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TIAKI WAI

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Development Contributions Policy 2026 – 2029

Document control

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Tiaki Wai disclaimer

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Contents

Chapter 1. Introduction

1.1 This is the initial Tiaki Wai Development Contributions Policy (the Policy) for water, wastewater and stormwater, adopted under section 120 of the Local Government (Water Services) Act 2025. In accordance with that section, Tiaki Wai has adopted the relevant parts of each Council's previous Development Contributions Policy and incorporated them into this Policy.

1.2 This Development Contributions Policy is an interim policy and will be reviewed as part of the work to develop the next Tiaki Wai Water Services Strategy. Section 120 of the Local Government (Water Services) Act 2025 requires Tiaki Wai to either replace or revoke this policy within three years of its adoption.

1.3 Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services provided by Tiaki Wai. As a result, significant investment in new or upgraded assets and services is required.

1.4 The purpose of this Policy is to ensure that a fair, equitable and proportionate share of the cost of that infrastructure is funded by development. Tiaki Wai intends to achieve this by using development contributions to help fund growth related capital expenditure on water, wastewater and stormwater infrastructure.

1.5 This Policy is broken into five chapters, with the four main chapters of this Policy comprising the specific Policy for each city that Tiaki Wai services. If you are developing in that city – go to the relevant chapter to understand if and how development contributions apply to your development.

- Chapter 2: Hutt City Development Contributions
- Chapter 3: Wellington City Development Contributions
- Chapter 4: Porirua City Development Contributions
- Chapter 5: Upper Hutt City Development Contributions

1.6 The Policy is administered on behalf of Tiaki Wai by each Council for their respective cities in accordance with section 127 of the Local Government (Water Services) Act 2025. Except where prohibited by section 127 (4)(b) of the Local Government (Water Services) Act 2025 or indicated below, the Councils have the authority of Tiaki Wai, and act for Tiaki Wai when administering this Policy, including the decision to require development contributions. If you have any questions about this Policy, you should contact your local council.

1.7 Tiaki Wai retains authority to make decisions on:

- reconsiderations
- objections
- remissions
- development agreements
- special assessments
- postponement of payment
- request for connections (that are made separately from resource or building consent process)

Chapter 2. Hutt City

Introduction

2.1 This chapter outlines the Tiaki Wai approach to funding development infrastructure via development contributions in Hutt City. It is based on the relevant water services parts of Hutt City Council's 2024 Development Contributions Policy (amended 2025), This chapter has three main parts:

- Part 2.1: Policy operation
- Part 2.2: Background and supporting information
- Part 2.3: Catchment maps.

Part 2.1: Policy operation

2.2 Part 2.1 provides information on if, when and how development contributions will apply to developments in Hutt City. It also explains people's rights and proper operation of the Policy.

2.3 The key sections of Part 2.1 are:

- the charges
- liability for development contributions
- when development contributions are levied
- determining infrastructure impact
- review rights
- other operational matters
- definitions.

Part 2.2: Background and supporting information

2.4 Part 2.2 aims to meet the accountability and transparency requirements of development contribution policies for Hutt City. It explains Policy decisions, calculation of the development contribution charges, and the assets Tiaki Wai will use the development contributions for.

2.5 The key sections of Part 2.2 are:

- requirement to have a Policy
- funding summary
- funding Policy summary
- catchment determination
- significant assumptions of the Policy
- cost allocation
- calculating the development contribution charges

- Schedule 2.1: Growth-related assets and development contribution calculations summary.

Part 2.3: Catchment maps

2.6 Part 2.3 provides catchment maps that show where the development contribution charges in the Policy for Hutt City will apply.

Part 2.1: Hutt City policy operation

Development contributions

The charges

2.7 There are six local catchments plus one district-wide catchment, within Hutt City for development contributions. See Part 2.3 for maps of these.

2.8 Table 2.1 sets out the related development contribution charges per household unit equivalent (HUE) for each activity. The 'determining infrastructure impact' section below explains the concept of an HUE.

2.9 For each infrastructure activity and catchment for which development contributions are required, the development contribution payable is calculated by multiplying the number of HUEs generated through the development by the charge for that activity. This is then aggregated for all activities to give the total charge.

2.10 These charges may be adjusted for inflation annually in line with the Producers Price Index outputs for construction as permitted by sections 122 of the LGWSA25.

2.11 For the Valley Floor catchment, charge increases are being phased in. The increase from the 2023/2024 Valley Floor charges will be introduced over four years, with:

- part of the increase being introduced from 1 July 2024, applicable to consent and services connection applications made from that date.
- more of the increase being introduced from 1 July 2026, applicable to consent and services connection applications made from that date.
- the full charge applying from 1 July 2027, applicable to consent and services connection applications made from that date.

2.12 The phased charges are summarised in table 2.1A. The 1 July 2026 and 1 July 2027 charges will be subject to an inflation adjustment at that time.

Table 2.1: Development contribution charge per HUE as at 1 July 2026 (including GST and inflation adjustments) [1].

	Eastbourne	Stokes Valley	Valley Floor (Before phasing)	Wainuiomata	Western Hills	District-wide
Water	$0	$0	$12,693	$13,326	$715	$1,832
Wastewater	$0	$2,043	$11,790	$7,519	$1,927	$8,693
Stormwater	$3,162	$70	$7,298	$4,472	$107	$1,106
Total	$3,162	$2,114	$31,780	$25,318	$2,749	$11,631
Charge per HUE (including the district-wide charge)	$14,793	$13,744	$43,411	$36,949	$14,380	$11,631

Table 2.1A. Valley Floor phased charges, including district-wide charges (GST-inclusive)

	1 July 2024	1 July 2026	1 July 2027
Water	$10,951	$12,860	$14,517
Wastewater	$9,770	$15,171	$20,482
Stormwater	$3,086	$5,779	$8,412
Charge per HUE (including the district-wide charge)	$26,487	$33,811	$43,411

Liability for development contributions

2.13 Developers who are subdividing, building, connecting to Tiaki Wai services or otherwise undertaking development in Hutt City may need to pay development contributions.

2.14 In some circumstances, development contributions may not apply or may be reduced. Further information on these circumstances can be found in the sections ‘When development contributions are levied’, ‘Credits’ and ‘Limitations on imposing development contributions’ below.

[1] GST has been applied at the rate of GST (15%). Should the rate of GST change, Tiaki Wai will adjust the charges accordingly. The GST-exclusive charge per activity can be found in Schedule 1.

2.15 Development of new infrastructure sometimes means that areas not previously liable for a development contribution become so. For example, a bare section in a subdivision may be liable for development contributions whereas previously constructed houses on the same subdivision were not.

2.16 Staff will be available to help resolve any uncertainty about development contribution liabilities.

When development contributions are levied

2.17 Once a developer has made an application for a resource consent, building consent, certificate of acceptance or service connection with all the required information, the normal steps for assessing and requiring payment of development contributions are:

TRIGGER	NOTICE	INVOICE	PAYMENT
Liability for DCs is assessed	A formal notice of DC requirement is issued	An invoice requiring payment is issued	DCs are paid

2.18 These steps are explained in more detail below.

Trigger for requiring development contributions

2.19 Development contributions for a development can be required upon the granting of:

- a resource consent
- a building consent or certificate of acceptance
- an authorisation for a service connection for water, wastewater or stormwater services.

2.20 Development contributions are generally required at the earliest possible point (i.e., at the point whichever consent, certificate or authorisation listed above is granted first). For new developments, the resource consent is often the first step in the process and therefore the first opportunity to levy development contributions. Where development contributions were not assessed (or only part assessed) on the first consent, certificate or authorisation for a development, this does not prevent an assessment of development contributions for a subsequent consent, certificate or authorisation for the same development. This approach is the same for all charges in all catchments.

2.21 Development contributions will be assessed under the Policy in force at the time the application for resource consent, building consent, certificate of acceptance or service connection was submitted with all required information.

Assessment

2.22 On receiving an application for resource consent, building consent, certificate of acceptance or service connection, staff will check that:

a) the development (subdivision, building, land use or work) generates a demand for water services infrastructure

b) the effect of that development (together with other developments) is to require new or additional assets or assets of increased capacity in water services infrastructure

c) Tiaki Wai has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Hutt City Council or Tiaki Wai in the past, in anticipation of development.

2.23 Tiaki Wai has identified the assets and areas that are likely to meet the requirements of (b) and (c); these are outlined in Schedule 2.1 (Growth-related assets development contribution calculations summary) and Part 2.3 (Catchment maps). In general, if a development is within one of the areas covered by the catchment maps it is likely that development contributions will be required.

2.24 Development contributions may be waived or reduced if:

- a resource consent or building consent does not generate additional demand for any water services (such as a minor boundary adjustment); or
- one of the circumstances outlined in the section ‘Limitations on imposing development contributions’ apply; or
- credits apply as outlined in the ‘Credits’ section.

2.25 If a developer seeks a subsequent resource consent (excluding a change to conditions of an existing resource consent), building consent, certificate of acceptance or service connection, a new assessment may be undertaken using the Policy in force at that time. Any increase or decrease in the number of HUEs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.

2.26 This means additional development contributions will be required where additional units of demand are created and development contributions for those additional units of demand have not already been required.

2.27 Examples of where these would be needed include the following situations:

- Minimal development contributions were levied on a commercial development at subdivision or land use consent stage, as the type of development that will happen will only be known at building consent stage.
- Development contributions levied at the subdivision or land use consent stage were for a small home, but the home as built is larger or is subsequently extended.
- The nature of use has changed; for example, from a low-infrastructure-demand commercial use to a high-infrastructure-demand commercial use.

Notice

2.28 A development contribution notice will normally be issued when a resource consent, building consent, certificate of acceptance or service connection authorisation is granted or soon afterwards. In some cases, the notice may be issued or re-issued later. The notice is an important step in the process as it outlines the activities and the number of HUEs assessed for development contributions, as well as the charges that will apply to the development. It also triggers rights to request a development contributions reconsideration or to lodge an objection (see the section 'Review rights' below).

2.29 If multiple consents or authorisations for a development are being granted by Hutt City Council or Tiaki Wai, a notice of requirement may be issued for each. However, where payments are made in relation to one of the notices, actual credits will be recognised for the remaining notices.

Invoice

2.30 An invoice for development contribution charges 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 2.2).

Table 2.2: Invoice timing

Building consent	At the time of application for a code compliance certificate.
Certificate of acceptance	At issue of a certificate of acceptance.
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the RMA. An invoice will be issued for each stage of a development for which section 224(c) certificates are sought, even where separate stages are part of the same consent.
Resource consent (other)	At granting of the resource consent. For retirement village developments, prior to issue of code compliance certificates for each stage.
Service connection	At granting of the service connection for water, wastewater or stormwater services.

2.31 Despite the provisions set out above, if a development contribution is not invoiced at the specified time as a result of an error or omission , the invoice will be issued when the error or omission is identified. The development contributions remain payable.

Payment

2.32 Development contributions must be paid by the due dates in Table 2.3: Payment due date.

Table 2.3. Payment due dates

Building consent	Prior to issue of the code compliance certificate.
Certificate of acceptance	At issue of the certificate of acceptance.
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA for each stage.
Resource consent (other)	20th of the following month (after the issue of the invoice) unless Tiaki Wai agrees to different payment timing for large scale multi-stage developments. For retirement village developments, prior to issue of code compliance certificates for each stage.
Service connection	At issue of the connection approval.

2.33 On-time payment is important because, until the development contributions have been paid in full, Hutt City Council or Tiaki Wai (where applicable) may:

- prevent the commencement of a resource consent
- 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.

2.34 Where invoices remain unpaid beyond the payment terms set out in the Policy, Tiaki Wai or Hutt City Council will start debt collection proceedings, which may involve the use of a credit recovery agent. Tiaki Wai may also register the development contribution under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution was required.

Determining infrastructure impact

2.35 To apply a consistent method of charging for development contributions, the Policy is centred around the concept of an HUE: an average household in a standard residential unit (RU) and the demands it typically places on water services infrastructure. Table 2.4 summarises the demand characteristics of an HUE.

Table 2.4: HUE demand measures

Activity	Unit of measurement	Demand per HUE
Water	Litres per day	567 litres per day
Wastewater	Litres per day	510 litres per day
Stormwater	Impervious surface area	200m^2

Residential development

2.36 In general, the number of HUEs charged for residential subdivision is one per new allotment, although lower or higher assessments can apply in some cases (see below).

