

DEVELOPMENT CONTRIBUTIONS POLICY

2024

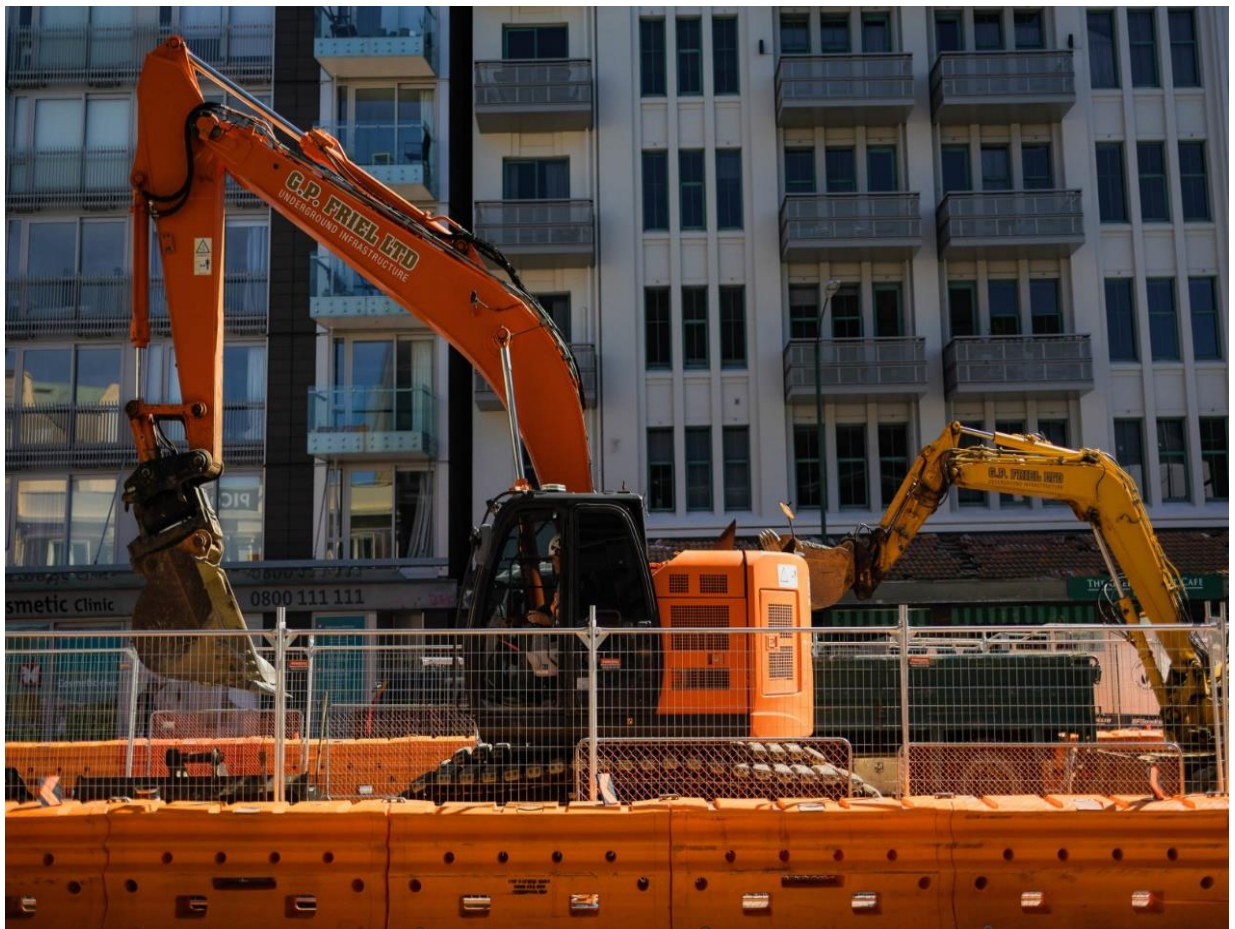


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INTRODUCTION

1 Purpose of the Policy

- 1.1 Population and business growth create the need for new subdivisions and developments, which place increasing demands on the various assets and services provided by Wellington City Council (the Council). As a result, significant investments in new and upgraded assets are required to provide for growth over the long term.
- 1.2 The Council's Development Contributions Policy (the Policy) helps ensure that a fair, equitable, and proportionate share of new or expanded infrastructure required for growth is funded directly by developers.

2 Adoption, application and review of the policy

- 2.1 The Policy was first adopted in June 2005 and amended in 2006, 2007, 2009, 2014, 2015 and 2022. This version of the Policy was adopted by the Council on 26 September 2024 and takes effect from 1 November 2024.
- 2.2 The Policy will continue to be reviewed at least triennially alongside the Long Term Plan (LTP), but may be reviewed more frequently by the Council, if/as required.

3 Navigating this document

- 3.1 This Policy describes the Council's approach to funding growth-related infrastructure via development contributions (DCs) under the Local Government Act 2002 (LGA02), and financial contributions (FCs) under the Resource Management Act 1991 (RMA). It comprises three parts:
 - a. Part 1: Policy operation
 - b. Part 2: Policy background and supporting information
 - c. Part 3: Policy maps.
- 3.2 Each part is briefly described below to help readers locate the most relevant information within this document.

Part 1: Policy operation

- 3.3 Part 1 explains whether and how DCs and FCs may apply to each development. Specifically, it addresses the following matters.
 - a. The DC charges set by asset type and geographic area

- b. Liability for DCs
- c. When DCs are levied
- d. Determining infrastructure demands
- e. Review rights
- f. Other operational matters
- g. Summary of FCs
- h. Definitions

Part 2: Background and supporting information

3.4 Part 2 provides background information required by the LGA02, including an explanation of how DCs are calculated. It covers the following issues.

- a. The requirement to have a DC Policy
- b. Funding summary
- c. Funding policy summary
- d. Catchment determination
- e. Significant assumptions of the Policy
- f. Cost allocation
- g. Calculating DC charges
- h. Schedule 1 DC calculations
- i. Schedule 2 Capital works funded (at least partly) by DCs

Part 3: Policy catchment maps

Part 3 provides maps showing the catchments (or geographic areas) used in this Policy to set sub-city charges, if/where they apply.

Part 1: POLICY OPERATION

4 The charges

- 4.1 The Council charges catchment specific DCs for water supply, wastewater, stormwater, transport, community facilities and parks and reserves. The catchments used for the purposes of these charges are mapped in Part 3 of the Policy.
- 4.2 The resulting DC charges per household unit equivalent (HUE) for each activity in each catchment are listed in Table 1. See *Section 7 Determining infrastructure demands* for an explanation of a HUE.
- 4.3 DCs may be levied for the following activities.
 - a. Water supply
 - b. Wastewater
 - c. Stormwater
 - d. Transport
 - e. Reserves
 - f. Community infrastructure
- 4.4 For each activity for which DCs apply, the amount levied is calculated by multiplying the number of additional HUEs created by the development by the charge per HUE for that activity. These activity-level DC charges are then aggregated to yield the total amount payable per development.
- 4.5 It is important to note that only additional HUEs attract DCs. For example, a residential unit demolished and replaced by two new ones would attract only one HUE worth of charges, because the development creates only one additional HUE.
- 4.6 The Council's DC charges may be adjusted for inflation annually in line with the Producers Price Index - Outputs for Construction, as permitted by sections 106 (2B) and (2C) of the LGA02. Tables 1 and 2 outline the current charges per HUE, which are effective from 1 November 2024.

Table 1: Residential charges per HUE (all GST exclusive)

Residential fees	Community Infrastructure Type					Residential Category fees			
	Citywide Residential*	Catchment Fees				Residential Unit	Small Residential Unit	Age Care Unit	Retirement Village Unit
Water		Wastewater	Transport	Parks & Reserves					
A Roseneath	\$8,265	\$3,430	\$1,244	\$0	\$0	\$12,940	\$8,670	\$2,831	\$3,942
B Karori	\$8,265	\$1,810	\$2,562	\$0	\$0	\$12,638	\$8,467	\$2,710	\$3,791
C Beacon Hill	\$8,265	\$0	\$1,244	\$0	\$0	\$9,509	\$6,371	\$1,459	\$2,227
D Brooklyn - Frobisher	\$8,265	\$1,653	\$1,244	\$0	\$0	\$11,163	\$7,479	\$2,120	\$3,054
E Kelburn	\$8,265	\$0	\$1,244	\$0	\$0	\$9,509	\$6,371	\$1,459	\$2,227
F Johnsonville-Onslow	\$8,265	\$1,662	\$1,244	\$0	\$0	\$11,172	\$7,485	\$2,124	\$3,059
G Ngaio	\$8,265	\$0	\$1,244	\$0	\$0	\$9,509	\$6,371	\$1,459	\$2,227
H Maldive	\$8,265	\$0	\$1,244	\$0	\$0	\$9,509	\$6,371	\$1,459	\$2,227
I Churton-Stebbing	\$7,497	\$3,086	\$758	\$4,880	\$0	\$16,221	\$10,868	\$2,680	\$4,119
J Grenada-Lincolnshire	\$7,497	\$4,286	\$758	\$16,973	\$1,274	\$30,788	\$20,628	\$4,433	\$7,265

