

Property Council New Zealand

Submission on

Waipā District Council's Long-Term Plan

09 June 2025

For more information and further queries, please contact

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Waipā District Council

By consultation website: <https://haveyoursay.waipadc.govt.nz/>

Waipā District Council Long Term Plan 2025-34

1. Summary

- 1.1 Property Council New Zealand Central Committee (“Property Council”) welcomes the opportunity to provide input on [Waipā District Council Long Term Plan 2025-34](#). It is vital that Waipā District Council implements a Long-Term Plan that is financially responsible whilst continuing to invest in building a thriving community that can live, work, shop and play in Waipā.
- 1.2 Property Council support numerous elements of Waipā District Council’s proposed Long-Term Plan, such as the long-term aspiration and forecasting for growth. However, we are concerned about the proposed approach to rates and development contribution fees.

2. Recommendations

- 2.1 At a high level we recommend that Waipā District Council:
 - Reduce the proposed rates increase to better reflect the financial reality of commercial and industrial businesses;
 - Investigate alternative funding and financing mechanisms;
 - Pause its draft development contributions review until the new levy system is in place; and
 - Implement benchmarks or targets for climate change mitigation and adaptation.

3. Introduction

- 3.1 Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive”.
- 3.2 The property sector shapes New Zealand’s social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand.
- 3.3 Property is the second largest industry in the Waikato. There are around \$197.5 billion in property assets across the Waikato, with property providing a direct contribution to GDP of \$2.9 billion and employment for 22,100 Waikato residents.
- 3.4 Property Council is the collective voice of the property industry. We connect property professionals and represent the interests of 74 Waikato based member companies across the private, public, and charitable sectors.
- 3.5 This document provides Property Council’s feedback on the proposed changes to [Waipā District Council Long Term Plan 2025-34](#) and the [Draft Development Contributions Policy](#). Comments and recommendations are provided on issues relevant to Property Council’s members.

4. Rates

- 4.1 Property Council does not support Waipā District Council's proposed increase of rates to 15.5 per cent for 2025/26. Over the first three years of the Long-Term Plan, Waipā District Council is proposing a cumulative increase of 33.1 per cent in rates. Whilst we understand Waipā District Council is facing increased financial pressures from inflation in the post-COVID years and reduced revenue from a shortfall of growth, we do not think a large increase in rates is a feasible solution.
- 4.2 A significant increase in rates will place financial pressure on the private sector. Existing businesses and building owners will be forced to recover these costs through increased rents or a reprioritisation of finances which may leave owners unable to invest in improving their business and carrying out upgrades and/or maintenance.
- 4.3 Waipā District Council have proposed no change to the current business differentials which currently sits at 1.9 for commercial properties and 1.5 for industrial properties. Businesses in Waipā face significant financial pressure when their rates are compounded by differentials alongside Council fees and charges and any targeted rates. Property Council support an approach which is fair and transparent for businesses. Rating Differentials are collected as general rates and are not transparent with their spending.
- 4.4 It is important that businesses are encouraged to invest and operate within Waipā so it can become a thriving community where people want to work, play, live and shop. We encourage Waipā District Council to investigate alternative funding and financial models that are transparent and encourage a user-pays system.

5. Alternative funding and financing models

- 5.1 We acknowledge Waipā District Council's current position on the funding mechanism provided under the *Infrastructure Financing and Funding Act 2020*. However, we think this is a strategic funding mechanism that allows for Council's debt to sit off their balance sheet. This would free up cashflow for Waipā District Council and accelerate growth-related investment into the region. We suggest Waipā District Council remain open to this funding mechanism as an avenue that allows investment into high-impact infrastructure that would otherwise be constrained by traditional funding mechanisms.
- 5.2 We encourage Waipā District Council to continue to investigate alternative funding and financing models, such as targeted rates, public-private partnerships or special purpose vehicles (SPVs) that allow for greater resource and strategic finance. These models also align with the legislative principles of transparency and objectivity for local government funding under *the Local Government Act 2002* and *the Local Government (Rating) Act 2002*. It is important that decisions on funding and rates must be made with reference to the groups that benefit from it and the way in which different groups contribute to the need for funding.