2.37 When calculating the number of HUEs for a residential subdivision, the assessment will be adjusted to account for any:

- credits relating to the site (refer to the 'Credits' section below)
- allotment which, by agreement, is to be vested in Hutt City Council or Tiaki Wai for a public purpose
- allotment required as a condition of consent to be amalgamated with another allotment.

2.38 Visitor accommodation units will be assessed as 0.5 HUEs for each activity.

2.39 Retirement village units will be assessed as 0.5 HUEs per unit for each activity.

2.40 Retirement village aged care rooms will be assessed as 0.4 HUEs per unit for each activity.

Bedroom-based assessments

2.41 Residential development will be assessed based on the number of bedrooms where possible, including for:

- building consents or certificate of acceptance
- subdivision, land use consents or connection authorisation where information is provided by the applicant that demonstrates that a minor or small RU (or RUs) will be provided, to the satisfaction of Tiaki Wai. Tiaki Wai may enter into agreements with developers or landowners to give effect to a minor or small RU assessment and bind the applicant to any conditions that accompanies the assessment.
- subdivision, land use consents or connection authorisation where Tiaki Wai has information indicating that a large RU is intended to be constructed or connected.

2.42 Where Tiaki Wai agrees to apply minor or small RU assessment to a subdivision, each allotment will be assessed as one HUE, and Tiaki Wai may agree to postpone payment by the person undertaking the subdivision until a building consent is issued for an allotment. At that time, the assessment and the payment required will be adjusted accordingly. See the 'Postponement' section.

2.43 Such assessments are guided by the HUE rates outlined in Table 2.5.

Table 2.5: Bedroom based RU assessments

	Minor RU	Small RU	Standard RU	Large RU
Number of bedrooms*	1	2	3	4 or more
HUE discount (all services)	50%	25%	0%	0%
Proportion of HUE payable for all charges	0.5	0.75	1	1.25

* The 'Definitions' section defines 'bedroom'.

2.44 Should additional bedrooms be proposed to an RU that has been previously assessed under this section, or any RU that is being extended to a large RU, additional development contributions will be required in line with Table 2.6 (subject to any credits recognised, for example for allotments that existed before 1 July 2006. See 'Credits' section).

Table 2.6: RU extension assessment guidance (HUEs)

Type of extension	Top of proportion required	Total HUEs required
Extend Minor RU to a Small RU	0.25	0.75
Extend Minor RU to a Standard RU	0.5	1
Extend Small RU to a Standard RU	0.25	1
Extend Minor RU to a Large RU	0.75	1.25
Extend Small RU to a Large RU	0.5	1.25
Extend Standard RU to a Large RU	0.25	1.25

Non-residential development

2.45 Non-residential subdivisions, land uses or building developments are more complicated, as they do not usually conform with typical household demands for each service.

2.46 In these cases, a household 'equivalent' assessment is made based on the characteristics of the development and demand loadings likely to be placed on the services. To provide consistency, the demand measures in Table 2.4 have been converted for assessing non-residential developments based on gross floor area (Table 2.7). These rates will be used for determining HUEs for non-residential developments unless Tiaki Wai seeks or accepts a special assessment.

Table 2.7: HUE per 100m² gross floor area (except stormwater, which is based on total impervious surface area)

Development type	Water	Wastewater	Stormwater
Industrial	0.4	0.4	0.5
Commercial	0.4	0.4	0.5
Retail	0.4	0.4	0.5
Other non- residential	Special Assessment	Special Assessment	

2.47 If no proper assessment of the likely demand for activities is able to be carried out at the subdivision consent stage, a development contribution will be charged based on one HUE for each new allotment created and another assessment will be made at the building consent stage. This later assessment will credit any development contributions paid at the subdivision consent stage.

Special assessments

2.48 Developments sometimes require a special level of service or are of a type or scale that is not readily assessed in terms of HUEs – such as large-scale primary sector processors or service stations. In these cases, Tiaki Wai may decide to make a special assessment of the HUEs applicable to the development. Tiaki Wai may initiate this process or may consider a request by the developer, in writing, to make a special assessment prior to a development contribution notice being issued.

2.49 In general, Tiaki Wai will evaluate the need for a special assessment for one or more activities where it considers that:

a) the development is of relatively large scale or uses; or

b) the development is likely to have less than half or more than twice the demand for an activity listed in Table 2.7 for that development type; or

c) a non-residential development does not fit into an industrial, retail or commercial land use and must be considered under the other category in Table 2.7 or

d) a non-residential development may use more than 5m³ of water per day.

2.50 Tiaki Wai will use the demand measures in Table 2.4 to help guide special assessments.

2.51 Where the special assessment is requested by the developer, the onus is on the applicant to prove (on the balance of probabilities) that the actual increased demand created by the development meets the requirement of criterion (b) above.

2.52 Any application for a special assessment must be accompanied by the fee payable to recover actual and reasonable costs of determining the application of Tiaki Wai (including costs on charged by Hutt City Council). The fee will be assessed at the time of application. Tiaki Wai may levy additional fees to meet actual costs of Tiaki Wai, should the actual costs be materially higher than the initial assessment.

2.53 If a special assessment is undertaken, Tiaki Wai may require the developer to provide information on the demand for water services infrastructure generated by the development. Tiaki Wai may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

Credits

2.54 Credits are a way of acknowledging that the lot, home or business may already be connected to, or lawfully entitled to use, one or more Tiaki Wai services, or a development contribution has been paid previously. Credits can reduce or even eliminate the need for a development contribution. 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.

2.55 A credit is given for the number of HUEs paid previously or assessed for the existing or most recent prior use of the site. This is to recognise situations where the incremental demand increase on infrastructure is not as high as the assessed number of units of demand implies.

2.56 The number of HUE credits available will be calculated by applying the criteria in the above paragraph except where what is being considered is residential allotments existing as at 1 July 2006 – these are deemed to have a credit of one HUE.

2.57 Table 2.8 illustrates situations where credits will arise.

Table 2.8: Credit examples

Redevelopment of six pre-2006 residential units into a commercial office block	6 HUE credits (i.e., one for each of the existing residential allotments)
Infill residential subdivision of existing pre-2006 allotment into two allotments	1 HUE credit (i.e., one for the original allotment). Development contributions payable on 1 HUE
Residential development of existing central business district site with 400m^2 gross floor area (GFA) commercial building (200m^2 footprint) into eight unit title apartments – no additional impervious area	Water supply: 1.6 HUE credits (400m^2 GFA x 0.4 HUEs per 100 m^2) Wastewater: 1.6 HUE credits (400m^2 GFA x 0.4 HUEs per 100 m^2) Stormwater: 1 HUE credit (200m^2 impervious surface x 0.5 HUEs per 100m^2)

Review rights

2.58 Developers are entitled to request a reconsideration or to lodge a formal objection if they believe a mistake has been made in assessing the level of development contributions for their development.

Reconsideration

2.59 Using the reconsideration request process, developers can formally require Tiaki Wai to reconsider the assessment of development contributions for a development.

Developers can make reconsideration requests where they have grounds to believe that:

a) the development contributions levied under the Policy have been incorrectly calculated or assessed; or

b) the Policy has been incorrectly applied; or

c) the information used to assess the development against the Policy, or the way that information was recorded or used when requiring a development contribution, was incomplete or contained errors.

2.60 To seek a reconsideration, the developer must:

a) lodge the reconsideration request within 10 working days of receiving the development contribution notice

b) use the reconsideration form (found on www.huttcity.govt.nz) and supply any supporting information with the form

c) pay the reconsideration fee at the time of application.

2.61 Applications with insufficient information or without payment of fee will be returned to the applicant, with a request for additional information or payment.

2.62 Once Tiaki Wai has received all required information and the reconsideration fee has been paid, the request will be considered by a panel of a minimum of two, and a maximum of three, staff. The panel will comprise staff who were not involved in the original assessment. Before reaching their decision, the panel will consider all of the information supplied by the applicant and will consider and apply the requirements of the Policy, along with any other information that the panel considers is relevant. The result of a reconsideration decision may confirm the original assessment or increase or decrease the amount required.

2.63 Tiaki Wai will notify the applicant of its decision within 15 working days from the date on which Tiaki Wai receives all required relevant information relating to the request (including additional information Tiaki Wai has sought).

2.64 Tiaki Wai will not accept any reconsideration request received after the 10-working-day period, or where an objection has already been lodged. The applicant will receive written notice if the request for reconsideration cannot be made for one of these reasons. Tiaki Wai reserves the right to reconsider an assessment if it believes an error has been made.

Objections

2.65 The objections process is more formal; it allows developers to seek an independent review of certain decisions. An application for reconsideration does not prevent the applicant from also filing an objection.

2.66 A panel of up to three independent commissioners will consider the objection. The decision of the commissioners is binding on the developer and Tiaki Wai, although either party may seek a judicial review of the decision.

2.67 Objections may only be made on the grounds that an assessment for development contributions has:

a) failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for water services infrastructure in the district or parts of the district; or

b) required a development contribution for water services infrastructure not required by, or related to, the development, whether on its own or cumulatively with other developments; or

c) required a development contribution in breach of section 116 of the LGWSA25; or

d) incorrectly applied the Policy to the development.

2.68 Schedule 13A of the LGA sets out the objection process. To pursue an objection, the developer must:

a) lodge the request for an objection within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for a reconsideration; and

b) use the objection form (found on www.huttcity.govt.nz) and supply any supporting information with the form; and

c) pay a deposit.

2.69 Objectors are liable for all costs incurred in the objection process including staff arranging and administering the process, commissioners' time and other costs incurred by Hutt City Council or Tiaki Wai associated with any hearings, such as room hire and associated expenses. However, objectors are not liable for the fees and allowances costs associated with any Hutt City Council or Tiaki Wai witnesses.

Other operational matters

Refunds

2.70 Tiaki Wai will refund development contributions paid if:

a) the resource consent:

i. lapses under section 125 of the RMA; or
ii. is surrendered under section 138 of the RMA; or

b) the building consent lapses under section 52 of the Building Act 2004; or

c) the development or building in respect of which the resource consent or building consent was granted does not proceed; or

d) Tiaki Wai does not provide the water services infrastructure for which the development contribution was required.

2.71 Refunds will also be made where overpayment has been made (for whatever reason).

2.72 Where Tiaki Wai refunds a development contribution, it may retain a portion of the contribution equivalent to the costs incurred in assessing, requiring and refunding the charges (including costs on charged by Hutt City Council).

Limitations on imposing development contributions

2.73 Development contributions are unable to be required in certain circumstances, if, and to the extent that:

- the developer will fund or otherwise provide for the same water services infrastructure; or
- a third party has funded or provided, or undertaken to fund or provide, the same water services infrastructure; or
- Tiaki Wai or Hutt City Council has already required and received a development contribution for the same purpose in respect of the same work, whether on the granting of a building consent or a certificate of acceptance. However, Tiaki Wai may require another development contribution to be made for the same purpose if the further development contribution is required to reflect an increase in the scale or intensity of the development since the original contribution was required.

2.74 In addition, development contributions will not be required in any of the following circumstances:

a) Non-residential building work for which a building consent is required and that either is less than $20,000 exclusive of GST in value or has a GFA of less than 10m^2, unless the building consent is for a change of use.

b) In relation to any dwelling, replacement development, repair or renovation work generates no additional demand for water services infrastructure.

c) The conversion of an existing unit development into unit titles. This does not apply to any building consents required as part of any changes to existing units, which will still be assessed to determine if development contributions 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) The development is being undertaken by Hutt City Council or Tiaki Wai.

g) In rural areas for stormwater development contributions where no Tiaki Wai stormwater systems are provided.

h) For water and/or wastewater development contributions if a development does not connect to the Tiaki Wai water supply and/or wastewater reticulation systems.

Postponement

2.75 Tiaki Wai will only permit postponement of development contribution payments at its discretion and only:

a) for development contributions over $50,000 (GST exclusive); and

b) where a bond or guarantee equal in value to the payment owed is provided.