K Maupuia	\$8,265	\$0	\$1,244	\$0	\$0	\$9,509	\$6,371	\$1,459	\$2,227
L Newlands	\$8,265	\$864	\$758	\$0	\$0	\$9,887	\$6,625	\$1,610	\$2,416
M Melrose	\$8,265	\$1,864	\$2,562	\$0	\$0	\$12,691	\$8,503	\$2,732	\$3,818
N Central & Coastal	\$8,265	\$3,238	\$1,244	\$0	\$0	\$12,748	\$8,541	\$2,754	\$3,846
O Tawa	\$8,265	\$0	\$758	\$0	\$0	\$9,024	\$6,046	\$1,265	\$1,985
P Wadestown	\$8,265	\$2,611	\$758	\$0	\$0	\$11,635	\$7,796	\$2,309	\$3,290
Q Inner city (Residential)	\$8,265	\$3,238	\$1,244	\$0	\$6,110	\$18,857	\$12,634	\$3,060	\$4,457
R Johnsonville Town Centre	\$8,265	\$1,662	\$1,244	\$2,575	\$0	\$13,746	\$9,210	\$2,381	\$3,573
Rural	\$7,208	\$0	\$0	\$0	\$0	\$7,208	\$4,829	\$538	\$1,076
S Adelaide Road	\$8,265	\$3,238	\$1,244	\$1,912	\$0	\$14,660	\$9,822	\$2,945	\$4,229
T Pipitea Precinct (Residential)	\$8,265	\$3,238	\$1,244	\$1,746	\$6,110	\$20,604	\$13,804	\$3,234	\$4,807

*

Citywide residential fee breakdown per HUE				
City-wide Water	City-wide Wastewater	City-wide Transport	City-wide Parks & Reserves	City-wide Community facilities
\$768	\$290	\$3,557	\$2,396	\$1,255

<i>HUE Conversion ratios</i>					
	<i>Water</i>	<i>Wastewater</i>	<i>Transport</i>	<i>Parks & Reserves</i>	<i>Community facilities</i>
<i>Residential Unit</i>	1.00	1.00	1.00	1.00	1.00
<i>Small Residential Unit</i>	0.67	0.67	0.67	0.67	0.67
<i>Aged Care Unit</i>	0.40	0.40	0.10	0.05	0.05
<i>Retirement Village Unit</i>	0.50	0.50	0.20	0.10	0.10

Table 2 Non-residential charges (all GST exclusive)

Non-Residential fees	Community Infrastructure Type				Non-residential category fees		
Policy Catchments	Citywide Non-Residential (100m² GFA)*	Catchment			Commercial (100m² GFA)	Retail (100m² GFA)	Industrial (100m² GFA)
		Water (100m² GFA)	Wastewater (100m² GFA)	Transport (100m² GFA)			
A Roseneath	\$4,615	\$3,430	\$1,244	\$0	\$6,275	\$8,409	\$3,320
B Karori	\$4,615	\$1,810	\$2,562	\$0	\$6,169	\$8,303	\$3,230
C Beacon Hill	\$4,615	\$0	\$1,244	\$0	\$5,074	\$7,208	\$2,291
D Brooklyn -Frobisher	\$4,615	\$1,653	\$1,244	\$0	\$5,653	\$7,787	\$2,787
E Kelburn	\$4,615	\$0	\$1,244	\$0	\$5,074	\$7,208	\$2,291
F Johnsonville-Onslow	\$4,615	\$1,662	\$1,244	\$0	\$5,656	\$7,790	\$2,790
G Ngaio	\$4,615	\$0	\$1,244	\$0	\$5,074	\$7,208	\$2,291
H Maldive	\$4,615	\$0	\$1,244	\$0	\$5,074	\$7,208	\$2,291
I Churton-Stebbings	\$3,847	\$3,086	\$758	\$4,880	\$11,840	\$16,902	\$5,267
J Grenada-Lincolnshire	\$3,847	\$4,286	\$758	\$16,973	\$26,772	\$39,091	\$11,069
K Maupuia	\$4,615	\$0	\$1,244	\$0	\$5,074	\$7,208	\$2,291
L Newlands	\$4,615	\$864	\$758	\$0	\$5,206	\$7,341	\$2,405

M Melrose	\$4,615	\$1,864	\$2,562	\$0	\$6,188	\$8,322	\$3,246
N Central & Coastal	\$4,615	\$3,238	\$1,244	\$0	\$6,207	\$8,342	\$3,263
O Tawa	\$4,615	\$0	\$758	\$0	\$4,904	\$7,038	\$2,146
P Wadestown	\$4,615	\$2,611	\$758	\$0	\$5,818	\$7,952	\$2,929
Q Inner city (Non-Residential)	\$4,615	\$3,238	\$1,244	\$0	\$9,097	\$8,342	\$3,263
R Johnsonville Town Centre	\$4,615	\$1,662	\$1,244	\$2,575	\$8,745	\$12,424	\$3,948
Rural	\$3,557	\$0	\$0	\$0	\$4,268	\$6,773	\$1,601
S Adelaide Road	\$4,615	\$3,238	\$1,244	\$1,912	\$8,502	\$11,783	\$4,123
T Pipitea Precinct (Non-Residential)	\$4,615	\$3,238	\$1,244	\$0	\$6,207	\$8,342	\$3,263

*

Citywide Non-Residential fee breakdown			
	City-wide Water	City-wide Wastewater	City-wide Transport
\$/100m² GFA	\$768	\$290	\$3,557

HUE Conversion ratios					
	Water	Wastewater	Transport	Parks & Reserves	Community facilities
Commercial	0.35	0.35	1.20	0.00	0.00
Retail	0.35	0.35	1.80	0.00	0.00
Industrial	0.30	0.30	0.45	0.00	0.00

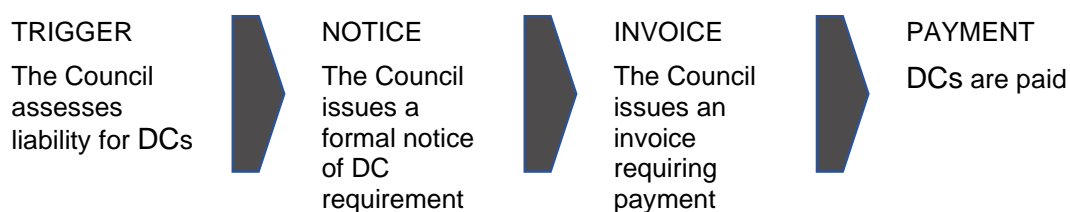
- 4.7 Where a development falls across two or more catchments the units of demand will be assessed separately for each catchment. The total DCs payable will be the sum of the DCs calculated for each area.
- 4.8 Where a development crosses the Council boundary into another district, the Council will only assess that part of the development which is inside Wellington City.

5 Liability for development contributions

- 5.1 Developments that create demand for capital expenditure by the Council to service growth may need to pay DCs under this Policy. DCs may apply to developments within the areas shown in the Maps in Part 3 of this Policy.
- 5.2 Development of new community facilities (for which DCs apply) means that areas not previously subject to DCs under this Policy may become so. For example, a development comprising a newly created section in a subdivision may be liable for DCs for new community facilities even when previously constructed houses within the same subdivision were not.
- 5.3 In some circumstances, DCs may not apply or may be reduced. Refer *Section 6 When development contributions are levied*, *Section 7 Determining infrastructure demand - credits*, and *Section 9 Other operational matters - Limitations on imposing development contributions*.

6 When/how development contributions are levied

- 6.1 The Council may assess liability for DCs at specific points within the property development process, namely when an application for resource consent, building consent, certificate of acceptance, or service connection is submitted. Resource consents for land use and unit title subdivision will only be assessed for DCs if a building consent will not be required.
- 6.2 Once all necessary information associated with an application for a resource consent, building consent, certificate of acceptance, or service connection has been provided, the standard process for assessing and requiring the payment of DCs is as follows:



- 6.3 The Council will usually assess liability for DCs at the earliest available opportunity. However, an assessment will generally not be made at the time of resource consent for land use or unit title subdivision, where it is anticipated that a building consent will be required. The Council reserves the right to reassess liability for DCs on subsequent applications if DCs have not yet been assessed, or if the scale or nature of the development has changed over time.
- 6.4 DCs will be assessed under the specific version of this Policy that is in force at the time the application for resource consent, building consent, certificate of acceptance, or service connection that triggers the assessment of DCs is submitted with all required information.

Initial assessment

- 6.5 On receiving an application for resource consent, building consent, certificate of acceptance, or service connection, the Council will assess whether:
- a. the application is for a development that generates a demand for community facilities (reserves, community infrastructure or network infrastructure).
 - b. the effect of the development (either alone or together with other developments) requires new or additional assets, or assets of increased capacity, in terms of reserves, community infrastructure or network infrastructure, and the Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by the Council in anticipation of growth.
 - c. This policy provides for a DC to be required in the circumstances.
- 6.6 The Council has identified the assets and areas that are likely to meet the requirements of (b) and (c), and these are outlined in Part 2 Schedule 2 (Past and future assets funded by DCs) and Part 3 (DC catchment maps).
- 6.7 DCs will not be required if, and to the extent that:
- a. a development does not generate additional demands for community facilities (such as a boundary adjustment).
 - b. one of the circumstances outlined in *Section 9 Other operational matters - Limitations on imposing development contributions applies*.
 - c. credits apply as outlined in *Section 7 Determining infrastructure impact - Credits*.

