subject matter experts welcomed improved cost recovery but raised implementation readiness and administrative cost concerns. Developers, highlighted cashflow and affordability risks, and advocated for phased transition, and welcomed first-mover cost recovery. The Housing Expert Advisory Group (HEAG) recommended regulatory oversight of levy pricing and calculation methodology, while the Property Council sought smaller levy areas for local accountability and noted the importance of oversight. Central government agencies supported the overall approach, emphasising the importance of robust cost estimation and regulatory oversight.

Limitations and Constraints on Analysis

This supplementary analysis report (SAR) focuses on the detailed design of the features of the development levy system agreed by Cabinet in December 2024. The following limitations should be noted.

Scope constraints: Analysis was limited to the detailed design of features agreed by Cabinet. Alternative approaches outside this scope were not considered, and the Regulatory Impact Statement - Improving Local Government Infrastructure Funding Settings (the RIS) analysed Cabinet's decisions on policy direction.

Compressed timeframes: The original deadline for policy decisions was set to enable legislation by September 2025. The decision to consult on an exposure draft impacted time available for detailed impact analysis and broader engagement. The decision to consult on an exposure draft reflects stakeholder interest in reviewing the detailed design before legislation is introduced.

[1] Judicial review risks relate to the methodology and fairness of levy rate assessments.

Quantitative modelling limitations: No monetised cost-benefit estimates were produced for developers, councils, or communities.

Reliance on qualitative assessment: Transitional affordability impacts for developers and benefits for ratepayers (such as reduced cross-subsidisation through rates) were assessed qualitatively only. The scale and likelihood of these impacts remain uncertain.

Illustrative levy figures: Examples provided are indicative only and based on high-level assumptions. Actual levy settings will depend on council implementation and market conditions.

Assumptions on cost incidence: Analysis assumes infrastructure charges will be capitalised into land prices rather than passed forward to house prices, based on previous studies. These assumptions were not tested through modelling.

Council capacity assumptions: Analysis assumes councils can implement new systems within existing capacity, supported by guidance and templates. No detailed capability assessment have been undertaken.

Distributional impacts: No detailed analysis of impacts on Māori housing or other population groups was possible within available time and resources.

Consultation constraints: Engagement to date has been targeted to high-growth councils, developers, and key agencies. Wider consultation will occur only at exposure draft and select committee stages.

Responsible Manager(s) (completed by relevant manager)

Richard Ward	Hilary Joy
General Manager	General Manager
Policy and Operations	Policy
Department of Internal Affairs	Ministry of Housing and Urban Development
	
30 November 2025	30 November 2025

Quality Assurance (completed by QA panel)

Reviewing Agency:	Department of Internal Affairs
Panel Assessment & Comment:	The panel considers that the information and analysis summarised in the SAR partially meets the quality assurance criteria. The SAR focuses on the development levies system agreed by Cabinet in December 2024. The panel considers that the SAR 'meets' the 'Complete' and 'Convincing' criteria. The SAR acknowledges there has been limited time to undertake full impact analysis on introducing development levies. Despite this, the

	analysis in the SAR is convincing and sufficient to inform decisions on whether to proceed with the proposal. Only targeted consultation has been possible due to the compressed time frame for this work and no wider consultation with the public has been undertaken. The SAR acknowledges this as a limitation. Stakeholder feedback from targeted consultation has been incorporated into the analysis and consultation is planned on an exposure draft of the Bill that would introduce the development levies system. For these reasons, the panel considered the SAR 'partially meets' the 'Consultation' criteria. The SAR ‘partially meets’ the ‘Clear and Concise’ criteria. The timeframe for quality assurance by the panel was compressed, with further time the SAR could have been made clearer.

Glossary

Explanation of the following terms may be useful.

TERM	DEFINITION
Beneficiaries	Individuals or a group that receive benefits from an infrastructure development project
Bespoke levy assessments	Levy assessments tailored to specific developments, based on actual infrastructure costs and demand.
Brownfield development	New development to cater for growth that takes place within the existing urban area. This can be intensification or infill (see below) or the redevelopment of commercial or industrial sites for housing.
Causal nexus	Link between a development or groups of developments and particular new infrastructure assets (or assets of increased capacity)
Councils	Where the term “councils” is used in this document, it refers to territorial authorities unless otherwise specified. Local government in New Zealand is comprised of 11 regional councils and 67 territorial authorities (of which 6 are unitary authorities, 13 are city councils, and 53 are district councils). These are collectively referred to as "local authorities". Only territorial authorities can charge development contributions.
Credit	A recognition of prior contributions or existing service connections that reduces the amount of development levy payable for a new development. Credits are typically activity-specific (e.g., transport, water), site-specific, and expire after a set period (usually 10 years).
Crown step-in powers	Powers enabling the Crown to intervene if councils misuse levy powers or fail to deliver infrastructure.

Development agreement	A contract between a developer and a local authority to address development-related infrastructure needs.
Reserves	Land held by a council as a reserve under the Reserves Act 1977
Network infrastructure	Roads and other transport, water, wastewater, and storm water, collection and management infrastructure
Community infrastructure	Public amenities such as libraries, neighbourhood halls, parks, playgrounds, and public toilets
Community facilities	Means reserves, network infrastructure, or community infrastructure for which development contributions may be charged
Development contributions	A charge that territorial authorities can levy on developments when new residential or commercial developments are consented (or service connections approved). Development contributions can recover a proportion of the cost of capital expenditure to provide reserves, roads and other transport, water, wastewater, stormwater collection and management, and community infrastructure
Development levy	Proposed new way of funding development which would aggregate costs for development across an area
First-mover	A developer who funds or delivers infrastructure ahead of other developments in an area, creating capacity that benefits subsequent developments. The levy system includes mechanisms to allow first movers to recover some of these costs from later developers.
Greenfield development	New development to cater for growth that takes place at the edge of an urban area.
High-cost overlay	An additional charge applied within a levy area where the cost of providing infrastructure capacity is significantly higher than the area average.
Growth costs of infrastructure	The proportion of the total cost of capital expenditure on new or additional assets or assets of increased capacity for: reserves, roads and other transport, water, wastewater, stormwater collection and management, community infrastructure which is allocated to growth.
Infill development	Building on unused or underutilised space within an existing urban area.
Infrastructure assets	Things councils provide for which development contributions can be charged. There are: reserves, transport, water, wastewater, stormwater collection and management, community infrastructure
Infrastructure Funding and Financing Act (IFF Act) levies	Charges on properties that benefit from new or upgraded infrastructure, like roads or water services, to repay the finance for those projects. Under this system, a Special Purpose Vehicle (SPV) is created to fund the infrastructure, and it recoups the costs by collecting these levies over time from the property owners who benefit.