2.76 The request for postponement must be made at the time a resource consent, building consent or service connection is granted. 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 Tiaki Wai

c) will have an interest component added, at an interest rate of 2 per cent per annum above the Reserve Bank 90-day bank bill rate on the day the bond document is prepared. The bonded sum will include interest, calculated using the maximum term set out in the bond document. If Tiaki Wai agrees to an extension of the term of the guarantee beyond 24 months, the applicable interest rate will be reassessed from the date of the Tiaki Wai decision, and the guaranteed sum will be amended accordingly

d) shall be based on the GST-inclusive amount of the contribution.

2.77 At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately.

2.78 If Tiaki Wai exercises the discretion to allow a bond, the applicant will meet all costs for preparation of the bond documents.

Development agreements

2.79 Tiaki Wai may enter into specific arrangements with a developer for the provision and funding of particular infrastructure under a development agreement, including the development contributions payable, as provided for under the LGWSA25. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under this Policy.

Remissions

2.80 Tiaki Wai may remit all or part of a development contribution at its complete discretion. Tiaki Wai will only consider exercising its discretion in exceptional circumstances. Applications made under this part will be considered on their own merits and any previous decisions of Hutt City Council or Tiaki Wai will not be regarded as binding precedent.

2.81 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 following issue of a notice for the development contribution payable; and

b) before the development contribution payment is made.

2.82 Tiaki Wai will not allow retrospective remissions of development contributions.

2.83 When considering a request for remission, Tiaki Wai will take into account:

a) the purpose of development contributions, Tiaki Wai financial modelling and Tiaki Wai 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 Tiaki Wai in its capital works programme

c) any other matters that Tiaki Wai considers relevant.

Te Ture Whenua Māori Act 1993

2.84 Section 102(3A) of the Local Government Act 2002 provides that this Policy must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. These principles include recognition that land is a taonga tuku iho of special significance to Māori people, and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapū.

2.85 To support these principles, Tiaki Wai will consider reductions in development contributions for certain types of developments on Māori land and other land in collective Māori ownership. When making this assessment, Tiaki Wai will apply the same framework and criteria as Hutt City Council's Policy on Remission and Postponement of Rates for Māori Freehold Land, with all modification necessary for the purposes of development contributions. Parties interested in applying for a reduction on this basis should make an application, as directed by that Policy, when lodging their building consent, resource consent, or connection request.

Definitions

2.86 In chapter 2, unless the context otherwise requires, the following applies:

Accommodation units has the meaning given in section 197 of the LGA.

Activity means the provision of water, wastewater or stormwater infrastructure services for which a development contribution charge exists under this Policy.

Actual increased demand means the demand created by the most intensive non-residential use(s) likely to become established in the development within 10 years from the date of application.

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

Asset management plan means the Tiaki Wai (or Hutt City Council's previous) 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 an RU that is capable of being used for sleeping purposes and that can be partitioned or closed for privacy, including spaces such as a 'games room', 'family room', 'recreation room', 'study', 'office', 'sewing room', 'den' or 'works room'. The definition excludes:

- a kitchen or pantry
- a bathroom or toilet
- a laundry or clothes-drying room
- a walk-in wardrobe
- a corridor, hallway or lobby
- a garage
- any other room smaller than $6m^2$.

Where an RU 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 any associated HUEs.

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

Commercial activity means any activity associated with (but not limited to): communication services, financial services, insurance, services to finance and investment, real estate, business services, central government administration, public order and safety services, tertiary education provision, local government administration services and civil defence, and commercial offices.

Council means Hutt City Council.

Development has the same meaning as in section 109 of the LGWSA25.

District means Lower Hutt.

Household unit equivalent (HUE) means demand for Tiaki Wai services equivalent to that produced by a nominal household in a standard residential unit (RU).

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, lift wells or stairwells) measured:

- where there are exterior walls, from the exterior faces of those exterior walls
- where there are walls separating two buildings, from the centre lines of the walls separating the two buildings
- 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 National Planning Standards 2019: www.environment.govt.nz/acts-and-regulations/national-planning-standards

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.

LGA means the Local Government Act 2002.

LGWSA25 means the Local Government (Water Services) Act 2025

Network utility operator has the meaning given to it by section 166 of the RMA.

Non-residential development means any development that falls outside the definition of residential development in this Policy.

Policy means this Development Contributions Policy.

Residential development means the development of land and buildings for any domestic/living purposes for use by people living on the land or in the buildings.

Residential unit (RU) means a 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 National Planning Standards 2019: www.environment.govt.nz/acts-and-regulations/national-planning-standards

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

Retirement unit means any dwelling unit in a retirement village but does not include aged care rooms in a hospital or similar facility.

Retirement village has the meaning given in section 6 of the Retirement Villages Act 2003.

RMA means the Resource Management Act 1991.

Service connection has the same meaning *water services connection* in section 109 of the LGWSA25.

Part 2.2: Hutt City policy details

Funding summary

2.87 Tiaki Wai has incurred (via Hutt City Council) or plans to incur over $1.3b on infrastructure partially or wholly needed to meet the increased demand for infrastructure resulting from growth. This includes works undertaken in anticipation of growth and future planned works. Of this cost, approximately 22 per cent will be funded from development contributions.[2]

2.88 Table 2.9 provides a summary of the total costs of growth-related capital expenditure and the funding that Tiaki Wai will seek by development contributions for each activity. Schedule 2.1 presents a breakdown by activities and catchment.

Table 2.9: Total cost of capital expenditure for growth and funding sources ($m, inflation included, GST-exclusive)

	Water	Wastewater	Stormwater	Total
Total capital expenditure	$340.0	$671.8	$350.8	$1,362.6
Growth capital expenditure	$100.6	$151.3	$44.9	$296.8
Development contributions-funded capital expenditure	$100.6	$151.3	$44.9	$296.8
Total capital expenditure proportion funded by development contributions	30%	23%	13%	22%
Capital expenditure proportion funded from other sources*	70%	77%	87%	78%

Growth infrastructure

2.89 Hutt City Council's growth forecasts (see the section 'Projecting growth') were used to derive a programme of infrastructure works. Future elements of this programme (and associated costs) are identified in Hutt City Council's 2024 Long-Term Plan and in Schedule 2.1 of this chapter, as well as the Tiaki Wai 2026/27 Water Services Strategy. In some cases, Hutt City Council undertook works to support forecast growth; these are also listed in Schedule 2.1. All or part of the costs of these projects can be funded from development contributions.

2.90 When determining whether a project or programme is growth related and therefore should be included in this Policy, it is determined whether growth:

[2] Table excludes from its calculation the cost in lost development contributions revenue from phasing in the increase in Valley Floor charges over three years.

- is an important driver for the works. This is usually the case for projects that have been specifically designed for growth capacity upgrade purposes
- influences the scope or capacity of the proposed work. This is often the case for smaller improvements, upgrade and renewal works that also increase infrastructure capacity and takes account of the impact on infrastructure of continuing growth within Hutt City.

2.91 The costs of these projects or programmes that are attributable to growth were apportioned in line with the approach outlined in the 'Cost Allocation' section of this chapter.

Funding policy summary

Funding growth expenditure

2.92 Tiaki Wai is required under section 122(c) of the LGWSA25 to explain within the Policy why it has decided to use development contributions to fund capital expenditure relating to the cost of growth for each activity. The explanation for this chapter is below and is derived from Hutt City Council's position as recorded in its 2024 Development Contribution Policy.

2.93 Population and business growth create the need for new subdivisions and development, that place increasing demands on the assets and services Tiaki Wai provides. Accordingly, we need significant investment in new or upgraded assets and services to meet the demands of growth – as noted in the previous section. Tiaki Wai funds these costs from development contributions for planned expenditure on water, wastewater and stormwater.

2.94 In forming this view, the matters set out in section 101(3) of the LGA were considered.

Community outcomes (section 101(3)(a)(i))

2.95 Whether development contributions are an appropriate source of funding has been considered for each activity, against the outcomes sought by Hutt City Council and their links to growth infrastructure. Hutt City Council has developed nine outcomes to help achieve our vision of making our city a great place to live, work and play:

- A safe community
- A strong and diverse economy
- An accessible and connected city
- Healthy people
- A healthy natural environment
- Active engagement in community activities
- Strong and inclusive communities
- A healthy and attractive built environment
- A well-governed city.

2.96 These outcomes describe a city that is safe, well connected and accessible; that looks after the environment and that provides the foundation needed for a thriving economy. To enable this, Tiaki Wai must provide and maintain infrastructure to a high level of service and make investment to ensure we cater for growth. We are much better able to accommodate this growth if additional funding through development contribution is possible, rather than levelling all cost on existing users of the services. As a dedicated growth funding source, development contributions also offer funding through which we can deliver on Hutt City's vision and outcomes for new communities.

Other funding decision factors (section 101(3)(a)(ii)-(v))

2.97 The funding of growth-related infrastructure has been considered against the following matters:

- 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.
- The period in or over which those benefits are expected to occur.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

2.98 A summary of this assessment is presented in Table 2.10 below.

Table 2.10: Other funding decision factors

Who benefits / whose act creates the need	A significant portion of the Tiaki Wai work programme over the next 30 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, as well as how much it serves and benefits existing customers, is determined for each asset or programme in line with the requirements of section 112(c) of the LGWSA25.
Period of benefit	The assets constructed for development will last for a very long time and provide benefits and capacity for developments now and in the future. In many cases, the 'capacity life' of such assets spans decades. Development contributions allow development-related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future. This helps ensure that growth now and later contributes a fair share to those assets.
Funding sources and rationale, including rationale for separate funding	The cost of supporting development in Hutt City is significant. Development contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth. Allocating the full cost of growth to development is fairer to existing customers and helps ensure economic efficiency. By not imposing the burden of growth costs on existing customers, Tiaki Wai can use water services charges to advance its other activities. These activities

contribute in a wide range of ways to improving current and future community outcomes.

Consequently, Tiaki Wai considers that the benefits to the community are significantly greater than the cost of Policy making, calculations, collection, accounting and distribution of funding for development and financial contributions.

Overall impact of liability on the community (section 101(3)(b))

2.99 The impact of the overall allocation of liability on the community has also been considered. In this case, the liability for revenue falls directly with the development community. The level of development contributions is affordable and are not out of step with those required by other councils or water organisations. The highest charges represent less than 5 percent of the median house price in Hutt City. Consequently, it is not considered likely that there will be an undue or unreasonable impact on the social, economic and cultural wellbeing of this section of the community. Nor are the charges expected to divert private sector investment from Hutt City on any significant scale.

2.100 Moreover, shifting development costs onto existing customers is likely to be perceived as unfair and would significantly impact the charges required from existing customers – who do not cause the need or benefit directly from the growth infrastructure needed to service new developments.

2.101 Overall, Tiaki Wai considers it fair and reasonable to use development contributions to fund the costs of growth-related capital expenditure for water services infrastructure, and it considers that the social, economic and cultural interests of the district's communities are best advanced in this way.

Catchment determination

2.102 When setting development contributions, catchments for grouping charges by geographic areas must be established. The LGWSA25 gives wide scope to determine these catchments provided that:

- the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
- grouping by geographic area avoids grouping across an entire district wherever practical.

2.103 These catchments are:

- the Western Hills
- the Valley Floor
- Stokes Valley
- Wainuiomata
- Eastbourne
- districtwide.

2.104 The rationale for the number of catchments is to:

- keep the Policy as simple as practicable
- provide flexibility to deliver growth infrastructure where it is most needed
- reconcile 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
- strike a reasonable balance between practical and administrative efficiencies and considerations of fairness and equity.

2.105 The catchments are shown on the map in Part 2.3 of this Policy. Developers operating within these catchments will be required to pay contributions applicable in the relevant catchment in accordance with this Policy.

2.106 The catchments and their boundaries are based on communities of interest (aggregating district suburbs), the geography of the district, the characteristics of the infrastructure and service it provides, the common benefits received across the geographical area supplied by the infrastructure being funded by development contributions, and judgments involving a balance between administrative efficiency and fairness and equity. 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 those catchments.

2.107 The districtwide catchment is only used where it is not practical to break down a project or programme into individual catchments. For example, the Seaview wastewater storage project benefits all developments. To disaggregate the costs of such projects to catchment level would require different portions of growth capacity to be assigned to different catchments. Without a very detailed amount of information (which Tiaki Wai does not have available), this would be an arbitrary exercise and likely result in some catchments paying less or more than other catchments for similar capacity and benefits. The districtwide catchment is a practical way of addressing this and ensures fairness.