- 6.8 If a subsequent resource consent (including a change to a condition of a resource consent), building consent, certificate of acceptance, or service connection is sought for a development, a new assessment may be undertaken under the Policy in force at the time of the new application. Any increase or decrease in the number of HUEs, relative to the original DCs assessment, will be calculated and the contributions adjusted to reflect this.
- 6.9 This means the Council will require additional DCs where additional units of demand are created, and DCs for those additional units of demand have not already been required. On the contrary, if the units of demand are reduced, the respective DCs will be reduced accordingly.
- 6.10 Examples of where additional DCs may apply after a subsequent trigger event include:
- a. minimal DCs have been levied on a commercial development at resource consent for subdivision or land use stage as the type of development will only be known at building consent stage.
 - b. DCs levied at the resource consent for subdivision or land use stage are for a small residential unit, but the residential unit is larger when built or is subsequently extended.
 - c. The nature of the land use has changed, for example from a low infrastructure demand commercial use to a high infrastructure demand industrial use.
- 6.11 The Council will work with the developer to evaluate the development and determine the initial assessment of DCs. Initial assessments are in draft and can be amended by the Council until a DC notice is issued.

Notice

- 6.12 A DC notice will normally be issued when a subdivision resource consent, building consent, certificate of acceptance, or service connection authorisation is granted. The notice outlines the relevant activities and the number of HUEs assessed for DCs, plus the charges that will apply. It also triggers rights to request a DC reconsideration or to lodge an objection (refer *Section 8 Review rights*).
- 6.13 If multiple consents or authorisations are being issued for a development, a DC notice may be issued for each part.
- 6.14 DC notices do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985.

Invoice

- 6.15 An invoice for DCs will be issued to provide an accounting record and to initiate the payment process. The timing of the invoice is different for different types of consents or authorisations (see Table 3).

Table 3: Invoice timing

Assessment Point	Invoice timing
Building consent	At the time of applying for a code compliance certificate (CCC)
Certificate of acceptance	Before the issue of the certificate of acceptance
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the RMA (the 224(c) certificate). An invoice will be issued for each stage of a development for which the 224(c) certificates are sought, even where separate stages are part of the same consent
Resource consent (other)	At the date of grant of the resource consent
Service connection	At the time of applying for a service connection for water, wastewater or stormwater services

6.16 Notwithstanding the provisions above, if a DC required by the Council is not invoiced at the specified time due to an error or omission on the Council's part, an invoice will still be issued when the error or omission is identified. The DC remains payable.

Payment

6.17 DCs must be paid by the due time specified in Table 4.

Table 4: Payment due time

Assessment Point	Payment due time
Building consent	Prior to the issue of the CCC
Certificate of acceptance	At the issue of the certificate of acceptance
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA
Resource consent (other)	The 20 th day of the month following the issue of the invoice, unless the Council agrees to different payment timing for large-scale multi-stage developments.
Service connection	At the issue of the approval for connection

6.18 Prompt payment of DCs is important because, until paid in full, the Council may:

- withhold a certificate under section 224(c) of the RMA
- withhold a code compliance certificate under section 95 of the Building Act 2004
- withhold a service connection to the development
- withhold a certificate of acceptance under section 99 of the Building Act 2004.

6.19 Where invoices remain unpaid beyond the payment terms set out here, Council may commence debt collection proceedings, which may involve the use of a credit recovery agent. Council may also register the DC under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the DC is required.

7 Determining infrastructure demand

- 7.1 To enable a consistent method of charging for DCs, the Policy adopts a standard residential unit as its base unit of demand, and then expresses the demands of all other developments relative to that using a concept known as the “Household Unit Equivalent” or “HUE”.
- 7.2 In general, the number of HUEs charged depends on the number and nature of the residential units being created, in accordance with Tables 5 and 6 below.
- 7.3 For non-residential developments, the number of HUEs is usually expressed per 100m² of additional gross floor area (GFA) created or impervious surface area (ISA) for stormwater.
- 7.4 Table 5 below summarises the HUEs applied to different types of development identified in the Policy, including the conversion ratios used.

Table 5: HUE payable per type of development

Activities	HUEs per unit				HUEs per 100m ² GFA/ISA		
	Retirement village unit	Aged care unit	Small residential unit	Standard residential unit	Commercial	Retail	Industrial
Water	0.50	0.40	0.67	1.00	0.35	0.35	0.30
Wastewater	0.50	0.40	0.67	1.00	0.35	0.35	0.30
Stormwater	0.50	0.40	0.67	1.00	0.35	0.35	0.30
Transport	0.20	0.10	0.67	1.00	1.20	1.80	0.45
Reserves	0.10	0.05	0.67	1.00	0.00	0.00	0.00
Community facilities	0.10	0.05	0.67	1.00	0.00	0.00	0.00

- 7.5 By default, residential subdivisions will generally be levied one HUE per new lot created for each activity in the table above.
- 7.6 When calculating the number of HUEs for a residential subdivision, Council will adjust the assessment to account for any:
- Credits relating to the site (refer to the Credits section below).
 - Allotment which, by agreement, is to be vested in Council for a public purpose.
 - Allotment required as a condition of consent to be amalgamated with another allotment.

Special assessments

- 7.7 Developments sometimes require a special level of service or are of a type or scale which is not readily assessed in terms of HUEs – such as large-scale primary sector processors or service stations. In these cases, the Council may decide, either on request or on its own initiative, to undertake a special assessment of the HUEs applicable to the development. In general, special assessments of residential developments will not be considered.
- 7.8 Without limiting the Council’s discretion, when determining a special assessment, the demand measures set out in Table 6 below will be used as a guide.

Table 6: Base units of demand

Type of community facility and network	Usage measure per HUE
Water supply	780 litres per day (Water loading units calculated using the number and type of proposed water fixtures and based on reservoir storage requirement)
Wastewater	585 litres per day (75% of the water supply input and conservation systems are not considered)
Stormwater	250 m ² ISA (50% of the average land size for a detached house)
Traffic and roading	10 trips per day (by all traffic modes)
Reserves	20m ² (Maximum to be charged under LGA02 and the Council will only take monetary contribution in practice)

- 7.9 Any application for a special assessment must be accompanied by the fee payable to recover the Council’s actual and reasonable costs incurred, including Council staff’s hourly rate. The fee will be assessed at the time of the application. The Council may charge additional fees to meet the Council’s actual costs, should they be materially higher than initially assessed.
- 7.10 If a special assessment is undertaken, the Council may require the developer to provide information on the demand for community facilities generated by the development. The Council may also carry out its own assessment of demand for community facilities and may determine the applicable DCs based on its assessments.

Credits

- 7.11 Credits acknowledge that a lot, home, or business may already be connected to, or make use of, one or more Council services, or that a development contribution has been paid previously. Credits can reduce or even eliminate the need for a DC. Credits cannot be refunded and can only be used for development on the same site and for the same service for which they were created.
- 7.12 Council issues credits for the number of HUEs for which DC were previously paid and/or for the existing or most recent prior use of the site. For example, if an existing residential unit is demolished and replaced by two new ones, a credit will be issued for the existing residential unit so that DCs are payable only for the additional residential unit created (over and above what previously existed on the site). For residential allotments existing as at 1 July 2005, one credit will be granted for each HUE.
- 7.13 Table 7 illustrates how standard credits are given under different situations.

Table 7: Standard credits

	Credit for each service for which a development contribution has been paid	Credit for urban lots that existed before 1 July 2005	Credit for lawfully connected service as at 1 July 2024	Rural Residential lots that existed BEFORE 1 July 2005	Rural lots that existed BEFORE 1 July 2024
Residential units or lots	The number of HUEs	1 HUE for all services	1 HUE for the service(s) connected	1 HUE	1 HUE for any residential units on a lot as at 1 May 2024*

Non-residential buildings or lots		A 'before and after' assessment of demand, using a special assessment or the conversion factors set out in Table 6, will be undertaken to determine credits and any increase in demand on services. Council will be guided by actual use over the period up to 5 years prior to the lodgement of the application when making this assessment.
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*Roading, community infrastructure, and reserves only.

8 Review rights

8.1 Developers are entitled under the LGA02 to request a reconsideration or lodge a formal objection if they believe the Council has made a mistake in assessing the level of DCs for their development.

Reconsideration

- 8.2 Reconsideration requests are a process that formally requires the Council to reconsider its assessment of DCs for a development. Reconsideration requests can be made where the developer has grounds to believe that:
- a. the DC levied was incorrectly calculated or assessed under the Policy.
 - b. the Council has incorrectly applied the Policy
 - c. the information the Council used to assess the development against the Policy, or the way that the Council has recorded or used that information when requiring a DC, was incomplete or contained errors.