Intensification	Intensification is the development of a property, site or area at a higher density than currently exists, through development, redevelopment, infill and expansion or conversion of existing buildings.
Non-growth costs	The proportion of the cost of capital expenditure on new or additional assets or assets of increased capacity for: reserves, roads and other transport, water, wastewater, stormwater collection and management, community infrastructure, which aligns with the benefit received by the existing community.
Rating Unit	A piece of land with a record of title, for the purposes of rating
Remissions	Reductions or waivers of levies, typically for developments with public benefit (e.g. social housing). The costs which would have been recovered through levies are then met through another funding source – usually from rates.
Renewals	Assets replaced at the end of their useful life.
Targeted rates	Pays for specific services or projects and can be set generally across all communities or to specific communities in certain areas.

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

1. New Zealand's housing market is among the least affordable in the developed world, largely due to insufficient housing supply.[2] Recent planning reforms such as the National Policy Statement on Urban Development (NPS-UD), Medium Density Residential Standards (MDRS), along with Pillar 1 of the GfHG programme are significantly increasing the supply of zoned land for housing. These changes aim to improve housing supply, choice, and affordability, but they also require corresponding infrastructure to service growth.

2. Councils are responsible for providing core infrastructure (such as transport, water, wastewater, stormwater, and community facilities) to support new housing and businesses development. The Local Government Act 2002 (LGA) requires councils to consider who benefits from this infrastructure and to align funding sources accordingly. When the benefits primarily accrue to future residents, councils must determine how to recover the costs. One mechanism for recovering costs from future residents is development contributions. Only councils that are also territorial authorities can charge development contributions under the LGA. From 2025, water service providers will be able to charge development contributions under the Local Government (Water Services) Act 2025.

3. Development contributions are the main tool councils use to recover the growth costs of infrastructure based on a 'user pays' principle. However, they can only be applied to costs that are directly attributable to a specific development or group of developments, and for works that are included in a development contributions policy ahead of time. The requirement for a clear causal link, alongside other constraints such as timing rules, financing limitations, legislative boundaries, planning uncertainties, political considerations, and administrative complexity, makes full cost recovery virtually impossible.

4. Developers often express frustration with the unpredictability and inconsistency of development contributions. Charges can rise significantly between land acquisition and consent, jeopardising project viability and access to finance. Variations in approach between councils further complicate matters for developers operating across multiple regions. Additionally, when first-mover developers self-fund major infrastructure that benefits future developments, there are no mechanisms to recover those costs, discouraging early investment.

5. The current system was designed for a predictable planning environment, where councils could anticipate growth and plan infrastructure accordingly. The shift to a more permissive planning system has made growth patterns harder to predict (through the NPS-UD, MDRS, and upcoming GfHG 30-year housing growth targets). In a permissive planning environment, councils cannot include all necessary projects in their development contributions policies ahead of receiving consent applications as required to recover costs. As a result, they are under-recovering the growth costs of infrastructure, which shifts the financial burden of growth to existing communities through higher rates, or leads to underinvestment in renewing existing assets. Political pressure to keep rates low creates weak incentives for councils to enable growth,[3] undermining the Government's housing supply objectives.

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[2] Urban land prices – a progress report, Infrastructure Commission, April 2023. New Zealand Productivity Commission. (2019). Local government funding and financing: Final report.

[3] New Zealand Productivity Commission. (2015). Using Land for Housing: Final report.

Expected development if no action is taken (counterfactual)

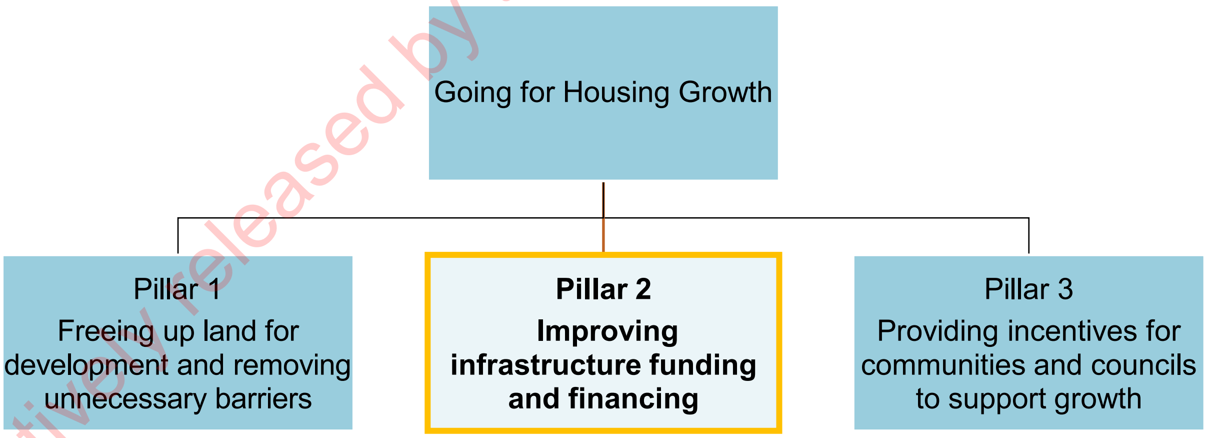
6. If the status quo continues:

- Under-recovery of the growth costs of infrastructure costs will worsen as planning reforms increase development opportunities, including for water infrastructure where upcoming water service reforms may add further uncertainty.
- Existing communities will face higher rates, creating opposition to growth.
- Councils will have weaker incentives to invest in infrastructure, limiting housing supply and undermining the overall objective of the GfHG programme.[4]
- Developers will continue to face unpredictability and inconsistency in charges.
- Lack of standardisation across councils and no mechanism to recover costs for early infrastructure investment will continue to discourage developers.
- Councils may use targeted rates to recover the growth costs of infrastructure, but these must be reviewed regularly, with costs typically spread over a longer period. This results in higher borrowing cost and shifting growth-related infrastructure costs to homeowners rather than being absorbed into land prices.