Significant assumptions of the policy

Methodology

2.108 In developing a methodology for the development contributions in the Policy, an approach that ensures that the cumulative effect of development is considered across each catchment has been taken.

Planning horizons

2.109 A 30-year timeframe has been used as a basis for forecasting growth and growth-related assets and programmes.

Projecting growth

2.110 Hutt City has experienced high population growth and steady economic growth in recent years, and this growth is forecast to continue.

2.111 Using residential forecasts derived from Sense Partners and a commercial growth study as a base, the key assumptions on future growth are as follows:

- Years 2024–2034:
  - Population growth in the district of just over 11,700 people
  - RU growth in the district of around 3,900 RUs
  - Minimal net development of GFA for commercial space – although intensity of use is expected to increase.
- Years 2034–2054:
  - Population growth in the district of around 24,000 people from 2034
  - RU growth in the district of around 7,000 RUs from 2031
  - Minimal net development of GFA for commercial space – although intensity of use is expected to increase.

2.112 Table 2.11 shows a five-yearly breakdown of the population and household forecast.

Table 2.11: Five-yearly breakdown of dwelling forecasts

	2024	2029	2034	2039	2044	2049	2054
Western Hills	6,308	6,679	7,156	7,632	8,109	8,584	9,061
Wainuiomata	8,130	8,340	8,571	8,814	9,058	9,301	9,545
Eastbourne	2,433	2,477	2,518	2,560	2,602	2,644	2,685
Stokes Valley	4,350	4,659	4,860	5,026	5,192	5,357	5,523
Valley Floor	26,224	27,167	28,213	29,431	30,648	31,865	33,083
Hutt City Total	47,445	49,322	51,318	53,463	55,609	57,751	59,897

Best available knowledge

2.113 Development contributions are based on projects and programmes previously undertaken, future works proposed in Hutt City Council's Long-Term Plan 2024 and/or asset management plans, and projected estimates of future growth. These are all based on the best available knowledge at the time of preparation. As better information becomes available the Policy will be updated.

Capacity lives

2.114 The capacity lives for projects and programme within the Policy are approximated to the closet decade that they provide for growth, being 10 years, 20 years or 30 years. Projects that do not provide capacity for development within the period 2024–2034 are not included in this Policy.

Cost of infrastructure

2.115 Future capital expenditure costs used in this Policy are based on the forecast costs in the Long-Term Plan and/or Tiaki Wai Asset Management Plans. Past project costs (see Schedule 2.1) are derived from Annual Reports and will be updated at least every three years.

2.116 Interest costs are added to the above to account of the costs of borrowing (see Funding model section below) and third-party funding is deducted.

2.117 As better information becomes available, Tiaki Wai will update the Policy.

Key risks

2.118 There are two key risks associated with administering development contributions:

- That the growth predictions do not eventuate, resulting in a change to the assumed rate of development. In that event, Tiaki Wai will continue to monitor the rate of growth and will update assumptions in the growth and funding predictions, as required.
- That the time lag between expenditure incurred by Tiaki Wai and development contributions received from those undertaking developments is different from that assumed in the funding model, so that the costs of capital are greater than expected. This would result in an increase in debt servicing costs. To guard against that occurrence, Tiaki Wai will continue to monitor the rate of growth, and will update assumptions in the growth and funding models, as required.

Service assumptions

2.119 Tiaki Wai assumes that methods of service delivery, and levels of service, will remain substantially unchanged and in accordance with asset management plans.

Funding model

2.120 A funding model was developed to calculate development contribution charges under the Policy. The model 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:

- all capital expenditure estimates are inflation adjusted and GST exclusive
- the level of service/backlog and renewal portions of each asset or programme will not be funded by development contributions. See the 'Cost allocation' section below
- the growth costs associated with an asset are spread over the capacity life of the asset, and any debt incurred in relation to that asset will be fully repaid by the end of that capacity life
- interest expenses incurred on debt accrued will be recovered via development contributions and shared equally over the capacity life of each asset.

Cost allocation

2.121 The cost of each asset or programme must be allocated between three principal drivers – growth, level of service /backlog and renewal. The general approach to cost allocation is summarised as follows:

- Where a project provides for and benefits only growth, 100 per cent of a project's 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.

- Where a project involves renewal of existing capacity, the value of a standalone renewal component is generally determined separately for significant individual identified works. For smaller projects or ongoing programmes, a proportion of the works is attributed to growth in line with future beneficiary split (see below).
- If a project provides for growth and level of service, after deducting any share of costs attributable to renewal, the cost is split between growth and level of service based on a future beneficiary split approach. Under this approach, the cost attributed to:
  - level of service will be based on the proportion that the existing community (in HUEs) will make up of the future community (in HUEs)
  - growth will be based on the proportion that the growth (in HUEs) will make up of the future community (in HUEs).

2.122 The approach uses easily available information but generally provides a conservative (low) estimate of the portion of a project's cost attributable to growth compared to other possible approaches.

2.123 For particularly large and expensive projects, a specific cost-apportionment assessment that differs from the general approach outlined above may be undertaken if better information is available: for example, using identified capacity share as the basis for cost allocation.

Calculating the development contribution charges

2.124 This section outlines how the development contribution charges were calculated.

Process

2.125 Table 2.12 summarises the steps taken to determine growth, growth projects and cost allocations, and to calculate the development contributions charges.

Table 2.12: Summary of development contribution charge calculation methodology

Step	Description/comment	Example (cost exclusive of GST)
1. Forecast growth	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. See the 'Projecting growth' section above for further information.	Valley Floor has grown significantly in the last few years and is forecast to grow by another 6,800 homes over the next 30 years.
2. Identify projects required to facilitate growth	The work programme needed to facilitate growth is identified and developed. In some cases, Hutt City Council or Tiaki Wai may have already undertaken the work. The	The need for additional water storage for existing residents and growth was identified. Eastern Hills reservoir is planned as a result alongside a new pipeline to the new reservoir. The

Step	Description/comment	Example (cost exclusive of GST)
	programme in the Policy is for 30 years.	inflation-adjusted estimated cost of these projects is $87m.
3. Determine the cost allocation for projects	The cost of each asset or programme is apportioned between renewal, growth and level of service/backlog in accordance with the approach outlined in the 'Cost allocation' section of this Policy. Schedule 2.1 of the Policy outlines the amount required to fund growth from development contributions for each of these assets or programmes.	Half of the capacity of the new reservoir is for an existing level of service gap (identified in 2018), and half is for growth over 20 years. As a result, 50% of the cost of the project is attributable to growth. Most of the capacity of the reservoir pipeline relates to growth, and 80% of the cost of that project is attributed to growth.
4. Determine growth costs to be funded by development contributions	Tiaki Wai determines whether to recover all of the growth costs identified in step 3 from development contributions or whether some of the growth costs will be funded from other sources.	After considering the matters in section 101(3) of the LGA, Tiaki Wai has generally adopted an approach of recovering 100% of growth costs for each activity from development via development contributions.
5. Adjust for inflation and interest costs	The growth costs from step 4 are adjusted for inflation if they are future works. Then interest cost (or interest accrued) is estimated for each project over the period it will be paid off (called capacity life).	The inflation-adjusted, growth-related cost of the Eastern Hills Reservoir and pipeline is $52m and expected net interest will increase this to a total sum of $69m that must be funded by development contributions.
6. Divide development contributions-funded growth costs by capacity lives	The growth costs from step 4 are divided by the estimated capacity life (defined in HUEs), to provide an HUE charge for each future and past asset and programme.	$69m is divided by the number of HUEs in the development contributions catchment (Valley Floor) for the capacity life estimates of the reservoir (30 years starting in 2020, 8,476 HUEs), to produce a combined charge of $8,132 for these projects ($4,734 + $3,398).
7. Sum all per asset charges	For each catchment and activity, the per-HUE asset or programme charges are summed, to obtain a total development contribution charge.	All Valley Floor projects charges are added together with any projects charges that cross development contribution catchments or serve the whole city to generate a total development contribution charge for

Step	Description/comment	Example (cost exclusive of GST)
	For each activity and catchment, development contributions fund the programme on an aggregated basis.	the Valley Floor for each service (water, wastewater etc.). GST is added to these charges.

Summary of calculations

2.126 Schedule 2.1 provides information on each asset or programme and summarises the calculation of the development contribution charge for each activity/catchment.

Schedule 2.1: Hutt City growth-related assets and development contribution calculations summary

The tables in this schedule outline capital expenditure on assets or programmes attributable to new growth in accordance with section 122 of the LGWSA25 and provide a summary of the development contribution calculations. All figures exclude GST and future costs are inflation adjusted.

Water

Asset or programme name	Description	Total cost $m	Percentage funded by development contributions	Percentage funded from other sources	Development contributions funded cost $m (exclusive of interest)	Development contributions-funded cost $m (inclusive of interest)	Past Spend $m	Year 1 2024/ 2025 $m	Year 2 2025/ 2026 $m	Year 3 2026/ 2027 $m	Year 4 2027/ 2028 $m	Year 5 2028/ 2029 $m	Year 6 2029/ 2030 $m	Year 7 2030/ 2031 $m	Year 8 2031/ 2032 $m	Year 9 2032/ 2033 $m	Year 10 2033/ 2034 $m	Years 11–30 2034/ 2035– 2054/ 2055 $m	Recoverable growth / capacity life (HUEs)	Development contribution charge $
Valley Floor																				
Eastern Hills (previously Naenae) reservoir	Provide 15ML reservoir at current Naenae reservoir site for levels of service and growth	58.48	50%	50%	29.24	40.13	-	-	-	19.46	24.33	14.69	-	-	-	-	-	-	8,476	4,734
Eastern Hills reservoir pipeline	New water supply main from Eastern Hills reservoir to Waterloo to provide additional capacity and maintain head in the network for growth	28.11	80%	20%	22.48	28.80	-	-	-	0.22	16.59	11.30	-	-	-	-	-	-	8,476	3,398
Manor Park water storage reservoir	New reservoir to be built at the same location as existing reservoir for levels of service and growth	18.87	60%	40%	11.32	17.59	-	-	-	0.54	2.19	8.95	7.20	-	-	-	-	-	6,787	2,591
Total		**105.46**	**60%**	**40%**	**63.05**	**86.52**														**10,724**
Wainuiomata																				
Wainuiomata Water supply storage and network upgrades	A new 8ML reservoir to support growth and lift existing levels of service in Wainuiomata	50.05	50%	50%	25.03	24.15	-	-	-	-	-	-	-	-	-	0.12	1.87	48.06	2,160	11,178
Total		**50.05**	**50%**	**50%**	**25.03**	**24.15**														**11,178**
Western Hills																				
Sweetacres reservoir number upgrade	New reservoir for levels of service and growth	2.20	25%	75%	0.55	0.69	2.20	-	-	-	-	-	-	-	-	-	-	-	1,148	604

Asset or programme name	Description	Total cost $m	Percentage funded by development contributions	Percentage funded from other sources	Development contributions funded cost $m (exclusive of interest)	Development contributions-funded cost $m (inclusive of interest)	Past Spend $m	Year 1 2024/ 2025 $m	Year 2 2025/ 2026 $m	Year 3 2026/ 2027 $m	Year 4 2027/ 2028 $m	Year 5 2028/ 2029 $m	Year 6 2029/ 2030 $m	Year 7 2030/ 2031 $m	Year 8 2031/ 2032 $m	Year 9 2032/ 2033 $m	Year 10 2033/ 2034 $m	Years 11–30 2034/ 2035–2054/ 2055 $m	Recoverable growth / capacity life (HUEs)	Development contribution charge $
Total		**2.20**	**25%**	**75%**	**0.55**	**0.69**														**604**
Districtwide																				
Network renewals	Programme of network renewals including upsizing to provide capacity for growth	181.11	6%	94%	10.9	15.4	-	13.03	13.32	10.81	13.38	16.40	18.18	18.54	18.92	19.26	39.28	-	12,302	1,250
Drinking water development projects – reactive	Provision to enable reticulation capacity for growth	1.14	100%	0%	1.1	1.1	-	0.10	0.11	0.11	0.11	0.11	0.12	0.12	0.12	0.12	0.12	-	3,778	302
Total		**182.25**	**7%**	**93%**	**12.0**	**16.5**														**1,552**