Regional Deals

- 5.3 We are pleased to see Waipā District Council has noted they will make the most of incentives provided by Central Government for funding opportunities like regional deals. Property Council encourages Waipā District Council to actively pursue greater financial support and investment

from Government to improve infrastructure outcomes and help unlock Waipā as a vibrant place to live.

6. Development Contributions

- 6.1 Waipā District Council is proposing to significantly increase development contribution fees (“DCs”) to fully fund growth related projects. We estimate this will be an average increase of around 30-60% dependent on growth cell location and type of development. For example, one of the more significant DC increases is in Cambridge/Karāpiro at 104 per cent. Property Council strongly oppose such a rapid increase when there has been a Minister announcement of an overhaul to the development contribution scheme scheduled to take place in 4 months’ time.
- 6.2 In March 2025, the Government announced its plans to overhaul the development contribution fees and replace them with developer levies. Legislation enabling development levies will occur in September 2025 and enacted in mid-2026. We recommend a pause in any changes until legislation is established, and Waipā District Council can make changes in line with the newly proposed scheme. This will reduce regulatory complexities for the Council and ensure more certainty for developers who currently have projects in the pipeline or are scoping out Waipā as an area to invest in.
- 6.3 Development contribution fees can either enable or stifle development. The proposed increases when examined individually may appear manageable, but their cumulative effect with other costs developers pay risks substantially elevating development costs and deterring investment. Given Waipā District Council's substantial infrastructure investments and projected growth trajectory, excessive DCs could inadvertently redirect business interest to more cost-competitive regions. We urge a strategic approach that maintains the region's attractiveness to investors while ensuring appropriate infrastructure funding.
- 6.4 Planned developments may be postponed, paused or cancelled due to increased costs. This has substantial flow-on effects for people in Waipā who are typically employed by these projects. As developers look to make projects more financially feasible, a smaller typology of housing is likely to be developed which reduces the delivery of more affordable housing. Flow-on effects also extend to buyers and renters as any additional costs that developers have to pay through DCs will be passed on to the new owner, buyer or occupier making housing and property more expensive in the Waipā region.
- 6.5 Property Council is concerned Waipā District Council has placed an overreliance on Development Contributions to reduce their debt ratio in years 4-9 of the Long-Term Plan. The Council has forecasted significant growth in certain areas but an overreliance on Development Contribution funding may make the region unattractive for development. Property Council is concerned that with increasing development contribution fees disincentivising investment into Waipā, the Waipā District Council may struggle to reach their anticipated revenue. We urge Waipā District Council to seek out alternative funding and financing models as discussed above.

7. Growth forecasting

- 7.1 We acknowledge the Auditor General has raised concerns about Waipā’s forecasted growth. We do agree with the Auditor General’s comments around Waipā District Council’s water modelling as it is more financially prudent to model off the outcome anticipated, however, we understand the complexity of the Council’s consultation process.

7.2 However, we support the Waipā District Council in a future-focussed approach that looks to bring more vibrancy into the region. We are encouraged by Waipā District Council setting aside 130 hectares of land for industrial and commercial development as we believe Waipā is strategically placed to encourage great industrial investment.

8. Climate change resilience

8.1 We support a long-term plan that builds climate change mitigation and adaptation into Waipā District Council's governance. We are encouraged by the decision to allocate funding for district-wide risk assessment, emissions reduction pathways and integration with infrastructure planning. The next step would be for Waipā District Council to implement certain targets or benchmarks into their planning as this would assure long-term commitment and accountability towards Climate Change and its potential impacts on Waipā.

9. Conclusion

9.1 Property Council oppose the proposed increases to rates and development contribution fees. At a time when Waipā's growth ambitions require significant private sector investment, these substantial cost increases risk investors looking elsewhere for greater certainty, transparency and economically feasible opportunities. We encourage Waipā District Council to seek out alternative funding and financing models that better ensure growing, thriving and liveable communities.

9.2 We strongly recommend Waipā District Council pause its development contribution review until the new developer levy system comes into force, reducing the amount of change and providing more certainty for the sector.

9.3 Property Council members invest, own, and develop property in Waipā. We thank Waipā District Council for the opportunity to provide feedback on the Long Term Plan 2025-34. Any further enquires do not hesitate to contact Bella Leddy Junior Advocacy Advisor via email: bella@propertynz.co.nz or cell: 029 778 6114.

Yours Sincerely,



Morgan Jones

Central Committee Chair