Relevant government decisions and linkages

7. Replacing development contributions with development levies sits within Pillar 2 of GfHG (see Figure 1 below) which aims to ensure councils, developers, and government have the tools to fund the growth costs of infrastructure. All three pillars of the GfHG programme are interdependent.

Figure 1. The pillars of the Going for Housing Growth Programme



What is the policy problem or opportunity?

Problem definition

8. New Zealand's current development contributions regime, which relies on a project-specific link between development and infrastructure costs (causal nexus), is not fit

[4] The overall objective of Going for Housing Growth is to improve housing affordability by significantly increasing the supply of developable land for housing, both inside and at the edge of our urban areas.

for a more permissive planning system. Councils cannot reliably recover the growth costs of infrastructure from those who benefit, leading to significant under-recovery, higher rates, and weaker incentives to enable housing growth.

Nature, scope, and scale

9. The system was designed for a predictable planning environment, but recent reforms (NPS-UD, MDRS, and upcoming GfHG 30-year housing growth targets) make growth patterns harder to forecast. Councils must now enable development across a wider range of locations and respond to private plan changes and fast-track consents. Under these conditions, the causal nexus and timing rules prevent councils from including all necessary projects in their development contributions policies in time to recover costs.

10. A high-level snapshot in the RIS illustrated the scale of the problem: councils projected $19.5 billion in capital expenditure to meet additional demand, compared with only $8.5 billion in anticipated recovery through existing tools.[5] This gap creates systemic fiscal risk and constrains councils' ability to invest in growth-related infrastructure.

11. Recent analysis by the Infrastructure Commission reinforces evidence of systemic under-recovery. Their report on local government funding found that even when combining development contributions with rates revenue from new development, councils are not consistently or effectively recovering the growth costs of infrastructure. Results varied across cities, but overall cost recovery was well below full growth costs, highlighting persistent gaps in funding tools.[6]

Opportunity

12. The opportunity is to replace development contributions, so the growth costs of infrastructure are recovered predictably and fairly at an aggregate level, supporting the Government's housing supply objectives and aligning with the principle that "growth pays for growth."

Stakeholders

13. This problem affects councils, developers, and existing communities in distinct ways. Councils face financial risk and debt constraints, limiting their ability to invest in infrastructure where and when it is needed. Developers experience unpredictability and inconsistency in charges, which can undermine project feasibility and access to finance, especially when charges increase between land acquisition and consent. Developers also lack mechanisms to recover costs when they fund infrastructure that benefits future developments, discouraging early investment.

14. Existing communities bear the burden when the growth costs of infrastructure are not recovered, leading to higher rates and reduced investment in other services.

Disproportionate impacts of the current system

15. developers and communities in high-growth areas are exposed to the limitations of the status quo, through inconsistent charges, lack of flexibility, unpredictability, and cost-shifting to rates.

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[5] The RIS snapshot illustrates the maximum extent of under-recovery. Key reasons include: (1) mismatch between investment and recovery periods (current heavy investment will be recovered over many years); (2) exclusion of targeted rates due to lack of data on growth-specific charges; and (3) mismatch between categories of capital expenditure and those eligible for growth-related infrastructure costs recovery tools

[6] Infrastructure Commission (2024). Paying it Back: How local government funds and finances infrastructure. See page 26 for estimates of cost recovery combining development contributions and rates revenue. Available at: https://media.umbraco.io/te-waihanga-30-year-strategy/kyxfh0gy/paying-it-back.pdf.

Other considerations

16. Any changes must maintain system coherence within the local government funding and financing system and with Local Water Done Well reforms. Changes must also be aligned with the GfHG programme, which integrates planning reform, infrastructure funding, and incentives for councils and communities.

Assumptions

17. Analysis assumes that infrastructure charges are capitalised into land prices rather than passed forward to house prices. In 2022, Auckland Council commissioned advice on the likely impacts of proposed increases to development contributions in Drury. The advice found that *"additional development costs cannot be passed forward to rents or prices but instead will be passed back to land in the form of lower land values."*[7]

18. Similar findings were found in the 2020 review of development contributions in New South Wales,[8] and the 2014 Australian Productivity Commission's Public Infrastructure inquiry.[9]

What objectives are sought in relation to the policy problem?

19. The GfHG programme is designed as a package to ensure more responsive development capacity shifts market expectations of future scarcity and brings down the price of land. This will support efficient urban development, increase housing supply, and lift productivity in our cities.

20. In March 2024 by the Ministers of Housing and Local Government set the following primary and secondary objectives for the Infrastructure Funding Settings work. Detailed design of the development levy system has been guided by the following primary objectives for the development levies system.

    1. Enabling the growth costs of infrastructure to be better recovered from developers (or owners of new houses) by providing adequate funding and financing tools.
    2. Improving incentives to zone land for additional housing and invest in infrastructure to facilitate additional housing supply.
    3. Improving incentives to develop land in the near term instead of 'land banking' (holding land without developing it, often to benefit from future value increases).
    4. Encouraging development that makes efficient use of infrastructure.

21. The secondary objectives were:

    I. Providing developers with certainty on how much they'll need to pay for the growth costs of infrastructure before commencing development.
    II. Providing councils with certainty on the income they will receive from development contributions, which will enhance councils' ability to borrow against that income.
    III. Minimising the cost, complexity, and litigation risk of administering tools which recover costs from developers (or owners of new houses).