Wastewater

Asset or programme name	Description	Total cost $m	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $m (exclusive of interest)	Development contributions-funded cost $m (inclusive of interest)	Past Spend $m	Year 1 2024/2025 $m	Year 1 2025/2026 $m	Year 3 2026/2027 $m	Year 4 2027/2028 $m	Year 5 2028/2029 $m	Year 6 2029/2030 $m	Year 7 2030/2031 $m	Year 8 2031/2032 $m	Year 9 2032/2033 $m	Year 10 2033/2034 $m	Years 11–30 2034/2035–2054/2055 $m	Recoverable growth / capacity life (HUEs)	Development contribution charge $
Valley Floor, Western Hills, Stokes Valley																				
Joint Venture trunk reticulation DBO network cyclic replacement	Programme of network renewals including upsizing to provide capacity for growth	75.90	6%	94%	4.55	6.88	-	4.51	-	19.78	9.35	1.58	24.20	16.48	-	-	-	-	10,718	642
Silverstream Wastewater storage JV project	Additional wastewater detention storage capacity primarily to support growth	2.93	80%	20%	2.34	3.00	-	-	-	-	-	-	-	-	-	-	2.93	-	10,718	280
Total		**78.82**	**9%**	**91%**	**6.89**	**9.89**														**922**
Wainuiomata																				
Wainuiomata North wastewater trunk network upgrade	Replacement and upgrading section of trunk main to address existing capacity constraints and provide for growth servicing in the upper Wise St areas of Wainuiomata North.	6.73	50%	50%	3.37	6.17	-	6.72	-	0.01	-	-	-	-	-	-	-	-	1,330	4,638
Wastewater storage Fraser Street and Main Road	Proposed wastewater storage facility to address immediate LoS issues and allow for additional future developments without increasing network overflows.	11.34	30%	70%	3.40	3.76	0.02	-	-	0.54	1.09	3.36	3.43	2.91	-	-	-	-	2,160	1,741
Total		**18.08**	**37%**	**63%**	**6.77**	**9.93**														**6,379**
Valley Floor																				
Alicetown wastewater pump station and storage improvements	Beaumont Ave wastewater pump station connection upgrades and	3.83	10%	90%	0.38	0.62	-	-	-	0.54	2.74	0.56	-	-	-	-	-	-	6,787	92

Asset or programme name	Description	Total cost $m	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $m (exclusive of interest)	Development contributions-funded cost $m (inclusive of interest)	Past Spend $m	Year 1 2024/2025 $m	Year 1 2025/2026 $m	Year 3 2026/2027 $m	Year 4 2027/2028 $m	Year 5 2028/2029 $m	Year 6 2029/2030 $m	Year 7 2030/2031 $m	Year 8 2031/2032 $m	Year 9 2032/2033 $m	Year 10 2033/2034 $m	Years 11-30 2034/2035–2054/2055 $m	Recoverable growth / capacity life (HUEs)	Development contribution charge $
	provision of wastewater storage for minimising current and future growth related wastewater overflows																			
Boulcott wastewater pipe upgrade	Wastewater pipe upgrades to address existing capacity constraints and cater for growth	1.85	10%	90%	0.19	0.29	-	-	-	0.09	0.55	0.57	0.65	-	-	-	-	-	6,787	43
Hutt Central wastewater network improvements	Hutt City sewer bypass pumpstation project that supports growth in Hutt Valley	1.05	100%	0%	1.05	1.90	-	0.52	0.32	0.22	-	-	-	-	-	-	-	-	6,787	280
IAF valley Floor infrastructure growth	Wastewater project that supports growth in Hutt Valley	40.58	100%	0%	40.58	63.90	3.13	10.21	23.48	3.76	-	-	-	-	-	-	-	-	7,594	8,414
Naenae wastewater storage improvements - Seddon St wastewater storage	Wastewater storage provision at Fleet Street to reduce overflows and cater for growth	4.50	10%	90%	0.45	0.69	-	-	-	-	0.43	0.89	3.17	-	-	-	-	-	6,787	101
Waiwhetū wastewater storage improvements - Whites Line wastewater storage	Wastewater storage provision at Whites Line to reduce and cater for growth	0.62	10%	90%	0.06	0.08	-	-	-	-	-	-	-	-	-	-	0.62	-	6,787	12
Waterloo wastewater pipes upgrades	Wyndrum Ave sewer main upgrade	0.37	10%	90%	0.04	0.04	-	-	-	-	-	-	-	-	-	-	0.37	-	6,787	6
Woburn wastewater pump station improvements	Massey Ave wastewater pump station upgrade	0.32	10%	90%	0.03	0.04	-	-	-	-	-	-	-	-	-	-	0.32	-	6787	6
Total		**53.12**	**81%**	**19%**	**42.78**	**67.56**														**8,954**
Western Hills																				
Korokoro wastewater pipe upgrades	Cornish St sewer main upgrade	1.47	10%	90%	0.15	0.18	-	-	-	-	-	-	-	-	-	-	0.20	1.27	2700	68

Asset or programme name	Description	Total cost $m	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $m (exclusive of interest)	Development contributions-funded cost $m (inclusive of interest)	Past Spend $m	Year 1 2024/2025 $m	Year 1 2025/2026 $m	Year 3 2026/2027 $m	Year 4 2027/2028 $m	Year 5 2028/2029 $m	Year 6 2029/2030 $m	Year 7 2030/2031 $m	Year 8 2031/2032 $m	Year 9 2032/2033 $m	Year 10 2033/2034 $m	Years 11–30 2034/2035–2054/2055 $m	Recoverable growth / capacity life (HUEs)	Development contribution charge $
Maungaraki wastewater storage improvements	Holly & Maple Grove wastewater storage	11.57	10%	90%	1.16	1.74	-	-	-	-	1.11	2.27	4.05	4.14	-	-	-	-	2700	644
Total		**13.03**	**10%**	**90%**	**1.30**	**1.92**														**712**
Stokes Valley																				
Stokes Valley wastewater network improvements - Hawthorn Cres sewer connection	New sewer connection and improvements to complete catchment diversions and provide wet weather capacity	1.32	10%	90%	0.13	0.18	-	-	-	-	-	0.18	1.14	-	-	-	-	-	1231	143
Stokes Valley wastewater pipe improvements - Richard Gr intersection sewer	Richard Gr Intersection ewer upgrade	7.21	10%	90%	0.72	0.82	-	-	-	-	-	-	-	-	-	-	0.70	6.50	1231	662
Total		**8.53**	**10%**	**90%**	**0.85**	**0.99**														**805**

Asset or programme name	Description	Total cost $m	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $m (exclusive of interest)	Development contributions-funded cost $m (inclusive of interest)	Past Spend	Year 1 2024/ 2025 $m	Year 1 2025/ 2026 $m	Year 3 2026 2027 $m	Year 4 2027/ 2028 $m	Year 5 2028/ 2029 $m	Year 6 2029/ 2030 $m	Year 7 2030/ 2031 $m	Year 8 2031/ 2032 $m	Year 9 2032/ 2033 $m	Year 10 2033/ 2034 $m	Years 11–30 2034/ 2035– 2054/ 2055 $m	Recover able growth / capacity life (HUEs)	Development contribution charge $
Districtwide																				
Network renewals	Programme of network renewals that includes upsizing of pipes to provide capacity for growth	156.82	6%	94%	9.41	12.59	-	10.31	3.16	6.17	7.29	10.05	5.62	14.40	15.52	15.68	68.60	-	12,302	1,023
Trunk DBO JV asset replacement and capacity upgrade	Replacement of assets and upsizing to cater for growth	314.46	25%	75%	78.62	95.74	-	17.63	43.04	37.95	17.33	17.68	7.73	41.21	49.06	78.83	4.01		16,863	5,678
Seaview WWTP JV Sludge Handling Renewal and Capacity Upgrade	Upgrade of sludge handling facilities/ equipment to manage additional loads due to growth	4.55	10%	90%	0.45	0.54	-	-	-	-	-	-	-	-	0.29	1.20	3.06	-	10,173	53
Seaview wastewater treatment plant storage	Provision of storage capacity	4.84	25%	75%	1.21	1.79	3.71	0.76	0.38	-	-	-	-	-	-	-	-	-	15,585	115
Trunk main outfall pipeline overflow mitigation	Proposed works to reduce overflows in the catchment including from growth	18.37	10%	90%	1.84	2.09	7.54	-	-	0.10	0.08	0.72	1.29	2.06	2.94	1.03	2.62	-	12,302	170
Wastewater development projects reactive	Provision to enable reticulation capacity for growth	1.14	100%	0%	1.14	1.14	-	0.10	0.11	0.11	0.11	0.11	0.12	0.12	0.12	0.12	0.12	-	3,778	302
Total		**500.19**	**19%**	**81%**	**92.67**	**113.89**														**7,340**

Stormwater

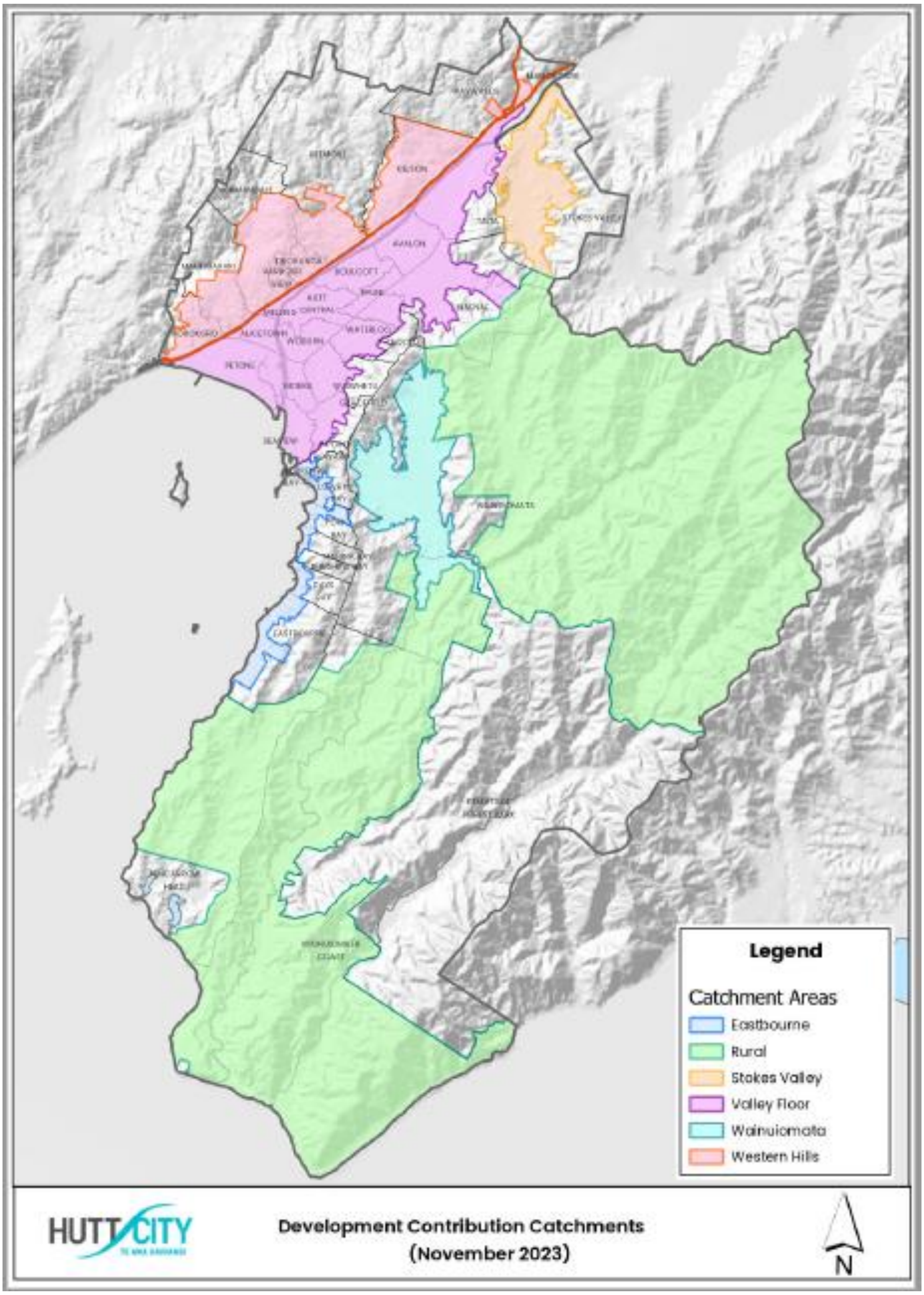
Asset or programme name	Description	Total cost $m	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $m (exclusive of interest)	Development contributions-funded cost $m (inclusive of interest)	Past Spend $m	Year 1 2024/ 2025 $m	Year 1 2025/ 2026 $m	Year 3 2026/ 2027 $m	Year 4 2027/ 2028 $m	Year 5 2028/ 2029 $m	Year 6 2029/ 2030 $m	Year 7 2030/ 2031 $m	Year 8 2031/ 2032 $m	Year 9 2032/ 2033 $m	Year 10 2033/ 2034 $m	Years 11-30 2034/ 2035–2054/ 2055 $m	Recover able growth / capacity life (HUEs)	Development contribution charge $
Eastbourne and Eastern Bays																				
Butterfly Creek flooding	Stormwater management improvements	0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	87	163
Days Bay north flooding		2.72	5%	95%	0.14	0.15	-	-	-	0.27	-	-	-	-	-	2.45	-	-	172	876
Days Bay south flooding		3.13	5%	95%	0.16	0.17	-	-	-	0.27	-	-	-	-	-	0.37	2.49	-	172	981
Hekatara Street / Pukatea Street		0.79	7%	93%	0.06	0.07	0.79	-	-	-	-	-	-	-	-	-	-	-	425	163
Konini St flooding		0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	87	163
Oroua St flooding		0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	87	163
Rona Bay north flooding		0.24	5%	95%	0.01	0.01	-	-	-	-	-	-	-	-	0.24	-	-	-	87	131
Total		**7.81**	**5%**	**95%**	**0.41**	**0.44**														**2,639**
Stokes Valley																				
Stokes Valley flooding	Stormwater management improvements	0.75	5%	95%	0.04	0.03	-	-	-	-	-	-	-	-	-	-	0.75	-	568	59
Total		**0.75**	**5%**	**95%**	**0.04**	**0.03**														**59**
Wainuiomata																				
Black Creek improvements	Widening of the Black Creek Channel to convey flood flows and support growth in the upper catchment	20.48	37%	63%	7.58	8.07	-	-	-	0.19	0.36	3.64	3.95	4.03	4.11	4.19	-	-	2,246	3,593
Hair St flooding	Stormwater management improvements	0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	429	33
Parkway flooding		0.31	10%	90%	0.03	0.03	-	-	-	-	-	-	-	-	-	-	0.31	-	429	67
Wainuiomata - Lowry		0.31	10%	90%	0.03	0.03	-	-	-	-	-	-	-	-	-	-	0.31	-	429	67
Total		**21.41**	**36%**	**64%**	**7.65**	**8.14**														**3,759**
Western Hills																				