- 8.3 To seek a reconsideration, applicants must lodge a reconsideration request within 10 working days of receiving the DC notice by emailing it to developmentcontributions@wcc.govt.nz.
- 8.4 Applications with insufficient information or without payment of the associated fee will be returned to the applicant, with a request for additional information or payment.
- 8.5 Once the Council has received all required information, the request will be considered by a designated DC advisor and the Council's infrastructure advisors. Before reaching their decision, they will consider all of the information supplied by the applicant and apply the requirements of the Policy, along with any other relevant information. The reconsideration may confirm the original assessment, or increase or decrease the amount of DCs required.
- 8.6 Notice of the Council's decision will be given to the applicant within 15 working days from the date on which the Council received all the required relevant information relating to the request.
- 8.7 The Council will not accept any reconsideration request received after the 10 working day period, or where an objection has already been lodged under section 199C of the LGA02.
- 8.8 The Council reserves the right to reconsider an assessment if it believes an error has been made.

Objections

- 8.9 Objections are a more formal process that allows developers to seek a review of the Council's decision. Developers have the right to pursue an objection regardless of whether a reconsideration request has been made. A panel of up to three independent commissioners will consider an objection. The decision of the commissioners is binding on the developer and the Council, although either party may seek a judicial review of the decision.
- 8.10 Objections may only be made on the grounds that the Council has:
 - a. failed to properly take into account features of the development that would, on their own or cumulatively with other developments, substantially reduce the impact of the development on requirements for community facilities in the city or parts of the city.
 - b. required a DC for community facilities not required by, or related to, the development, whether on its own or cumulatively with other developments.
 - c. required a DC in breach of section 200 of the LGA02.
 - d. incorrectly applied the Policy to the development.

- 8.11 Schedule 13A of the LGA02 sets out the objection process. To pursue an objection, an applicant must:
- a. lodge the request for an objection within 15 working days of receiving the development contribution notice, or within 15 working days of receiving the outcome of any request for a reconsideration.
 - b. lodge the request by email to: developmentcontributions@wcc.govt.nz, noting the grounds for the objection and providing any supporting information.
 - c. pay a deposit to cover potential reasonable costs for the Council.
- 8.12 Applicants for objections are liable for the Council's actual and reasonable costs incurred in the objection process. These costs include staff's time for arranging and administering the objection process, commissioner's time, and other costs incurred by the Council associated with any hearings such as room hire and associated expenses, as provided by section 150A of LGA02. However, applicants are not liable for the fees and allowances costs associated with any Council witnesses.

9 Other operational matters

Refunds

- 9.1 Sections 209 and 210 of the LGA02 state the circumstances where DCs must be refunded, or land returned. In summary, the Council will refund DCs paid if:
- a. the resource consent:
 - i. lapses under section 125 of the RMA
 - ii. is surrendered under section 138 of the RMA
 - b. the building consent lapses under section 52 of the Building Act 2004
 - c. the development or building in respect of which the resource consent or building consent was granted does not proceed.
 - d. the Council does not provide the reserve or network infrastructure for which the DCs were required.
- 9.2 The Council will also provide refunds where overpayment has been made (for whatever reason).
- 9.3 The Council may retain any portion of a DC referred to above of a value equivalent to the costs incurred by the Council in relation to the development or building and its discontinuance.
- 9.4 The Council may retain a portion of a DC (or land) refunded of a value equivalent to:
- a. any administrative and legal costs it has incurred in assessing, imposing, and refunding a DC or returning land for network infrastructure or community infrastructure DCs.

- b. any administrative and legal costs it has incurred in refunding a DC or returning land for reserve DCs.
- 9.5 DCs for reserves are taken to support a 10-year programme. Consequently, a 10-year period shall apply for the purposes of section 210(1)(a) of the LGA02.

Limitations on imposing DCs

- 9.6 The Council is unable to require a DC in certain circumstances, as outlined in section 200 of the LGA02, if, and to the extent that:
- a. it has, under section 108(2)(a) of the RMA, imposed a condition requiring a FC on a resource consent in relation to the same development for the same purpose.
 - b. the developer will fund or otherwise provide for the same reserve, network infrastructure or community infrastructure.
 - c. a third party has funded or provided, or undertaken to fund or provide, the same reserve, network infrastructure or community infrastructure.
 - d. the Council has already required a DC for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance.
- 9.7 In summary, DCs will only be imposed where the same reserve, network infrastructure or community infrastructure is not being fully-funded by any other revenue or funding sources, or in-kind or vested assets, or the Council has already required a DC for the same purpose in respect of the same development.
- 9.8 In addition, the Council will not require a DC in any of the following cases.
- a. Except in the case of a new residential unit, building work for which a building consent has a GFA of less than 10m², unless the building consent is for a change of use.
 - b. The development is being undertaken by the Council. This exemption does not apply to developments undertaken by or on behalf of Council organisations, Council-controlled organisations or Council-controlled trading organisations, as defined in section 6 of the LGA02.
 - c. The conversion of an existing development into unit titles. This does not apply to any building consents required as part of any changes to existing units, which the Council will still assess to determine if DCs are applicable.
 - d. A building consent is for a bridge, dam (confined to the dam structure and any tail race) or other public utility.
 - e. The application for a resource or building consent, authorisation, or certificate of acceptance is made by the Crown.
 - f. In rural areas, and in the case of stormwater DCs, where no Council stormwater systems are provided.

- 9.9 However, the Council may require another DC to be made for the same purpose if there is an increase in the scale or intensity of the development since the original contribution has been paid.

Works and services conditions under the RMA

- 9.10 The Council may impose a condition under section 108(2)(c) of the RMA requiring works or services, in the form of isolated and localised infrastructure, to be undertaken to mitigate potential adverse effects arising from a proposed development. For instance, the Council may impose a condition of consent requiring retention tanks for delayed discharge of waste or storm water where there would otherwise be an adverse effect on the waste or storm water network if it was not provided. Such works are separate to the planned Council infrastructure funded by DCs, and cannot be used to offset liability for DCs or Financial Contributions.

Maximum development contributions for reserves

- 9.11 Section 203 of the LGA02 prohibits the Council from charging DCs for reserves that exceed the greater of:
- a. 7.5% of the value of the additional lots created by a subdivision
 - b. the value equivalent of 20m² of land for each additional household unit or accommodation unit created by the development.
- 9.12 If the reserves DCs would be more than 7.5% of the market value of a lot, as evidenced by registered valuer, the reserves DCs are capped at 7.5% of the valuation.
- 9.13 For example, the DCs for reserves Grenada-Lincolnshire is \$6,820 (GST inclusive) per HUE, which translates to 7.5% of an allotment value of approximately \$90,933. If the lot is valued at more than \$90,933, the reserves DC will be capped at 7.5% of the valuation of the lot.
- 9.14 The Council reserves the right to seek a second valuation from another registered valuer. If there is a material difference between valuations, the Council and the developer can agree to:
- a. use the average of the two valuations.
 - b. refer the matter to a third registered valuer for arbitration.

Postponement

- 9.15 Postponement of DC payment will only be permitted at the Council's discretion and usually only:
- a. for DCs over \$50,000
 - b. where a bond or guarantee equal in value to the payment owed is provided.

- 9.16 The request for postponement must be made before a payment becomes due.
- 9.17 Bonds or guarantees:
- a. will only be accepted from a registered trading bank.
 - b. shall be for a maximum period of 24 months beyond the normal payment date set out in the Policy, subject to later extension as agreed by Council.
 - c. will have an interest component added, at an interest rate of 2 percent per annum above the Reserve Bank 90-day bank bill rate on the day the bond or guarantee document is prepared. The bonded or guaranteed sum will include interest, calculated using the maximum term set out in the bond or guarantee document. If the Council agrees to an extension of the term of the bond or guarantee beyond 24 months, the applicable interest rate will be reassessed from the date of the Council's decision and the bonded or guaranteed sum will be amended accordingly.
 - d. shall be based on the GST inclusive amount of the contribution.
- 9.18 At the end of the term of the guarantee, the DC (together with interest) is payable immediately to the Council.
- 9.19 If the discretion to allow a bond is exercised, all costs for preparation of the bond documents will be met by the applicant.
- 9.20 When considering a request for postponement, the Council will take into account:
- a. the purpose of DCs, the Council's financial modelling, and Council's funding and financial policies.
 - b. the extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by the Council in its capital works programme.
 - c. any other matter(s) that the Council considers relevant.

Development agreements

9.21 The Council may enter into an agreement with a developer for the provision and/or funding of particular infrastructure, as enabled by sections 207A-207F of the LGA02. For activities covered by a development agreement, the provisions of that agreement take precedence over the DCs that would otherwise be assessed under the Policy.

Remissions

9.22 The Council may remit all or part of a DC at its sole discretion, but only in exceptional circumstances. Applications made under this clause will be considered on their merits and any previous decisions of the Council will not act as binding precedents.