[7] Cameron, M. K., Dr, & Helm, T., Dr. 2022. Economic incidence of developer contributions. Sharing the Cost of Drury Infrastructure.

[8] Productivity Commission. 2020. Review of Infrastructure Contributions in New South Wales – Final Report. New South Wales Productivity Commission. November 2020.

[9] Productivity Commission. 2014. Public Infrastructure, Inquiry Report No. 71, Canberra.

IV. Ensuring settings can deliver neighbourhoods and developments with adequate transport, water services, and community infrastructure.
V. Giving effect to the Crown's responsibilities under Te Tiriti o Waitangi, by considering the implications of any proposed infrastructure settings changes for Māori housing.

22. The design of the development levy system seeks to achieve multiple objectives that will not always align. Tensions between objectives were acknowledged and mechanisms proposed to manage them in a way that supports the overall goals of GfHG. The table below summarises the main areas where objectives compete, the nature of these tensions, and how the trade-offs are addressed through legislative principles, operational settings, and regulatory oversight.

Table 1. Management of trade-offs between competing objectives.

Objectives	Tensions	Management
Cost recovery **(Objective 1)** vs housing supply and affordability **(Objectives 2, 3, IV)**	Maximising recovery of the growth costs of infrastructure risks increasing upfront charges, which could slow development or raise house prices.	Phased transition; levy policy operative on notification to prevent strategic early consenting to avoid future charges.
Flexibility **(Objective IV)** vs predictability **(Objectives I, II)**	Councils need flexibility to respond to unanticipated growth; developers require certainty of charges to plan projects.	Standardised calculation methodologies and measurement units (via regulations), clear levy triggers, and mandatory disclosure requirements improve predictability while enabling bespoke levy assessments for unanticipated development.
Administrative simplicity **(Objective III)** vs equity and efficiency **(Objective 4)**	Simpler systems risk blunt pricing while differentiation (e.g., high-cost overlays, adjusting levy rates based on development type) adds complexity.	High-cost overlays only where a legal test is met; councils must weigh administrative efficiency against long-run network efficiency and flexibility; technical detail standardised through secondary legislation and supported by guidance.
Growth pays for growth **(Objective 1)** vs social good **(Objective V)**	Full cost recovery may disadvantage social housing or papakāinga development.	Councils may offer remissions for any purpose, including social good, but must disclose the cost of remissions and how foregone revenue will be funded.
Cost recovery **(Objective 1)** vs efficient infrastructure use **(Objective 4)** and the economic	Flat-rate levies across an area simplify pricing and support infrastructure flexibility but reduce locational price accuracy and weaken the user-pays principle.	Councils may establish high-cost overlays where justified by significant cost differences. Legal tests and standardised criteria ensure overlays are used appropriately and transparently.

efficiency principle[10]		

Section 2: Deciding upon an option to address the policy problem

What scope will options be considered within?

23. In December 2024, Cabinet decided to replace development contributions with development levies, and delegated responsibility for detailed design decisions to the Minister of Local Government and the Minister of Housing. The following purpose and design elements (system features) of the development levy system agreed by Cabinet set the scope detailed design decisions. Detailed design decisions were made by the delegated ministers through policy briefings.

- The purpose of development levies is to ensure councils charge developers a proportionate amount of the total cost of capital expenditure necessary to service growth over the long term.
- Separate levies will be maintained for each service (drinking water, wastewater, stormwater, transport, reserves, and community infrastructure).
- Where water services are provided by a water service provider (such as water council-controlled organisation), these will be able to set levies for water services.
- Each urban centre will be a discrete levy area.
- Where providing a service to part of a levy area has particularly high growth costs, councils will have discretion to charge an additional high-cost asset levy on top of the base levy for that service.
- Levies will be calculated based on expected levels of growth and aggregate growth costs.
- Councils will be required to use a prescribed methodology to ensure consistent application of development levies, for example to determine growth costs and standardised growth units.
- Where a council receives an application for development outside an existing levy area, there will be a process through which a council can determine appropriate levies.
- Development levies will be flexible enough to account for different models of infrastructure delivery.
- Councils will have discretion to phase in any transition to higher charges under the levy system to manage impacts on local development.
- Integrated with regulatory oversight of local authority rates.
- If needed in the interim, by information and disclosure powers, and step in powers on behalf of the Crown where levy powers are being used inappropriately.

[10] The development levy system deliberately departs from strict user-pays pricing to enable flexible, efficient infrastructure delivery. Flat per-unit charges across levy areas support network-wide planning and reduce administrative complexity, even where localised costs vary. This trade-off is foundational to the system's design and reflects the economic efficiency principle (levies should distribute growth costs in a way that encourages efficient infrastructure networks).

What options were considered by Cabinet?

24. Delegated ministers considered the following options to establish the agreed system features of the development levies system (Table 3).

Table 2. Options considered by delegated ministers to establish the agreed system features.

Agreed system feature	Establishment options considered
Purpose of development levies	Recommended: The purpose of development levies is to enable territorial authorities to recover from developments the cost of capital expenditure necessary to provide capacity for growth.
Separate levies for each service	Treated as a fixed decision.
Water service providers can set levies	Recommended: Align levy-setting powers for water services with councils; transitional provisions for shift from development contributions.
Each urban centre as a discrete levy area	Recommended: Levy areas should be set to cover, at a minimum, an entire community of benefit; levy areas could cover more than one community of benefit; Auckland to have sub-regional areas with optional region-wide transport area.
High-cost overlays within levy areas	Option A: Councils may consider high-cost overlays. Recommended: Option B - Councils must consider high-cost overlays where costs are substantially higher (with criteria). Option C: Councils must establish high-cost overlays unless grounds apply. Option D: Councils must establish high-cost overlays wherever costs differ.
Levies calculated based on expected growth & aggregate costs	Recommended: Include past projects, and future projects if sufficiently committed and connected to growth.
Prescribed methodology and standardised units	Recommended: Prescribed methodology and standardised units to be prescribed in secondary legislation (growth units, cost allocation, typology).
Unanticipated development	Recommended: Apply bespoke assessments to all unanticipated developments (inside and outside levy areas).
Flexibility for different infrastructure delivery models	Recommended: Allow levies for capital expenditure by third parties, enable partial reimbursement for first-mover infrastructure.