Asset or programme name	Description	Total cost $m	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $m (exclusive of interest)	Development contributions-funded cost $m (inclusive of interest)	Past Spend $m	Year 1 2024/2025 $m	Year 1 2025/2026 $m	Year 3 2026/2027 $m	Year 4 2027/2028 $m	Year 5 2028/2029 $m	Year 6 2029/2030 $m	Year 7 2030/2031 $m	Year 8 2031/2032 $m	Year 9 2032/2033 $m	Year 10 2033/2034 $m	Years 11-30 2034/2035–2054/2055 $m	Recover able growth / capacity life (HUEs)	Development contribution charge $
Cornish Street flooding	Stormwater management improvements	0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	795	18
Dowse Drive stormwater improvement project		0.68	15%	85%	0.10	0.16	0.68	0.01	-	-	-	-	-	-	-	-	-	-	2,867	55
Western Hills flooding		0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	795	18
Total		**1.31**	**10%**	**90%**	**0.13**	**0.19**														**91**
Valley Floor																				
Hutt Central north flooding	Stormwater management improvements	7.56	10%	90%	0.76	1.08	-	-	-	-	0.27	-	0.23	3.50	3.57	-	-	-	6,787	159
Hutt Central south flooding		2.10	10%	90%	0.21	0.38	-	1.03	0.85	0.22	-	-	-	-	-	-	-	-	6,787	56
IAF valley Floor infrastructure growth		144.44	18%	82%	26.00	38.46	6.08	20.82	50.75	48.16	18.64	-	-	-	-	-	-	-	7,351	5,232
Melling stormwater pump station and pipe upgrades		2.10	10%	90%	0.21	0.31	-	1.03	0.85	0.22	-	-	-	-	-	-	-	-	4,353	72
Petone flooding works		49.50	5%	95%	2.47	3.42	-	-	-	-	-	0.28	9.46	9.65	9.85	10.03	10.23	-	6,787	505
Queen Street, Petone		1.74	6%	94%	0.10	0.15	1.74	-	-	-	-	-	-	-	-	-	-	-	6,778	22
Randwick Road stormwater improvement, Moera		0.16	6%	94%	0.01	0.01	0.16	-	-	-	-	-	-	-	-	-	-	-	6,778	2
RiverLink stormwater outlets upsized		2.19	10%	90%	0.22	0.39	-	0.07	2.11	-	-	-	-	-	-	-	-	-	6,787	58
Seaview flooding		0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	1,917	7
Taita flooding		0.31	1%	100%	0.00	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	1,917	7
Victoria Street / Humes Street		0.10	12%	88%	0.01	0.02	0.10	-	-	-	-	-	-	-	-	-	-	-	8,476	2
Waiwhetū Stream flooding		0.31	10%	90%	0.03	0.03	-	-	-	-	-	-	-	-	-	-	0.31	-	1,917	15
Wingate flooding		0.31	10%	90%	0.03	0.03	-	-	-	-	-	-	-	-	-	-	0.31	-	1,917	15
Woburn flooding		0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	1,917	7

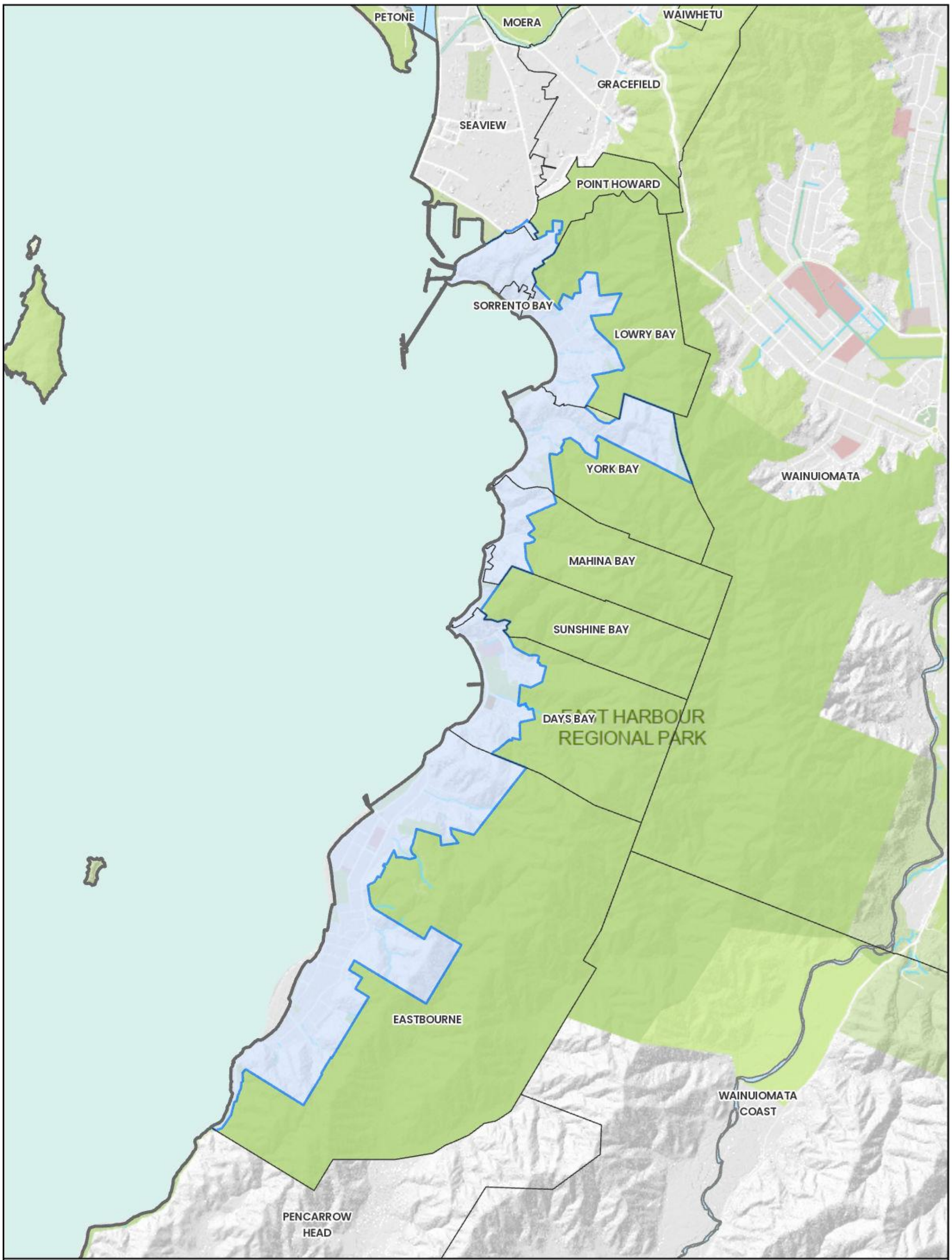
Asset or programme name	Description	Total cost $m	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $m (exclusive of interest)	Development contributions-funded cost $m (inclusive of interest)	Past Spend $m	Year 1 2024/2025 $m	Year 1 2025/2026 $m	Year 3 2026/2027 $m	Year 4 2027/2028 $m	Year 5 2028/2029 $m	Year 6 2029/2030 $m	Year 7 2030/2031 $m	Year 8 2031/2032 $m	Year 9 2032/2033 $m	Year 10 2033/2034 $m	Years 11–30 2034/2035–2054/2055 $m	Recover able growth / capacity life (HUEs)	Development contribution charge $
Total		**211.43**	**14%**	**86%**	**30.09**	**44.33**														**6,160**
Eastbourne and Eastern Bays, Valley Floor																				
Beach stormwater outlets	Stormwater management improvements	0.88	12%	88%	0.11	0.16	0.88	-	-	-	-	-	-	-	-	-	-	-	9,762	16
Total		**0.88**	**12%**	**88%**	**0.11**	**0.16**														**16**
Districtwide																				
Network renewal upgrade	Stormwater management improvements undertaken alongside renewals	106.02	5%	95%	5.30	7.88	-	3.32	6.91	5.12	6.62	15.11	14.21	13.82	11.66	15.75	13.51	-	12,376	637
Stormwater development projects - reactive	Provision to enable reticulation capacity for growth	1.14	100%	0%	1.14	1.14	0.10	0.11	0.11	0.11	0.11	0.12	0.12	0.12	0.12	0.12	-	-	3,796	300
Total		**107.16**	**6%**	**94%**	**6.44**	**9.02**														**937**

Part 2.3: Hutt City catchment maps

This map outlines the boundaries of the catchments within which development contributions will apply.



This map outlines the boundaries of the Eastbourne catchment within which development contributions will apply.