9.23 Any request for remission must be made in writing and set out the reasons for the request. The request must be made:

- a. within 15 working days after the Council has issued a notice for the DC payable; and
- b. before the DC payment is made to the Council.

9.24 The Council will not allow retrospective remissions of DC.

9.25 The Council delegates to the chief executive officer, in conjunction with the Chair of the Regulatory Processes Committee of the Council, with authority to delegate to officers, the authority to make a decision on a request for remission.

9.26 When considering a request for remission, the Council will take into account:

- a. the purpose of DCs, the Council's financial modelling and the Council's funding and financial policies
- b. the extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by the Council in its capital works programme
- c. any other matters that the Council considers relevant.

10 Summary of financial contributions under the district plan

- 10.1 The Council may charge FCs under the RMA in the District for stormwater, wastewater, water supply, traffic and reserves.
- 10.2 Section 3.4 of the Operative Wellington City District Plan (District Plan) sets out the policies and rules for the imposition of conditions requiring FCs for land use and subdivision consents. These are distinct from and in addition to DCs taken under this Policy.
- 10.3 FCs may be imposed where individual developments give rise to capital expenditure that is not planned and recovered via DCs. If this is the case, the Council may impose a FC as a condition of a land use or subdivision consent, in accordance with sections 3.4 of the Financial Contributions section in the District Plan.
- 10.4 Further information on FC can be found in the District Plan. The District Plan can be found on Council's website www.wellington.govt.nz.

11 Definitions

11.1 In this Policy, unless the context otherwise requires, the following definitions apply.

Accommodation unit has the meaning given in section 197 of the LGA02. The definition is as follows:

units, apartments, rooms in 1 or more buildings, or cabins or sites in camping grounds and holiday parks, for the purpose of providing overnight, temporary, or rental accommodation.

Activity means the provision of facilities and amenities within the meaning of network infrastructure, reserves, or community infrastructure for which a development contribution exists under the Policy.

Aged care unit means a residential unit in a rest home as defined in section 58(4) of the Health and Disability Services (Safety Act 2001).

Allotment (or lot) has the meaning given to allotment in section 218(2) of the RMA.

Asset Management Plan means Council plan for the management of assets within an activity that applies technical and financial management techniques to ensure that specified levels of service are provided in the most cost-effective manner over the life-cycle of the asset.

Bedroom means any habitable space within a residential unit capable of being used for sleeping purposes and can be partitioned or closed for privacy including spaces such as a “games”, “family”, “recreation”, “study”, “office”, “sewing”, “den”, or “works room” but excludes any:

- (a) kitchen or pantry;
- (b) bathroom or toilet;
- (c) laundry or clothes-drying room;
- (d) walk-in wardrobe;
- (e) corridor, hallway, or lobby;
- (f) garage; and
- (g) other room smaller than 6m².

Where a residential unit has any living or dining rooms that can be partitioned or closed for privacy, all such rooms except one shall be considered a bedroom.

Capacity life means the number of years that the infrastructure will provide capacity for and associated HUEs.

Catchment means the areas within which development contributions charges are determined and charged.

Commercial (activity) means any activity trading in goods, equipment or services. It includes any ancillary activity to the commercial activity (for example administrative or head offices). [See the National Planning Standards](#)

[2019.](#)

Community facilities has the same meaning as in section 197 of the LGA02. The definition is as follows:

reserves, network infrastructure, or community infrastructure for which development contributions may be required in accordance with section 199.

Community infrastructure has the same meaning as in section 197 of the LGA02. The definition is as follows:

- (a) *land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities; and*
- (b) *includes land that the Council will acquire for that purpose.*

Council means Wellington City Council.

Development has the same meaning as in section 197 of the LGA02. The definition is as follows:

- (a) *any subdivision, building, land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure*
- (b) *does not include the pipes or lines of a network utility operator).*

Development agreement means a voluntary contractual agreement made under [sections 207A to 207F](#) of the LGA between 1 or more developers the Council for the provision, supply, or exchange of infrastructure, land, or money to provide network infrastructure, community infrastructure, or reserves.

Development contribution has the same meaning as in section 197 of the LGA02. The definition is as follows:

A contribution provided for in a development contribution policy that is calculated in accordance with the methodology; and it may comprises money, or land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of [Te Ture Whenua Māori Act 1993](#), unless that Act provides otherwise.

Greenfield development means a proposal that creates new residential or rural residential areas, includes residential or rural residential on land that is or was zoned rural or open space.

Gross floor area (GFA) means the sum of the total area of all floors of a building or buildings (including any void area in each of those floors, such as service shafts, liftwells or stairwells) measured:

- (a) where there are exterior walls, from the exterior faces of those exterior walls;
- (b) where there are walls separating two buildings, from the centre lines of the walls separating the two buildings;
- (c) where a wall or walls are lacking (for example, a mezzanine floor) and the edge of the floor is discernible, from the edge of the floor.

[See the National Planning Standards 2019.](#)

Household unit equivalent (HUE) means demand for Council services

equivalent to that produced by a nominal household in a standard residential unit.

Industrial activity means an activity that manufactures, fabricates, processes, packages, distributes, repairs, stores, or disposes of materials (including raw, processed, or partly processed materials) or goods. It includes any ancillary activity to the industrial activity.

LGA02 means the Local Government Act 2002.

Network infrastructure means the provision of transportation (roading), water, wastewater and stormwater infrastructure.

Policy means this Development Contributions Policy.

Reserve means land for public open space and improvements to that land needed for it to function as an area of usable green open space. This land may be used for recreation, sporting activities and the physical welfare and enjoyment of the public, or for the protection of the natural environment and beauty of the countryside (including landscaping, sports and play equipment, walkways and cycleways, carparks, and toilets). In the Policy, reserve does not include land that forms, or is to form, part of any road; or is used, or is to be used, for stormwater management purposes.

Residential unit means building(s) or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities. [See the National Planning Standards 2019.](#)

Residential activity means the use of land and building(s) for people's living accommodation. [See the National Planning Standards 2019.](#)

Retail activity means any activity trading in goods, equipment or services that is not an industrial activity or commercial activity.

Retirement village unit means any residential unit in a retirement village (defined in the Retirement Villages Act 2003) but does not include Aged care units in a hospital or similar facility.

RMA means the Resource Management Act 1991.

Service connection has the same meaning as in section 197 of the LGA02. The definition is as follows:

a physical connection to an activity provided by, or on behalf of, a territorial authority.

Small residential unit means a residential unit which only has one bedroom and includes a minor residential unit, as defined in the District Plan, as well as a studio unit/apartment that does not have a separate bedroom.

Standard residential unit means a residential unit which has two or more bedrooms.

PART 2: POLICY DETAILS

12 Statutory requirement and obligation

12.1 The Council is required to have a policy on DCs and FCs in its Long-term Plan (LTP) under section 102(2)(d) of the LGA02. This Policy meets this requirement.

12.2 The Council has a legislative obligation under the Te Ture Whenua Māori Act 1993 to promote the retention of Māori land in the hands of its owners, their whanau and their hapu and to facilitate the occupation, development and utilisation of that land for the benefit of its owners, their whanau and hapu. The Council fulfils the obligation through:

- a. operating a transparent, equitable and reliable development contributions scheme
- b. funding, procuring and delivering infrastructure to the boundary of Māori Land to enable development.

13 Funding summary

13.1 In the LTP 2024/34, the Council plans to incur around \$4.86 billion on community facilities partially or wholly needed to meet the increased demand for community facilities resulting from the asset investment that has a growth component. This includes works undertaken in anticipation of growth, and future planned works. The total amount to be funded by DCs is nearly \$535 million.

13.2 Table 8 provides a summary of the total costs of growth-related capital expenditure and the funding sought by DCs for all activities and catchments.

Table 8. Total cost of capital expenditure for growth and funding sources

Community Facilities	Total Cost of Capital Works (\$000)	Total Growth Component to be funded by Development Contributions (\$000)
Parks and Reserves - Catchment	20,022	20,022
Parks and Reserves -City Wide	93,374	93,374
Transport - Catchment	83,838	31,839
Transport - City Wide	390,670	184,241
Wastewater - City Wide	7,729	7,729
Wastewater - Catchment	155,750	59,904

Water Supply - Catchment	144,592	65,873
Water Supply - City Wide	46,170	46,170
Community Infrastructure -City Wide	129,173	25,283
Total	1,071,858	534,435

14 Funding policy summary

Funding growth expenditure

14.1 The Long-Term Plan sets out that the long-term population forecast for Wellington City is growth of between 50,000 to 80,000 over the next 30 years.

14.2 Population and business growth create the need for new subdivisions and development, and these place increasing demands on the assets and services provided by Council. Accordingly, significant investment in new or upgraded assets and services are required to meet the demands of growth.

14.3 The Council has decided to fund these costs from:

a. DCs under the LGA02 for:

- i. Water supply
- ii. Wastewater
- iii. Stormwater
- iv. Transport
- v. Reserves
- vi. Community infrastructure.

b. FCs under the RMA, where individual developments give rise to capital expenditure that is not covered by DCs, for:

- i. Stormwater
- ii. Wastewater
- iii. Water supply
- iv. Transport
- v. Reserves.