Transition & phasing of higher charges	Option A: Full levies from 1 July 2027. Option B: Council discretion to reduce or phase in charges for individual developments. Recommended: Option C - Councils phase in charges for all developments. Option D: Delay full implementation until 1 July 2030. **Transition and phasing scenarios:** Scenario A: Councils begin charging in late 2027, with a transition period from November 2027 to July 2030. Scenario B: Councils begin charging in 2028, with a transition period from mid-2028 to July 2030. Scenario C (not recommended): Charging begins in July 2027 but compressed legislative timelines risk quality and stakeholder confidence.
Regulatory oversight	Recommended: Information disclosure + Crown powers to intervene ('step-in' powers). Option A: Trigger on any misuse or misapplication of development levies. Option B: Trigger on consistent misuse. Longer-term: Permanent regulator established, starting with information disclosure and potentially expanding to compliance and enforcement.

25. The follow options were considered for additional refinements within the scope of the system features agreed by Cabinet (Table 4).

Table 3. Options considered by delegated Ministers to further refine the system features.

System feature	Options considered
Community infrastructure definition	Recommended: Option A - prescribed list of asset classes. Option B: Current definition but prescribe list of asset classes not permitted.
Charging, collection & enforcement	When development levies policy operative: Option A: From notification date (recommended); Option B: From adoption date (status quo). Interest: Option A: Add interest quarterly (recommended); Option B: No interest (status quo). Reassessment: Option A: After 3 years and policy amendments (recommended); Option B: No reassessment (status quo). Remissions: Option A: Any purpose (recommended); Option B: Only specified purposes. Recommended enforcement: Withhold certificates, register land charges.
Auckland levy areas	Option 1: Region-wide areas with high-cost overlays. Option 2: Sub-regional areas + high-cost overlays.

System feature	Options considered
	Recommended: Option 3 - Sub-regional areas + optional region-wide transport area.
Principles	Recommended: Add an *economic efficiency principle* to encourage efficient infrastructure networks.
Time value of money (Costing of levy values over time, accounting for inflation and timing of infrastructure delivery)	Recommended: Include future projects at present-day dollars, update for inflation at each policy review. Alternative: Include inflation forecasts.
Remissions	Recommended: Option A - Councils may offer for any purpose. Option B: Councils may not offer remissions. Option C: Councils may only offer remissions for social good.
Administrative cost recovery	Administrative cost recovery: Option A: Add administrative cost (recommended); Option B: No administrative cost (status quo).
Credits (Recognition of existing service connections or prior levels of demand)	Recommended: Option A - Standardise treatment (activity-specific, site-specific, expiry after 10 years, 1 HUE credit for vacant lots, no cash refunds). Option B: Leave to council discretion (status quo).

What was the Government's preferred option, and what impacts will it have?

The Government's preferred option is to replace development contributions with a development levies system, as part of the Going for Housing Growth work programme. This system is designed to enable more flexible, responsive infrastructure provision that supports urban development.

Key features of the preferred option

26. **Service-specific levies:**

- **Features:** Levies will be service-specific (e.g., drinking water, wastewater, stormwater, transport, reserves, and community infrastructure) and applied within levy areas that reflect the community of benefit.
- **Impact:** Improves transparency and ensures charges are aligned with actual infrastructure services required for growth.

27. **Levy areas and high-cost overlays:**

- **Features:** Councils must consider establishing high-cost overlays within areas where growth costs are substantially higher, guided by considerations set out in legislation. Auckland will adopt sub-regional levy areas with an optional region-wide transport levy area to reflect its scale and network complexity.

- **Impact:** Reduces cross-subsidisation between developments and ensures fairness while maintaining flexibility for councils to respond to local cost variations.

28. **Prescribed community infrastructure:**

- **Features:** The definition of community infrastructure will move to a prescribed inclusive list, covering essential assets such as community centres, libraries, public toilets, sports fields, swimming pools, and improvements to public recreational spaces.
- **Impact:** Constrains levies to prescribed asset classes.

29. **Levy calculation methodology:**

- **Features:** Levies will be calculated by aggregating past and future growth costs of infrastructure. Councils may include past projects with residual capacity and future projects beyond the Long-Term Plan where there is sufficient commitment and connection to current growth. Future costs will be included at present-day dollars, updated at each policy review, to avoid councils guessing future inflation rates. Standardised growth units and a prescribed methodology for cost allocation will be set in secondary legislation to ensure consistency across councils.
- **Impact:** Improves predictability for developers and consistency across councils, reducing disputes and supporting better planning.

30. **Charging and enforcement settings**:

- **Features**: Development levies policies will become operative from the date of notification, preventing a rush of applications under outdated rates. Levies will accrue quarterly interest until paid, and reassessments will occur after three years and following any policy amendments. An administrative cost component, set by regulation, will recover the costs of administering the levy system. Alongside existing rights to reconsideration and objection, enforcement mechanisms will include withholding final certificates and registering unpaid levies as statutory land charges.
- **Impact:** Provides certainty and fairness for developers while ensuring councils can recover administrative costs and enforce compliance effectively.

31. **Pathways for unanticipated development:**

- **Features:** To support responsive infrastructure provision, the system introduces three pathways for unanticipated development: development agreements, Infrastructure Funding and Financing Act (IFF Act) levies, and bespoke levy assessments. Councils will have a stronger obligation to consider development agreements, and bespoke assessments will apply both inside and outside levy areas where criteria are met. A new mechanism will enable first movers who fund infrastructure to recover costs from subsequent developers, reducing barriers to early investment.
- **Impact:** Enables development in areas not anticipated in spatial plans, supporting timely housing supply and reducing financial risk for early investors.