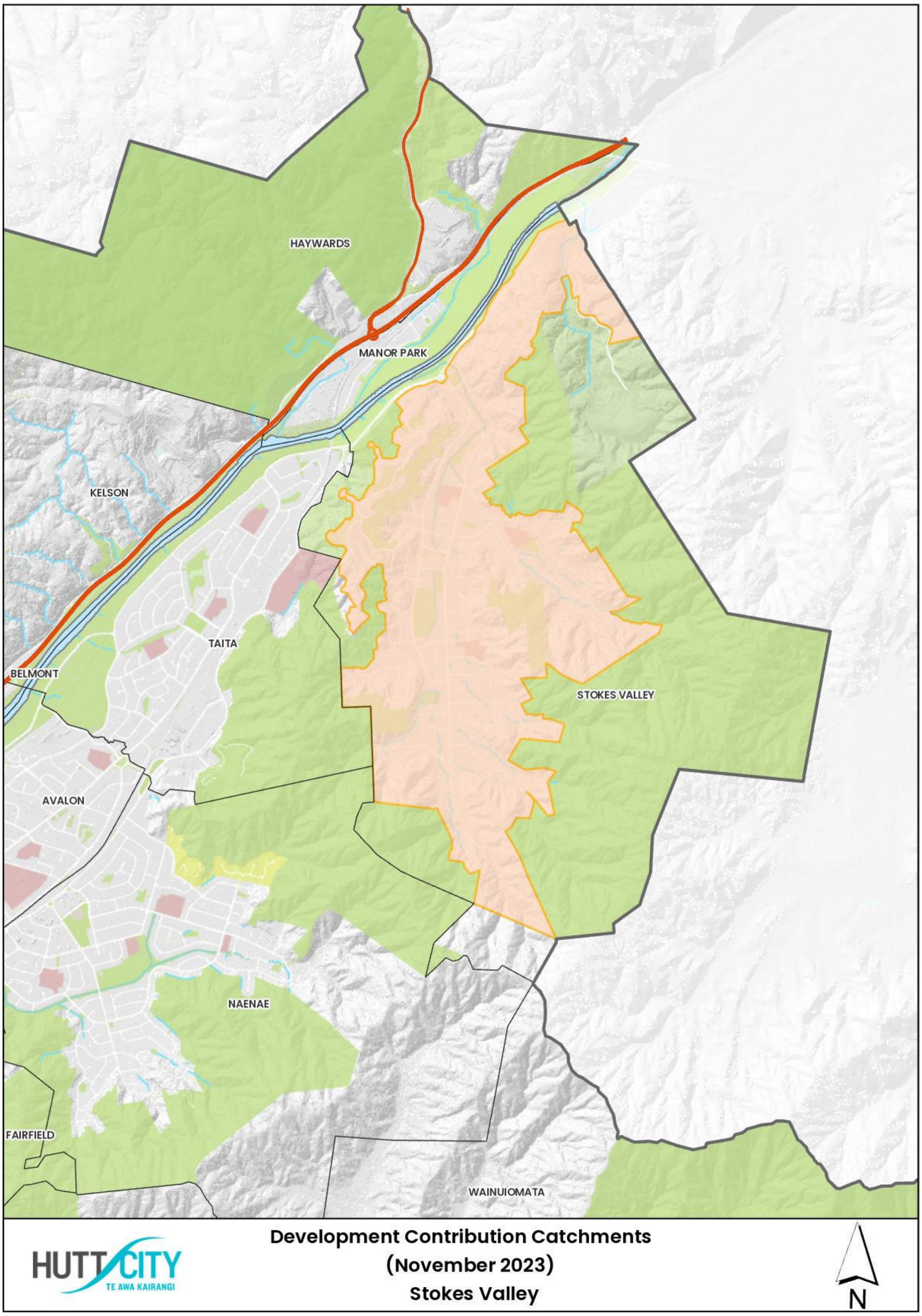


HUTT CITY TE AWA KAIRANGI

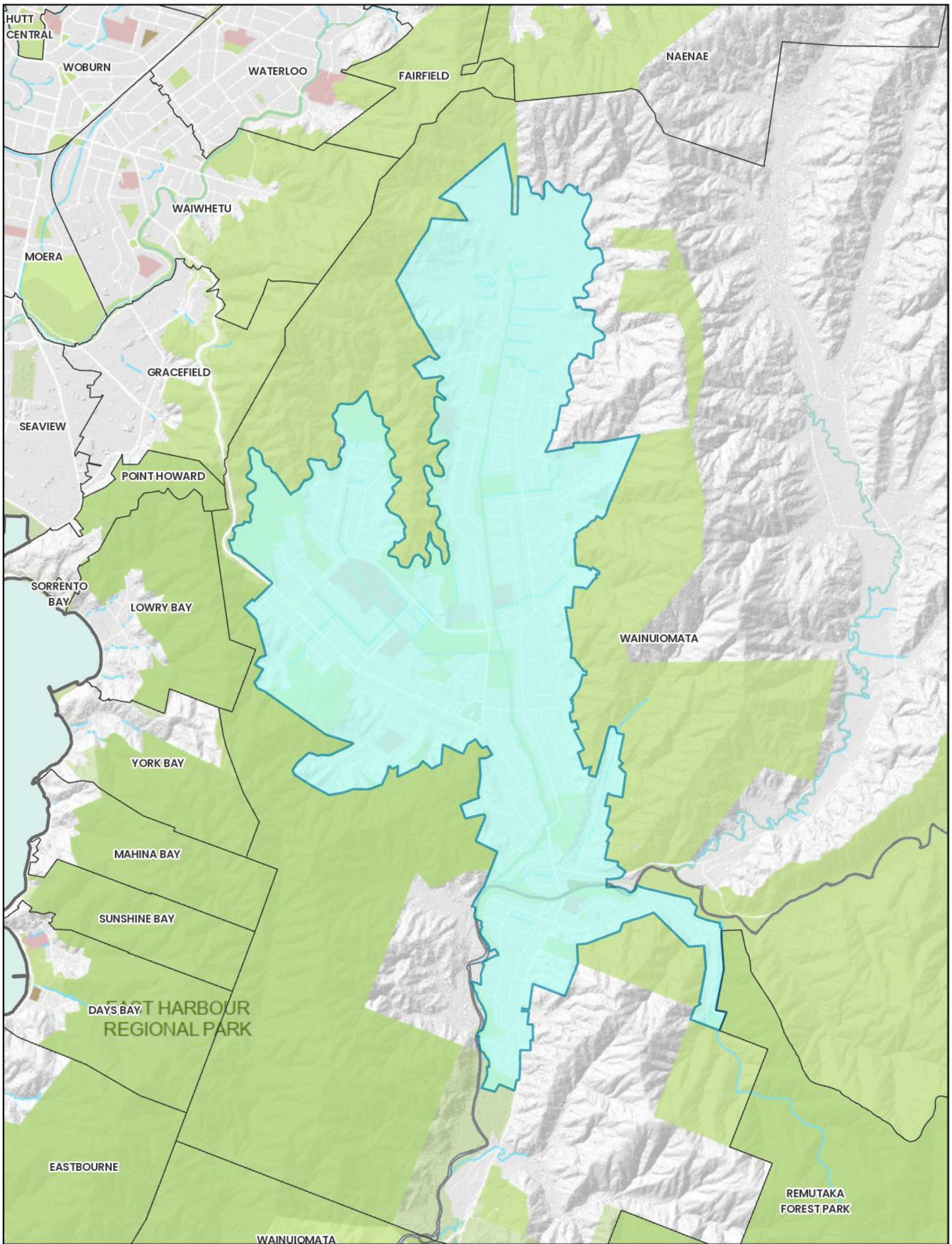
Development Contribution Catchments
(November 2023)
Eastbourne

N

This map outlines the boundaries of the Stokes Valley catchment within which development contributions will apply.



This map outlines the boundaries of the Wainuiomata catchment within which development contributions will apply.