- 14.4 In reaching this decision, the Council has considered the matters set out in section 101(3) of the LGA02 within its Revenue and Financing Policy, and within this Policy.
- 14.5 The Revenue and Financing Policy is the Council's primary and overarching statement on its approach to funding its activities, including the sources of funding. It outlines how all activities will be funded, and the rationale for the Council's preferred funding approach.
- 14.6 The Council is required under section 106(2)(c) of the LGA02 to explain within this Policy why it has decided to use DCs and FCs to fund capital expenditure relating to the cost of growth. For this purpose, the Council has considered community outcomes and other funding decision factors.

Community outcomes

- 14.7 The Council has considered whether DCs and FCs are an appropriate source of funding for growth infrastructure, to achieve the following four community outcomes under section 101(3)(a)(i) of the LGA 02. In the case of new assets servicing growth, these outcomes are enjoyed by the new growth community.
- a. Environmental - a sustainable, climate friendly eco capital: A city where the natural environment is being preserved, biodiversity improved, natural resources are used sustainably, and the city is mitigating and adapting to climate change – for now and future generations
 - b. Social - A people friendly, compact, safe, and accessible capital city: An inclusive, liveable, and resilient city where people and communities can learn, are connected, well housed, safe, and healthy
 - c. Cultural - An innovative, inclusive, and creative city: Wellington is a vibrant, creative city with the energy and opportunity to connect, collaborate, explore identities, and openly express, preserve, and enjoy arts, culture, and heritage
 - d. Economic - A dynamic and sustainable economy: The city is attracting and developing creative talent to enterprises across the city, creating jobs through innovation and growth while working towards an environmentally sustainable future.
- 14.8 Charging new development for the additional infrastructure ensures a fair contribution to the planned work to support the community outcomes, including funding and investment to (for example):
- a. lift the resilience of the three waters system, including the construction of the Omāroro reservoir to ensure that the level of service and quality does not reduce as a result of growth pressures
 - b. ensure the transport system provides efficient and reliable access across the city to support growth
 - c. continue investment in parks in the context of a growing population.

Other funding decision factors

14.9 The Council has considered the funding of growth-related community facilities against the following matters in sections 101 (3)(a)(ii) – (v) of LGA02:

- a. The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals, and the extent to which the actions or inaction of particular groups or individuals contribute to the need to undertake the activity.
- b. The period in or over which those benefits are expected to occur.
- c. The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

14.10 A summary of the assessment of other funding decision factors is provided in the following table.

Table 9: Other funding decision factors

<p>Who Benefits / whose act creates the need</p>	<p>A significant portion of the Council’s work programme over the next 10 years is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth is serviced by, and benefits from, an asset or programme, and how much it serves and benefits existing ratepayers, is determined for each asset or programme.</p> <p>The Council believes that the growth costs identified through this process should be recovered from development, as this is what creates the need for the expenditure and /or benefits principally from new assets and additional network capacity. Where and to the extent that works benefit existing residents and businesses, those costs are recovered through rates.</p> <p>The Catchment determination section below outlines how the Council determined the catchments for DCs in the Policy.</p>
<p>Period of benefit</p>	<p>The assets constructed for development provide benefits and capacity for developments now and developments in the future. In many cases, the “capacity life” of such assets spans decades.</p> <p>DCs allow development related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to their cost, regardless of whether the developments happen now or in the future.</p> <p>FCs are used for works and services for new use and development not covered by DCs.</p>
<p>Funding sources & rationale including rationale for separate funding</p>	<p>DCs and FCs send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth.</p> <p>The Council may choose to fund a portion of growth costs from sources other than DCs, considering housing affordability or the encouragement of development.</p> <p>The council may also be receiving third party funding for growth and this may affect how much can be recovered from DCs.</p>

Overall impact of liability for revenue needs on community

- 14.11 The Council considers it is appropriate that DCs fund additional capacity required for growth under section 101(3)(b) of the LGA02.
- 14.12 The Council has considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. The Council considers that the level of DCs is affordable and does not consider it likely that there will be an undue or unreasonable impact on the social, economic, environmental and cultural wellbeing of this section of the community.
- 14.13 Moreover, the benefits of that capital expenditure accrue (mainly or exclusively) to the new residential units and business premises that generate the demand for extra capacity in the first place. As DCs paid by developers will likely be passed on to the purchasers of new households and business premises (at least partly), the resulting cost burden will be borne by the associated beneficiaries of the additional capacity provided. Shifting development costs onto ratepayers is likely to be perceived as unfair and would significantly impact the rates revenue required from existing residents who do not cause the need for, or benefit directly from, the growth infrastructure needed to service new developments.
- 14.14 Overall, Council considers it fair and reasonable, and that the social, economic, environmental and cultural interests of the District's communities are best advanced through using development contributions [and financial contributions] to fund the costs of growth-related capital expenditure for community facilities."

15 Catchment determination

- 15.1 When setting DCs, the Council must consider whether and, if so, how to group developments within catchments for each activity.
- 15.2 The LGA02 is permissive in this respect, but urges that:
- a. The grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity
 - b. Grouping by geographic area avoids grouping across an entire district wherever practical.
- 15.3 The Council uses a mixture of city-wide and smaller catchments, depending on the activity and the projects or programmes within the activity. Some activities have both city-wide and more localised components.
- 15.4 The Council has determined that there will be:
- a. five transport catchments
 - b. one specific water supply catchments
 - c. one wastewater catchment
 - d. an inner-city catchment and greenfield catchments for reserves.

- 15.5 The Council has also determined city-wide catchments for:
- a. network infrastructure for transport and the water supply, stormwater and wastewater reticulation networks
 - b. reserves that are destination amenities
 - c. community infrastructure.
- 15.6 The Council considers that this strikes the right balance between practical and administrative efficiency, and considerations of fairness and equity for the following reasons.
- a. Keeping the Policy as simple as practicable
 - b. Providing flexibility to deliver growth infrastructure where it is most needed
 - c. Reconciling the contributions as closely as practicable to the areas where developments have generated the need for capital expenditure on new assets, or assets of increased capacity
- 15.7 The more localised catchments at 15.4 and their boundaries are based on communities of interest, the geography of the city, the characteristics of the infrastructure and service it provides, and the common benefits received across the geographical area supplied by the infrastructure being funded by DCs. Projects or programmes that provide capacity and benefits for more than one catchment are attributed to all relevant catchments, and growth costs are shared among them accordingly.
- 15.8 Specific catchments have been defined as follows.
- a. Transport – there are five catchments related to two new roading areas and three significant upgrade areas
 - b. Water supply –based on a specific water supply catchment where identified water reservoirs and pumping station upgrades are required to provide for growth
 - c. Reserves – an inner city catchment (including Pipitea) and for Greenfield development
- 15.9 The citywide catchment is used where it is not practicable to disaggregate a project or programme into discrete catchments. In particular, a citywide catchment is applied to:
- a. Network infrastructure where the systems are characterised by interdependent components where development growth adversely impacts other areas of the network if action is not taken to mitigate those effects. The network infrastructure attracting citywide DCs will comprise transport and the water supply, stormwater and wastewater reticulation networks.
 - b. Reserves that are destination amenities used by groups from across the city (and beyond) such as the Botanic Gardens.
 - c. Community infrastructure used by groups from across the city (and beyond) such as the library and sportfields.

- 15.10 The catchments with project capital expenditure for growth and related HUE charges are listed in Schedule 1.
- 15.11 The citywide catchment for water supply excludes catchments I and J, as water is supplied directly from the bulk water main and does not rely on the wider city network. The water supply distribution network in these catchments will be provided by developers at their cost as they develop within the catchments.

16 Significant assumptions of the policy

DC calculation methodology

16.1 In developing a methodology for the DCs in the Policy, the Council has sought to ensure that the cumulative effect of development is considered across each catchment.

Planning horizons

16.2 A 10-year timeframe has been used for assessing the growth-related portions of capital works, which aligns with the LTP. However, those growth-related works may be recovered from developments over timeframes of up to 30 years to reflect the long capacity lives of many projects or programmes.

Projecting growth

16.3 The LTP is based on long-term population growth of 50,000 to 80,000 additional people over the next 30 years. The district has experienced steady population and economic growth, and this growth is forecast to increase further. Figures provided by Sense Partners, commissioned by the Council, indicate steady population growth in the district, with the number of residents increasing by an average of 0.8% per annum between 2024 - 2043. This equates to 14,701 households. The suburbs with the predicted greatest increase in population between 2024 and 2043 are the City Centre, Te Aro, and Newtown as a result of intensification. There is also high growth in the Grenada Village-Paparangi-Woodridge-Horokiwi - Lincolnshire and Stebbings-Churton Park areas as a result of greenfield developments.

16.4 The average household size is projected to reduce slightly from 2.5 persons in 2024 to 2.4 by 2043.

16.5 Most business growth in Wellington City will be in the commercial or government sectors. The CBD has the most capacity for redevelopment for commercial and retail activities and remains attractive for a mix of business uses. It is likely that a significant share of commercial and government growth will be met by redevelopment of the CBD rather than other business areas.