32. **Regulatory oversight:**

- **Features:** Regulatory oversight will focus on transparency and accountability, requiring councils to disclose levies policies, assumptions, actual and forecast costs, and to apply standardised methodologies for levy calculation, with step-in powers to impose additional disclosure requirements or require independent audits where levies are misapplied.

- **Impact:** Builds trust in the system and ensures compliance, reducing risks of misuse or overcharging.

33. **Credits and remissions:**

    - **Features:** Councils may offer remissions for any purpose, provided they disclose how foregone revenue will be funded, ensuring transparency and community accountability. The treatment of credits for previous development will be standardised: credits will be activity-specific, site-specific, and generally expire after 10 years, with a perpetual 1 Household Unit Equivalent (HUE) credit for certain services on vacant lots. Credits cannot be transferred or refunded in cash, preventing gaming and ensuring fairness.
    - **Impact:** Supports equity objectives and mitigates affordability risks for developments with public benefit while maintaining system integrity.

34. **Transition and phasing**: The preferred option includes a phased transition to manage affordability risks for developers who have pre-purchased land. Councils will phase in any increased charges over a defined transition period.

    - **Impact:** Balances cost recovery with development feasibility and reduces risk of sudden price shocks.

Expected Impacts and Mitigations by Stakeholder Group

35. **Councils:**

    - **Features:** Introduction of development levies as a primary tool for recovering growth-related infrastructure costs, including service-specific levies and prescribed methodologies.
    - **Impact:** Councils gain a more predictable and flexible funding stream, reducing reliance on rates and improving ability to invest in infrastructure ahead of demand. However, councils face administrative costs and compliance obligations under the new system.
    - **Mitigation:** Administrative cost recovery is built into the levy system through a regulated component. Standardised methodologies and templates will reduce complexity and litigation risk. Regulatory oversight ensures councils apply levies consistently and transparently.

36. **Developers:**

    - **Features:** Levies assessed at notification, with reassessment cycles, interest accrual, and credits for prior contributions.
    - **Impact:** Developers benefit from greater certainty and transparency in infrastructure charges, improving feasibility and access to finance. However, some developers may face higher charges compared to the status quo, particularly where land was pre-purchased.
    - **Mitigation:** Transitional phasing of increased charges reduces affordability shocks. Credits recognise prior investment and existing service connections. Bespoke levy assessments and development agreements provide flexibility for unanticipated development, while remissions allow councils to support social good projects.

37. **Communities:**

    - **Features:** Levy revenue must be used for and within the specific services and levy areas it was collected from, and mandatory disclosure of policies and assumptions.
    - **Impact:** Communities benefit from timely infrastructure delivery and reduced ratepayer cross-subsidisation of growth costs. Transparency requirements

build trust in how levies are applied. However, there is a risk of perceived inequity if levy settings vary significantly between areas.

- **Mitigation:** Standardised calculation methodologies and disclosure obligations ensure fairness and comparability. Oversight mechanisms, including Crown step-in powers, provide safeguards against misuse of levy powers.

38. **Māori and Pacific Peoples:**

- **Features:** Councils may offer remissions for any purpose, including social good, and must consider Te Tiriti obligations in levy policy design.
- **Impact:** The levy system creates opportunities for papakāinga and social housing through remissions and bespoke agreements, but increased charges could pose affordability challenges for some developments.
- **Mitigation:** Statutory requirements for transparency in remission policies ensure accountability. Bespoke agreements and remissions targeted to Māori housing support equity objectives. Engagement with iwi and Māori organisations during policy development will inform culturally appropriate implementation.

How the preferred option delivers policy objectives

39. The levy system addresses under-recovery and ratepayer cross-subsidy by aggregating growth costs over time and across areas. It enables councils to invest in infrastructure ahead of demand and recover costs regardless of sequencing. Predictability for developers is improved through advance signalling, standardised methods, and fixed reassessment cycles. Price signals for efficient infrastructure use are strengthened by adjusting levy rates based on the type of development and its expected infrastructure demand, alongside the economic efficiency principle. Fairness is supported by transparency and by ensuring that charges collected in high-cost overlays are used only for infrastructure in those areas.

Stakeholder views and consultation

40. The preferred option has been shaped by engagement with councils, developers, sector bodies, and central agencies. Stakeholders understand the rationale for the shift to development levies for improved cost recovery and transparency, though views differ on levy area size, remissions, and oversight. Consultation led to key changes such as Auckland-specific zoning, strengthened step-in powers, and present-day costing.

41. As summarised in Table 6, concerns raised, such as affordability impacts, cashflow pressures, and council readiness, have been addressed through the detailed design process.

Table 4. Summary of stakeholder views.

Stakeholder group	Support / key points	Concerns and mitigations
Developers (incl. Kāinga Ora and other social housing providers)	Support phased transition, transparency and oversight, and first-mover cost recovery.	Concern about higher upfront costs and predictable transition, and calculation of levies; mitigated by phased implementation, interest-based payment options and remissions, and developing a robust methodology.
Council subject matter experts	Support improved cost recovery, cost	Concern about financing headroom (borrowing capacity within debt

	aggregation, and transition flexibility.	limits), implementation readiness, administrative burden and unanticipated growth; mitigated by IFF Act improvements, phased transition, administrative cost recovery, bespoke assessments, and water services reform.
Housing Expert Advisory Group	Recommended Commerce Commission as price regulator.	Past attempts at non-regulatory price setting have failed; mitigated by robust levy price calculation and regulated oversight of price setting.
Property Council	Advocate strong transparency.	Concern about large levy areas reducing local transparency and accountability; mitigated by disclosure requirements.
Central government agencies (Treasury, Infrastructure Commission)	Support overall approach and principles; note efficiency and oversight benefits.	Treasury concern about underestimating growth costs and recommended refining cost estimation and strengthening regulatory oversight over time; interim step-in powers adopted as mitigation.