16.6 Using Sense Partners (2022) projections and the Housing and Business Needs Assessment (2023) as a base, the key assumptions about future growth are:

a. Years 2024-2033:

- i. Population growth in the district of around 0.81% (or around 1,678 people) per annum.
- ii. Residential unit growth in the district of around 0.87% (or around 800 households) per annum.

- iii. Development of around 70,962m² GFA annually for business space, primarily through redevelopment of existing business land.

b. Years 2034-2043:

- i. Population growth in the district of around 0.83% (or around 1,996 people) per annum.
- ii. Residential unit growth in the district of around 0.72% (or around 729 households) per annum.
- iii. Development of around 70,962m² GFA annually for business space primarily through redevelopment of existing business land.

16.7 The Council forecasts demand of approximately 2,316 HUEs for retail, 8,258 HUEs for commercial and 3,618 HUEs for Industrial business development over the next 20 years to accommodate:

- a. population growth with related business land
- b. government and commercial sectors demanding business space.

16.8 Lincolnshire Farm will provide around 45 hectares for business activities. An area known as Hyde Farm, next to the Grenada North industrial area, is proposed to be rezoned for general industrial. However, demand for industrial land is projected to drop as a result of a number of factors, ranging from changes in the nature of industrial activity, the impacts of natural hazards, the availability of transport infrastructure and land prices.

16.9 The combined demand forecast is approximately 28,702 HUEs over 20 years – 15,929 HUEs for households and 12,773 HUEs for business. Further information about these forecasts can be found in the Council's 2024-2033 Long-term Plan and on Council's website [wellington.govt.nz](https://www.wellington.govt.nz). HUE growth catered for in each project, and the areas it relates to, are set out in Schedule 2.

Best available information

16.10 DCs are based on capital expenditure budgets included in the LTP, which reflect the best available information at the time of preparation. However, the scale of the capital programme and levels of service can be affected by future decisions about the Council's financial strategy or funding priorities. As better information becomes available the Policy will be updated, generally through Annual Plan and/or LTP processes.

Key risks/effects

16.11 There are two key risks associated with administering DCs.

- a. Growth predictions do not eventuate, resulting in a change to the assumed rate of development. To manage this risk, the Council will continue to monitor the rate of growth and update its assumptions periodically as required.
- b. There is a time lag between expenditure incurred by the Council and DCs received, resulting in less DC received than that assumed in the funding model. This will also be managed by regularly monitoring growth and updating associated assumptions as required.

Service assumptions

16.12 Methods of service delivery and levels of service are assumed to be unchanged and remain in accordance with the Council's LTP, asset management plans and technical specifications, and the Council's Code of Practice for Land Development.

Funding model

16.13 A funding model has been developed to calculate development contributions under the Policy. It accounts for the activities for which contributions are sought, the assets and programmes related to growth, forecast growth and associated revenue. The funding model embodies several important assumptions, including that:

- a. all capital expenditure estimates are inflation adjusted and GST exclusive
- b. the levels of service (LOS)/backlog, renewal and maintenance portions of each asset or programme will not be funded by DCs. See the Cost allocation section below
- c. growth costs are spread over each asset's capacity life, including any net debt costs arising, up to a maximum of 30 years.

Cost allocation

16.14 The Council must consider how to allocate the cost of each asset or programme between three principal drivers – growth, LOS/backlog, and renewal. Council's general approach to this is summarised as follows.

- a. Where a project provides for, and benefits, only growth, 100% of its cost is attributed to growth. To qualify for this, there would have to be no renewal element (see below) or material level of service benefit or capacity provided for existing residents and businesses.
- b. If a project provides for growth, renewals and LOS, the Council will first remove any renewal costs and split the remainder between growth and LOS according to the shares of additional capacity consumed.

16.15 For particularly large and expensive projects, the Council may undertake a specific cost apportionment assessment that differs from the general approach outlined above.

17 Calculating the development contributions

17.1 This section outlines how the DCs were calculated in accordance with section 203 and Schedule 13 of the LGA02.

Process

17.2 The steps needed to determine growth, growth projects, cost allocations, and to calculate the DCs charges are summarised in Table 10.

Table 10: Summary of DC calculation methodology

Step	Description / comment	Examples and References
1. Forecast growth	The Council estimates potential land supply and likely take up of that land. The estimates help provide household and business growth forecasts for up to 30 years.	Refer Section 16.3, projecting growth.
2. Identify projects required to facilitate growth	The Council develops the works programme needed to facilitate growth. In some cases, the Council may have already undertaken the work. The programme in the Policy is for 10 years – however some projects will be in the schedule until their capacity life is used up.	Refer Schedules 1 and 2. For example, new roads in Grenada-Lincolnshire are expected to serve 7,219 HUES and costs are apportioned for these – these are likely to be collected in the next 10 years.
3. Determine the cost allocation for projects	The cost of each asset or programme is apportioned between renewal, growth, and LOS/backlog in accordance with the approach outlined in the Cost allocation section 16.13 above. Schedules 1 and 2 of the Policy outline the amount required to fund growth from development contributions for each of these assets or programmes.	Refer Schedules 1 and 2. For example a project (made up for indicative purposes) of replacing a playground built in 1970 at Capital Cost \$120,000 may consist of: <ul style="list-style-type: none"> • Renewal: \$60,000 • LOS/backlog: \$40,000 covers requirements for new health and safety regulations and more people who may already in the neighbourhood • Growth: \$20,000 spend to make it bigger for an additional 300 families expected in the neighbourhood.
4. Determine growth costs to be funded by development contributions	The Council determines whether to recover all of the growth costs identified in step 3 from DCs, or whether some of the growth costs will be funded from other sources.	In the example, the \$20,000 could be fully funded from DCs. If there were a central government fund for some make safe features, for example, \$5,000 to replace dangerous equipment, this reduces to \$15,000 from development contributions.
5. Divide development contribution	The growth costs from step 4 are divided by the estimated capacity life (defined in HUEs) to provide a	Divide the remaining \$15,000 capital by, an estimated 300 new households (300 HUEs) expected in

Step	Description / comment	Examples and References
funded growth costs by capacity lives	charge per HUE for each future and past asset and programme.	the next 10 years, this will be \$50 per new residential development in the area.
6. Sum all per asset charges	For each catchment and activity, add up the per HUE asset or programme charges to provide a total. For each activity and catchment, DCs fund the programme on an aggregated basis.	Schedules 1 and 2 provide all the assets and costs to be met from development. Some examples from Schedule 2 are noted below. For each HUE the components are all added, as per Part 1, Table 1.

Summary of calculations

17.3 Tables 1 and 2 summarise the calculation of the charge per HUE for each activity and catchment added up at step 6. Schedules 1 and 2 provide information on each asset or programme including the information in steps 2 - 5.

Schedule 1 – Development contribution calculations

Schedule 1 provides the forecast future capital expenditure on assets or programmes attributable to new growth in accordance with section 201A of the LGA02. All figures exclude GST. All charges are provided in Part 1, Tables 1 and 2 of this policy. This Schedule has additional information about the total capital expenditure.

Schedule 1.A Citywide Infrastructure Contributions

Charges identified as being citywide for projects with a citywide benefit, which are not attributable to specific catchments. DCs for community infrastructure were added in 2022 in accordance with the LGA02. These are all identified as citywide charges. Some could be considered under “Parks and Reserves” and may be reclassified in future. The classification in “Parks and Reserves” or “Community Infrastructure” does not change the part liable for DCs or total DCs.

There are no community infrastructure charges for non-residential development.

Activity	Total Cost of Capital Works (\$000)	Total Growth Component to be funded by DCs (\$000)	Citywide DCs \$ per HUE
Community Infrastructure	129,713	25,283	\$1,255
Parks and Reserves -City Wide	93,374	93,374	\$2,396
Transport – City Wide	390,670	184,241	\$3,557
Wastewater – City Wide	7,729	7,729	\$290
Water Supply – City Wide	46,170	46,170	\$768
Total	667,656	584,397	\$8,266

Schedule 1.B Water supply (by catchment)

Water Supply Catchment	Total Cost of Capital Works (\$000)	Total Growth Component to be funded by DCs (\$000)	Development Contributions per EHU (\$)
Roseneath	2,550	834	3,430
Karori	6,000	4,595	1,810
Beacon Hill	0	0	-
Brooklyn Frobisher	4,300	2,456	1,653
Kelburn	0	0	-
Johnsonville Onslow	6,800	6,344	1,662
Ngaio	0	0	-
Maldive	0	0	-

Churton – Stebbings	15,307	10,919	3,086
Grenada - Lincolnshire	32,107	18,797	4,286
Maupuia	0	0	-
Newlands	590	93	864
Melrose	2,500	1,806	1,864
Central and Coastal	66,900	9,958	3,238
Tawa	0	0	-
Wadestown	5,500	4,081	2,611
Total	144,592	65,873	

Schedule 1.C Wastewater

These charges relate to the three wastewater treatment plants which were built with capacity for population growth.