Distributional effects

42. Transitional affordability challenges are most likely to affect developers who have already purchased land under existing assumptions about infrastructure charges. These risks vary by location and development type but could be significant for large-scale projects. To manage these impacts, councils will be required to phase in higher levy rates. This approach reduces the risk of sudden price shocks and supports development feasibility while maintaining progress toward full cost recovery. The likelihood and scale of these challenges will depend on local levy settings and market conditions, which will be tested through consultation.

Nature and magnitude of impacts

43. Impacts will be ongoing and vary by development type. Developers will generally face more predictable charges than under the current system, but some may pay higher amounts depending on location and housing typology. Councils benefit from improved cost recovery and reduced reliance on rates, enabling earlier investment in infrastructure. Indirect effects include encouraging more efficient urban form by aligning charges with expected infrastructure demand. For example, indicative modelling shows levy amounts could differ significantly between housing types, such as around $69,000 for a detached dwelling compared to $20,000 for a townhouse, under a flat base rate of $83,000 per household unit equivalent. These figures are illustrative only and demonstrate how the system reflects differences in infrastructure costs, which reinforces the efficiency principle.

Net benefit and trade-offs

44. Compared to the current system, the preferred option delivers greater overall benefits by enabling councils to fund and deliver infrastructure earlier and reducing reliance on ratepayer funding. However, it involves trade-offs. For example, simplifying levy administration can reduce complexity but may limit the ability to tailor charges precisely to local costs. To address this, councils can use high-cost overlays where

infrastructure costs are significantly higher, while maintaining clear rules to ensure fairness.

45. Allowing councils to grant remissions provides flexibility for social or community priorities, but transparency requirements prevent hidden cross-subsidies. Regulatory oversight is designed to be proportionate: interim arrangements (if needed) focus on disclosure and monitoring rather than heavy compliance, ensuring councils apply levy rules consistently without creating unnecessary burden.

Alignment with government and agency preference

46. The preferred option reflects the Government's decisions and is supported by DIA and HUD. Treasury and Infrastructure Commission broadly endorse the approach. Outstanding decisions relate to secondary legislation details, such as unit definitions, cost apportionment rules, and disclosure standards.

What are the marginal costs and benefits of the option?

47. The table below summarises the additional costs and benefits of the preferred option compared to taking no action. It draws on qualitative analysis from policy briefings and stakeholder feedback. While most impacts are non-monetised at this stage, they have been assessed as high, medium, or low based on expected scale, frequency, and likelihood. Monetised costs and benefits were not estimated due to time constraints.

Table 5. Summary of the additional costs and benefits of the Government's preferred option.

Affected groups *(identify)*	**Comment** *nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.*	**Impact** *$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.*	**Evidence Certainty** *High, medium, or low, and explain reasoning in comment column.*
Additional costs of the preferred option compared to taking no action			
Regulated groups (developers)	Higher upfront charges compared to status quo; interest accrues on unpaid levies; reassessments may increase payable amounts over time. Compliance costs for understanding new levy policies and processes. Transitional phasing mitigates short-term shocks.	Non-monetised: **Medium** (cost varies by development type and location; some offset via remissions and reductions).	Medium – based on levy modelling and stakeholder feedback; actual costs depend on council policy settings.
Regulators (councils, Crown)	Administrative costs for implementing new levy system, preparing levy policies, disclosures, and reassessments. Council administrative costs offset by ability to recover administrative costs via regulated component.	Non-monetised: **Low** (ongoing costs largely recoverable for councils), **to medium (Crown regulator)**.	Medium – informed by DIA/HUD engagement and current DC administrative costs and Crown regulator costs.
Others (e.g. wider govt, consumers)	Potential indirect impact on housing affordability if levies passed through to prices; mitigated by phased implementation and efficiency incentives.	Non-monetised: **Low to Medium** (depends on market conditions).	Low – limited empirical evidence; based on economic modelling assumptions.
Total monetised costs	*Not quantified at this stage; expected to be outweighed by benefits over long term.*	—	—
Non-monetised costs	*Compliance and administrative burden; affordability risk for some developments.*	Medium	Medium
Additional benefits of the preferred option compared to taking no action			
Regulated groups (developers)	Greater certainty and transparency; bespoke pathways for unanticipated development; first-mover recovery mechanism reduces risk for early investors.	Non-monetised: **Medium to High**	Medium – supported by stakeholder feedback.

Regulators (councils)	Improved cost recovery; reduced reliance on rates; flexibility to fund unanticipated growth; stronger price signals for efficient urban form.	Non-monetised: **High**	High – based on current under-recovery data and levy modelling.
Others (e.g. wider govt, consumers)	More timely infrastructure delivery; improved housing supply; enhanced community amenities through clearer funding for growth-related assets.	Non-monetised: **High**	Medium – supported by policy modelling and sector feedback.
Total monetised benefits	Not quantified; expected to exceed costs over 30-year horizon due to avoided ratepayer burden and improved infrastructure efficiency.	—	—
Non-monetised benefits	Transparency, equity, and efficiency gains; stronger alignment of growth costs with beneficiaries; reduced cross-subsidisation through rates; more timely infrastructure delivery.	High	Medium

Further information on the preferred option

48. **Key assumptions:** Councils adopt levy policies consistent with legislative principles; compliance rates similar to current development contributions regime.

49. **Non-monetised impacts:** Rated based on stakeholder feedback and qualitative analysis of system improvements (e.g. transparency, flexibility, equity).

50. **Unintended impacts/risks:** Potential affordability concerns if councils set high levies without adequate phasing; mitigated by statutory requirements for consultation on development levy policies, and through levy remissions and reductions.

51. **Risks/uncertainties:** Actual cost recovery depends on growth patterns and council implementation; benefits contingent on timely legislative and regulatory rollout.

Section 3: Delivering an option

How will the new arrangements be implemented?

Overview and timing

52. The development levy system will be implemented through primary legislation, now expected to be introduced in 2026 following exposure draft consultation, with enactment in early 2027. Councils will transition to levy policies between 1 July 2027 and 1 July 2030. While initial timelines aimed to align with Long-Term Plans, this is no longer essential due to revised planning reform schedules; councils may implement development levies independently of LTP cycles.

53. Secondary legislation prescribing technical standards (such as levy calculation methodology, growth unit definitions, and disclosure requirements), will be developed following passage of the Bill in 2026–2027. Drafting instructions for regulations will be prepared after Cabinet confirms detailed policy settings in 2026, with regulations expected to come into force in 2027 to support councils' phased transition to development levies. DIA will provide implementation support, including templates, worked examples, model spreadsheets, and training materials, ahead of councils adopting levy policies between 2027 and 2030.

Roles and responsibilities

54. **Department of Internal Affairs:** DIA will lead implementation, prepare exposure draft consultation, develop secondary legislation, provide guidance and templates, and oversee regulatory arrangements until a permanent regulator is established. If needed, interim oversight will focus on transparency and compliance, requiring councils to disclose levy policies, assumptions, and actual and forecast costs, and apply standardised methodologies for levy calculation, with powers to impose additional disclosure requirements or require independent audits where levies are misapplied. Financial implications of regulatory oversight will be addressed in future proposals.

55. **Councils:** Adopt levy policies during the 2027–2030 transition period (not necessarily aligned with Long-Term Plans), calculate and collect levies using standardised methodology, maintain records, and comply with disclosure requirements.

56. **Water service providers:** May set and administer levies for water services where applicable, though adoption is likely delayed due to water reform transitions.

57. **Development levy system regulator (**future role): Subject to Cabinet decisions, regulate development levies through a graduated approach starting with information disclosure, with potential expansion to compliance and dispute resolution.

Consultation and engagement

58. Ongoing engagement will occur through working groups with key stakeholders such as developers, iwi/Māori organisations, and infrastructure providers (e.g. councils, water service providers and NZTA). These working groups will be consulted on regulations and guidance. Engagement will focus on levy methodology and disclosure standards.

Communications and compliance

59. DIA will lead a communications strategy to ensure councils and developers understand their responsibilities. Support will include:

- Guidance documents and FAQs.
- Model levy policies and calculation templates.
- Training sessions and webinars.
- Public-facing information to explain levy purpose and protections against double-charging.

Implementation Risks and Mitigations

60. Table 8 identifies key implementation risks and mitigations. Monitoring and evaluation arrangements will be detailed in the next section. DIA will maintain a system issues log and integrate levy oversight into existing local government regulatory stewardship frameworks. Early review triggers will include evidence of systemic under-recovery, affordability impacts, or misuse of levy powers.

Table 6. Summary of implementation risks and mitigations.

Risk Description	Mitigation
Councils misapply levy methodology or disclosure standards	DIA provides templates, training, and audits under interim regulatory powers if needed
Cross-subsidisation through rates or within the levy system	Statutory rules on levy use and mandatory disclosure of levy calculation assumptions

Developers accelerate consents to avoid higher levies	Operative date rules and phased transition requirements
Capacity constraints in councils	DIA support package including templates, worked examples, and training
Delay in secondary legislation	Early drafting instructions and stakeholder engagement to maintain timelines
Risk of challenges over levy area boundaries and methodology	Clear legislative criteria, simple appeal pathways focused on process.
Continued under-recovery due to political pressure to keep charges low and difficulty forecasting the growth costs of infrastructure	Clear legislative principles, standardised methodology, and transparency requirements to reduce under-recovery risk
Transition misalignment (misalignment with LTP cycles and spatial planning; confusion during phase-in)	Guidance on transition timing, flexibility to implement outside LTP cycles, and clear communication
Disputes and litigation (risk of challenges over levy area boundaries and methodology)	Standardised calculation rules in regulations, clear legislative principles, and dispute resolution pathways
Integration confusion (risk of double-charging when combining levies with targeted rates/IFF Act tools)	Mandatory disclosure of all charges and statutory safeguards against double-charging
Oversight burden (heavy-handed oversight could delay implementation; inadequate oversight leading to overcharging)	Proportionate regulatory approach focused on transparency and monitoring, with step-in powers for serious issues

How will the new arrangements be monitored, evaluated, and reviewed?

Purpose and approach

61. This section outlines how the development levy system will be monitored and evaluated to ensure it delivers the intended objectives of improved cost recovery, transparency, and flexibility. Monitoring and evaluation will form part of DIA's regulatory stewardship obligations and will be integrated with broader local government regulatory systems. The approach combines proactive data collection, stakeholder feedback mechanisms, and statutory review cycles to maintain system integrity and responsiveness.

Opportunities for feedback

62. Regulators, councils, developers, and other stakeholders will have multiple opportunities to raise concerns or suggest improvements. DIA will maintain a system issues log to capture feedback and record and respond to issues as they arise.

Monitoring mechanisms

63. Monitoring will occur through a regulatory regime focused on transparency and accountability. Councils will be required to disclose levy policies, assumptions, and actual and forecast costs, and apply standardised methodologies for levy calculation. DIA will review disclosures, maintain a central database, and monitor compliance

trends. Step-in powers will enable a regulator to impose additional disclosure requirements or require independent audits where misuse or misapplication of levy provisions is suspected. Interim oversight may be needed until a permanent regulator is established, starting with information disclosure and potentially expanding to compliance and enforcement.

Data collection and reporting

64. Additional data will be collected to support monitoring, including levy schedules, growth cost assumptions, demand unit calculations, and compliance with disclosure standards.

65. Growth cost assumptions refer to the estimates councils use to determine the infrastructure costs associated with supporting new development. These assumptions underpin levy calculations and must be based on transparent, standardised methods set in regulations. Demand unit calculations describe how councils measure expected demand for services, such as water or transport, using units like Household Unit Equivalents. Clear definitions and disclosure requirements will ensure these technical elements are applied consistently across councils and understood by stakeholders.

66. Open-data principles will apply where appropriate to enhance transparency for developers and communities. Over time, data requirements will be formalised in secondary legislation and integrated into the regulator's information disclosure framework to enable benchmarking and comparative analysis across councils.