Catchment	Total Cost of Capital Works (\$000)	Total Growth Component to be funded by DCs (\$000)	Development Contributions per EHU (\$)
Central (Moa Point)	136,700	52,577	1,185
Western (Karori)	12,200	4,692	2,440
Northern (Porirua)	6,850	2,635	722

Schedule 1.D Transport

Two traffic and roading catchments apply to new roads related to the Northern Growth Management Plan. Three roading and Traffic transport catchments recognise areas of the city where significant local investment has occurred or is planned to meet local growth. These are the Pipitea precinct around the port and rail yards land at the northern gateway to the city, and around Adelaide Road and Johnsonville Town Centre.

Catchment	Total Cost of Capital Works (\$000)	Total Growth Component to be funded by DCs (\$000)	DCs per HUE (\$)
Churton - Stebbings	40,548	28,788	16,973
Grenada - Lincolnshire	15,427	9,132	29,931
Pipitea Precinct	11,384	6,716	1,746
Adelaide Road	3,795	1,081	1,904
Johnsonville Town Centre	12,684	3,040	3,691

Schedule 1.E Reserves

Reserves charges are made citywide and by Inner City Parks Pipitea Precinct and Grenada-Lincolnshire in view of new purchases.

There are no reserves charges for non-residential development.

Catchment	Total Cost of Capital Works (\$000)	Total Growth Component to be funded by DCs (\$000)	DCs per HUE
Inner City Parks (includes Pipitea)	13,276	13,276	8,650
Grenada-Lincolnshire	6,746	6,746	1,274

Schedule 2: Assets and programmes funded by development contributions

Provides the capital expenditure incurred on assets and programmes attributable to new growth constructed in anticipation of growth, in accordance with section 201A of the LGA02. All figures exclude GST.

Development Contribution Category	Purpose	Name	Description	Project Reference	Catchment	Total Cost of Capital Works (\$000)	Total Growth component to be funded by DCs (\$000)	Total Cost of Capital Works to be funded from other sources (\$000)	Growth %
Community Facilities									
Community facilities	Recreation Centres	Recreation Management & Administration	Rec Centre Upgrades	2010432048	Citywide	\$9,829	\$9,829	\$0	100%
Community facilities	Community facilities	Aquatic Facility	Aquatic Facility	(CW) CI – Pools	Citywide	\$89,709	\$10,555	\$78,554	11.7%
Community facilities	Community facilities	Burial & Cremation	Burial & Cremation	CX369	Citywide	\$15,165	\$896	\$14,269	5.9%
Community facilities	Community facilities	Synthetic Turf Sportsfields	Synthetic Turf Sportsfields	CX507	Citywide	\$14,339	\$3,332	\$11,006	23%
Community facilities	Community facilities	Pub Conven/Pavil Upg	Public Toilets	2010462063	Citywide	\$671	\$671	\$0	100%
Parks & Reserves									
Parks & Reserves	Local Parks and Open Spaces	Recreation & Parks Planning	Bellmont Gully Lincolnshire Farms Reserve Property Purchase	2008132001	J Grenada-Lincolnshire	\$5,014	\$5,014		100%
Parks & Reserves	Town belts	Parks Project Costs	PSR Town Belt & Reserves - Upgrades	2010352009	Citywide	\$80	\$80		100%
Parks & Reserves	Public Toilets	Parks Project Costs	Lincolnshire Stebbings Public Convenience	2008612063	J Grenada-Lincolnshire	\$577	\$577		100%
Parks & Reserves	Walkways	Parks Project Costs	Lincolnshire Belmont	2010392010	J Grenada-Lincolnshire	\$1,175	\$1,175		100%
Parks & Reserves	Local Parks and Open Spaces	Recreation & Parks Planning	Cemetery Land	2010302001	Citywide	\$1,541	\$1,541		100%
Parks & Reserves	Public spaces and centres development	Public Space Design	GNP – Central City Greening	2010652070	Citywide	\$4,541	\$4,541		100%
Parks & Reserves	Burials and Cremations	Cemetery & Crematorium	Makara Cemetery Expansion	2010572062	Citywide	\$5,468	\$5,468		100%
Parks & Reserves	Public spaces and centres development	Public Space Design	Pocket parks - 153 Cuba Street	2010672070	Citywide	\$13,729	\$13,729		100%
Parks & Reserves	Town belts	Parks Project Costs	PSR Town Belt & Reserves - Upgrades	2010352009	Citywide	\$14,919	\$14,919		100%
Parks & Reserves	Local Parks and Open Spaces	Recreation & Parks Planning	Land Purchases	2010312001	Citywide	\$25,027	\$25,027		100%

Parks & Reserves	Local Parks and Open Spaces	Parks Project Costs	Inner City Parks - Urban	2010692001	Citywide	\$28,069	\$28,069		100%
Parks & Reserves	Parks & Reserves Supply	Inner City - Waitangi Park	Inner City - Waitangi Park	(c) Parks and reserves	Q Inner city	\$5,225	\$5,225		100%
Parks & Reserves	Parks & Reserves Supply	Other Inner City Parks	Other Inner City Parks	(c) Parks and reserves	Q Inner city	\$3,246	\$3,246		100%
Parks & Reserves	Parks & Reserves	Inner City Parks	Cobblestone Park		Q (formerly coded KS)	\$1,122	\$1,122		100%
Parks & Reserves	Parks & Reserves	Inner City Parks	Clover Park		Q	\$1,711	\$1,711		100%
Parks & Reserves	Parks & Reserves	Inner City Parks	Hannahs Courtyard		Q	\$7	\$7		100%
Parks & Reserves	Parks & Reserves	Inner City Parks	Midland Park		Q	\$870	\$870		100%
Parks & Reserves	Parks & Reserves	Inner City Parks	Taranaki/Courtney Park		Q	\$1,056	\$1,056		100%
Parks & Reserves	Parks & Reserves	Inner City Parks	Victoria/Manners Park		Q	\$39	\$39		100%
Transport									
Transport	Vehicle network	Transport Projects	2087 Petone to Grenada Link	2007472087	Citywide	\$1,680	\$1,193	\$487	71%
Transport	Vehicle network	Transport Projects	2087 John Sims Connection	2007492087	Citywide	\$3,018	\$1,237	\$1,-781	41%
Transport	Vehicle network	Transport Projects	2087 McLintlock St Link	2007502087	Citywide	\$4,668	\$1,914	\$2,754	41%
Transport	Vehicle network	Transport Projects	2087 Woodridge to Lincolnshire	2001972087	J Grenada-Lincolnshire	\$6,897	\$4,897	\$2,000	71%
Transport	Vehicle network	Transport Projects	2087 Tawa Upper Stebbings	2003752087	I Churton-Stebbing	\$7,621	\$3,124	\$4,496	41%
Transport	Vehicle network	Transport Projects	2087 Mark Ave to Lincolnshire	2003742087	J Grenada-Lincolnshire	\$8,342	\$5,922	\$2,419	71%
Transport	Lets Get Wellington Moving	LGWM – Early Delivery	Thorndon Quay and Hutt Road	2010152142	Citywide	\$29,135	\$14,859	\$14,276	51%
Transport	Vehicle network	Transport Projects	2087 Mark Ave to Grenada North	2007482087	J Grenada-Lincolnshire	\$54,673	\$38,817	\$15,856	71%
Transport	Vehicle network	Transport Projects	2087 Ohariu to Westchester	2007512087	Citywide	\$94,060	\$38,565	\$55,495	41%
Transport	Lets Get Wellington Moving	LGWM – City Street Project	Pre Implementation – City Streets Programme	2011262141	Citywide	\$113,911	\$55,816	\$58,095	49%
Transport	Lets Get Wellington Moving	LGWM – Early Delivery	Golden Mile	2010142142	Citywide	\$144,198	\$70,657	\$73,541	49%
Transport	Transport Supply	I	Churton – Stebbings (Westchester Drive)	(c) Transport	I Churton-Stebbing	\$15,307	\$6,276	\$9,031	41%

Transport	Transport Supply	J	Grenada – Lincolnshire (Mark Ave extension)	(c) Transport	J Grenada-Lincolnshire	\$25,309	\$17,969	\$7,340	71%
Transport	Transport Supply	T	Pipitea Precinct	(c) Transport	KN	\$11,384	\$6,716	\$4,667	59%
Transport	Transport Supply	R	Johnsonville Town Centre	(c) Transport	R Johnsonville Town Centre	\$12,684	\$3,040	\$9,644	25%
Transport	Transport Supply	S	Adelaide Road	(c) Transport	S Adelaide Road	\$3,795	\$1,081	\$1,349	42%
Wastewater									
Wastewater	Sewage collection and disposal network	Water Waste (Sewer)	WCC WW Network Upgrades - Growth	2010612024	Citywide	\$7,729	\$7,729		100%
Water Supply									
Water Supply	Water Network	Potable Water	WCC PW Reservoir Upgrades - Growth	2010602020	Citywide	\$46,170	\$46,170		100%
Water Supply	Water Supply	N Central & Coastal	Water catchment charges	CX126/127	N Central & Coastal	\$94,652	\$10,485		11%

PART 3 POLICY CATCHMENT MAPS