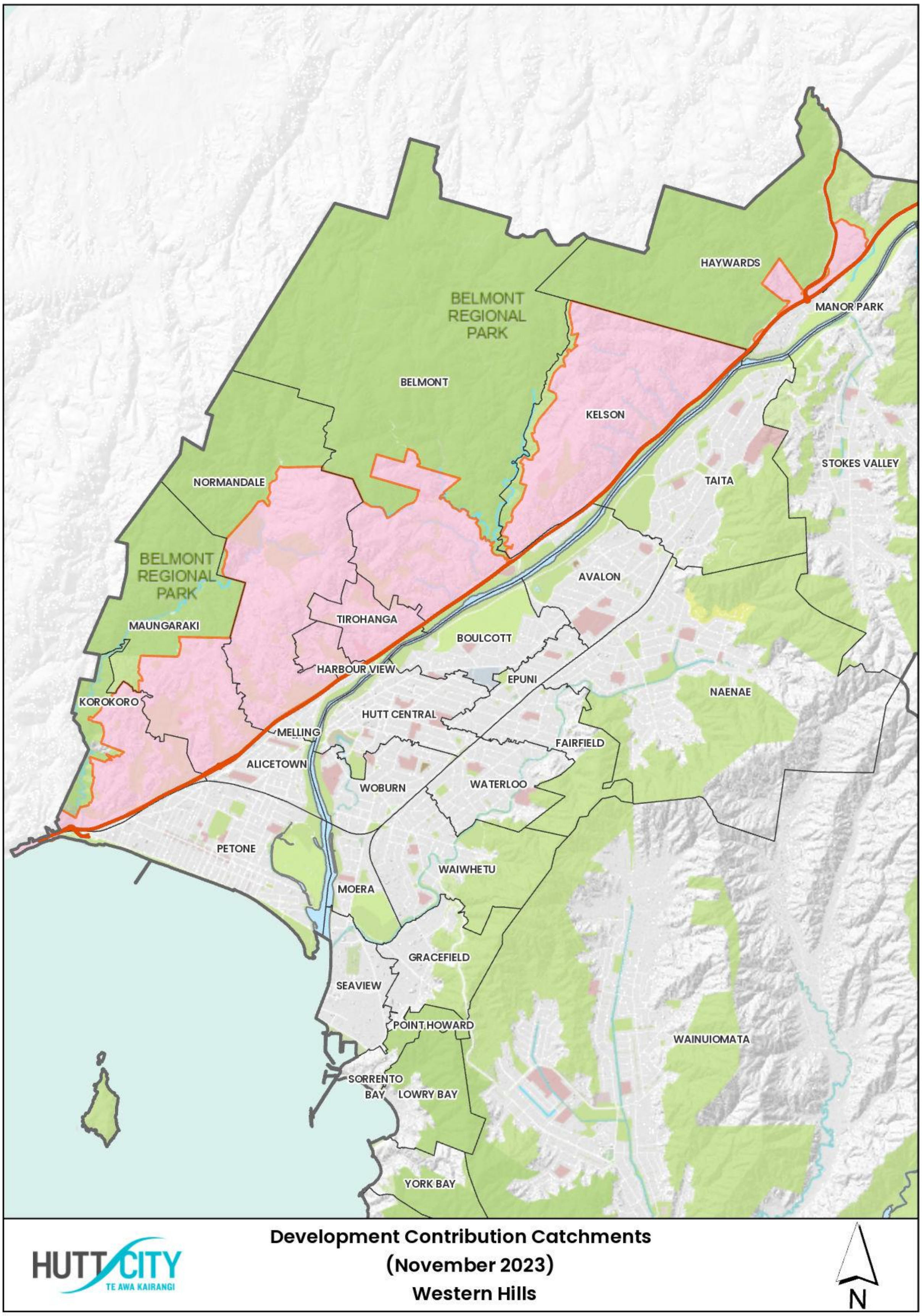


HUTT CITY TE AWA KAIRANGI

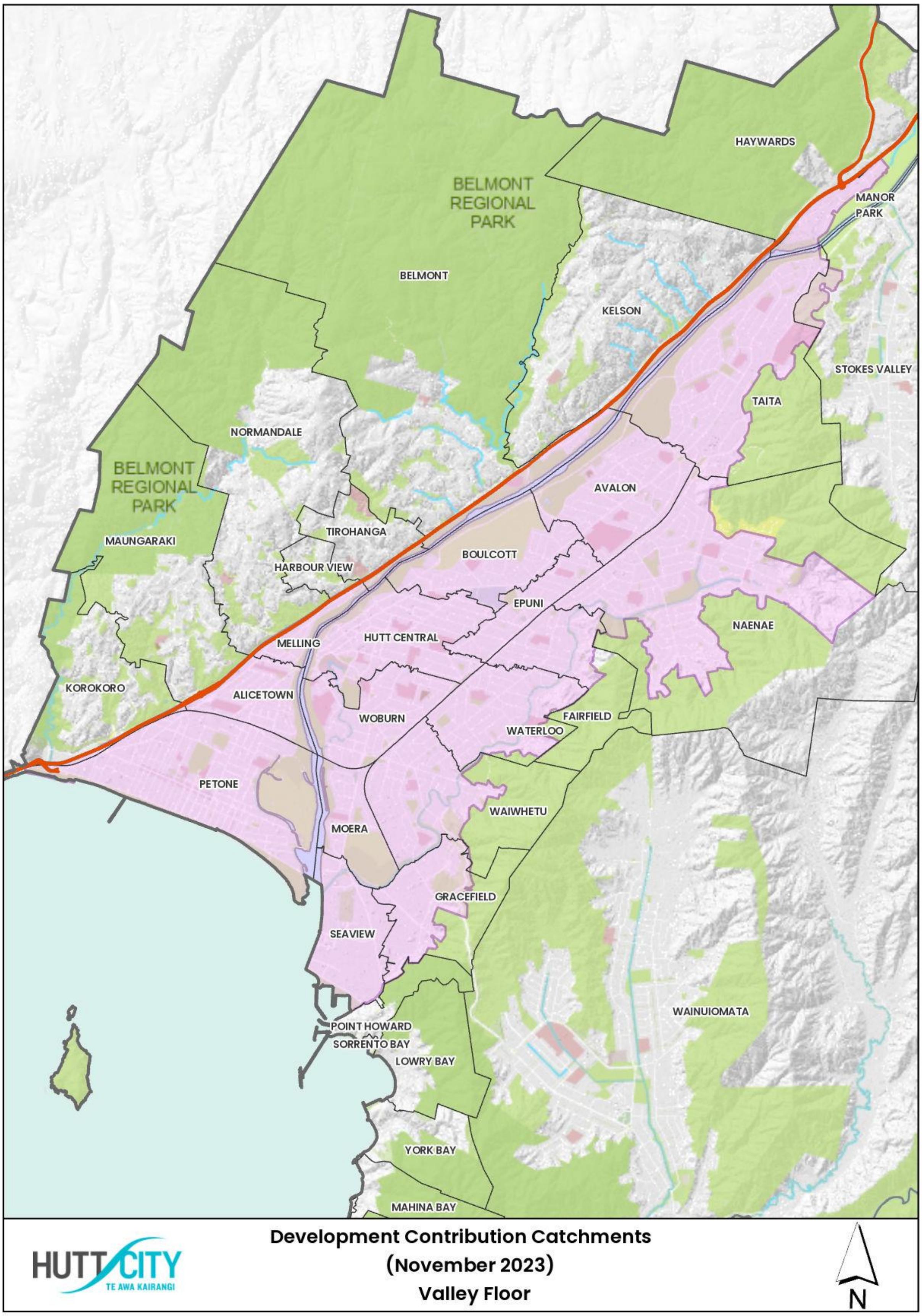
Development Contribution Catchments (November 2023) Wainuiomata

N

This map outlines the boundaries of the Western Hills catchment within which development contributions will apply.



This map outlines the boundaries of the Valley Floor catchment within which development contributions will apply.



Chapter 3. Wellington City

Introduction

3.1 This chapter outlines the Tiaki Wai approach to funding development infrastructure via development contributions in Wellington City. It is based on the relevant water services parts of Wellington City Council's 2026 Development Contributions Policy, as adopted on 28 May 2026 by Wellington City Council. This chapter comprises three parts:

- Part 3.1: Policy operation
- Part 3.2: Policy background and supporting information
- Part 3.3: Policy maps.

3.2 Each part is briefly described below to help readers locate the most relevant information within this document.

Part 3.1: Policy operation

3.3 Part 3.1 explains whether and how development contributions may apply to each development in Wellington City. Specifically, it addresses the following matters.

- The development contribution charges set by asset type and geographic area
- Liability for development contributions
- When development contributions are levied
- Determining infrastructure demands
- Review rights
- Other operational matters
- Definitions

Part 3.2: Background and supporting information

3.4 Part 3.2 provides background information, including an explanation of how development contributions are calculated. It covers the following issues:

- The requirement to have a Development Contributions Policy
- Funding summary
- Funding Policy summary
- Catchment determination
- Significant assumptions of the Policy
- Cost allocation
- Calculating development contribution charges
- Schedule 3.1 development contributions calculations
- Schedule 3.2 Capital works funded (at least partly) by development contributions.

Part 3.3: Policy catchment maps

3.5 Part 3.3 provides maps showing the catchments (or geographic areas) used in this Policy to set sub-city charges, if/where they apply.

Part 3.1: Wellington City policy operation

Development contributions

The charges

3.6 Tiaki Wai charges catchment-specific development contributions for water supply and wastewater in Wellington City. The catchments used for the purposes of these charges are mapped in Part 3.3 of the Policy.

3.7 The resulting development contribution charges per household unit equivalent (HUE) for each activity in each catchment are listed in Table 3.1.

3.8 Development contributions may be levied for the following activities:

a) Water supply

b) Wastewater

3.9 For each activity for which development contributions 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 development contribution charges are then aggregated to yield the total amount payable per development.

3.10 It is important to note that only additional HUEs attract development contributions. 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.

3.11 The development contribution charges may be adjusted for inflation annually in line with the Producers Price Index - Outputs for Construction, as permitted by section 122 of the LGWSA25.

3.12 Tables 3.1 and 3.2 outline the current charges per HUE, which are effective from 1 July 2026.

Table 3.1: Residential charges per HUE (all GST exclusive)

Residential fees		Infrastructure type		Residential category fees			
Policy catchments	**Citywide residential***	**Catchment fees**		**Residential Unit**	**Small Residential Unit**	**Aged Care Unit**	**Retirement Village Unit**
		Water	**Wastewater**				
A: Roseneath	$1,079	$3,499	$1,269	$5,847	$3,917	$2,339	$2,923
B: Karori	$1,079	$1,846	$2,613	$5,539	$3,711	$2,215	$2,769
C: Beacon Hill	$1,079	$0	$1,269	$2,348	$1,573	$939	$1,174
D: Brooklyn - Frobisher	$1,079	$1,686	$1,269	$4,034	$2,703	$1,614	$2,018
E: Kelburn	$1,079	$0	$1,269	$2,348	$1,573	$939	$1,174
F: Johnsonville-Onslow	$1,079	$1,695	$1,269	$4,043	$2,709	$1,618	$2,022
G: Ngaio	$1,079	$0	$1,269	$2,348	$1,573	$939	$1,174
H: Maldive	$1,079	$0	$1,269	$2,348	$1,573	$939	$1,174
I: Churton-Stebbings	$296	$3,148	$773	$4,217	$2,825	$1,687	$2,108
J: Grenada-Lincolnshire	$296	$4,372	$773	$5,441	$3,645	$2,177	$2,720
K: Maupuia	$1,079	$0	$1,269	$2,348	$1,573	$939	$1,174

Residential fees	Infrastructure type			Residential category fees			
Policy catchments	**Citywide residential***	**Catchment fees**		**Residential Unit**	**Small Residential Unit**	**Aged Care Unit**	**Retirement Village Unit**
		Water	**Wastewater**				
L: Newlands	$1,079	$881	$773	$2,734	$1,832	$1,093	$1,367
M: Melrose	$1,079	$1,901	$2,613	$5,594	$3,747	$2,238	$2,797
N: Central & Coastal	$1,079	$3,303	$1,269	$5,651	$3,786	$2,260	$2,825
O: Tawa	$1,079	$0	$773	$1,852	$1,241	$741	$926
P: Wadestown	$1,079	$2,663	$773	$4,516	$3,025	$1,806	$2,258
Q: Inner city (residential)	$1,079	$3,303	$1,269	$5,651	$3,786	$2,260	$2,825
R: Johnsonville Town Centre	$1,079	$1,695	$1,269	$4,043	$2,709	$1,618	$2,022
S:: Adelaide Road	$1,079	$3,303	$1,269	$5,651	$3,786	$2,260	$2,825
T Pipitea Precinct (residential)	$1,079	$3,303	$1,269	$5,651	$3,786	$2,260	$2,825

Citywide residential fee breakdown per HUE	
Citywide water	**Citywide wastewater**
$784	$295

HUE Conversion ratios		
	Water	**Wastewater**
Residential Unit	1.00	1.00
Small Residential Unit	0.67	0.67
Aged Care Unit	0.40	0.40
Retirement Village Unit	0.50	0.50

Table 3.2 Non-residential charges (all GST exclusive)

Non-residential fees	Infrastructure type			Non-residential category fees		
Policy catchments	**Citywide non-residential (100m² GFA)***	**Water (100m² GFA)**	**Catchment Wastewater (100m² GFA)**	**Commercial (100m² GFA)**	**Retail (100m² GFA)**	**Industrial (100m² GFA)**
A: Roseneath	$1,079	$3,499	$1,269	$2,046	$2,046	$1,754
B: Karori	$1,079	$1,846	$2,613	$1,939	$1,939	$1,662
C: Beacon Hill	$1,079	$0	$1,269	$822	$822	$705
D: Brooklyn -Frobisher	$1,079	$1,686	$1,269	$1,412	$1,412	$1,211
E: Kelburn	$1,079	$0	$1,269	$822	$822	$705
F: Johnsonville-Onslow	$1,079	$1,695	$1,269	$1,415	$1,415	$1,213
G: Ngaio	$1,079	$0	$1,269	$822	$822	$705
H: Maldive	$1,079	$0	$1,269	$822	$822	$705
I: Churton-Stebbings	$296	$3,148	$773	$1,476	$1,476	$1,265
J: Grenada- Lincolnshire	$296	$4,372	$773	$1,904	$1,904	$1,632
K: Maupuia	$1,079	$0	$1,269	$822	$822	$705
L: Newlands	$1,079	$881	$773	$957	$957	$820
M: Melrose	$1,079	$1,901	$2,613	$1,957	$1,957	$1,678

Non-residential fees		Infrastructure type		Non-residential category fees		
Policy catchments	Citywide non-residential (100m² GFA)*	Water (100m² GFA)	Catchment Wastewater (100m² GFA)	Commercial (100m² GFA)	Retail (100m² GFA)	Industrial (100m² GFA)
N: Central & Coastal	$1,079	$3,303	$1,269	$1,978	$1,978	$1,695
O: Tawa	$1,079	$0	$773	$649	$649	$556
P: Wadestown	$1,079	$2,663	$773	$1,580	$1,580	$1,355
Q: Inner city (non-residential)	$1,079	$3,303	$1,269	$1,978	$1,978	$1,695
R: Johnsonville Town Centre	$1,079	$1,695	$1,269	$1,415	$1,415	$1,213
S: Adelaide Road	$1,079	$3,303	$1,269	$1,978	$1,978	$1,695
T: Pipitea Precinct (non-residential)	$1,079	$3,303	$1,269	$1,978	$1,978	$1,695

*

Citywide non-residential fee breakdown		
	Citywide water	Citywide wastewater
$/100m² GFA	$784	$295

HUE Conversion ratios		
	Water	Wastewater
Commercial	0.35	0.35
Retail	0.35	0.35
Industrial	0.30	0.30

3.13 Where a development falls across two or more catchments the units of demand will be assessed separately for each catchment. The total development contributions payable will be the sum of the development contributions calculated for each area.

Liability for development contributions

3.14 Developments that create demand for capital expenditure by Tiaki Wai to service growth may need to pay development contributions under this Policy. Development contributions may apply in Wellington City to developments within the areas shown in the maps in Part 3.3 of this chapter.

3.15 Development of new infrastructure (for which development contributions apply) means that areas not previously subject to development contributions may become so. For example, a development comprising a newly created section in a subdivision may be liable for development contributions for new infrastructure even when previously constructed houses within the same subdivision were not.

3.16 In some circumstances, development contributions may not apply or may be reduced.

When/how development contributions are levied

3.17 Liability for development contributions may be assessed at specific points within the property development process, namely when an application for resource consent, building consent, certificate of acceptance, project information memorandum (PIM) or service connection is submitted. Resource consents for land use and unit title subdivision will only be assessed for development contributions if a building consent will not be required.

3.18 Once all necessary information associated with an application for a resource consent, building consent, certificate of acceptance, PIM or service connection has been provided, the standard process for assessing and requiring the payment of development contributions is as follows:

TRIGGER	NOTICE	INVOICE	PAYMENT
Liability for DCs is assessed	A formal notice of DC requirement is issued	An invoice requiring payment is issued	DCs are paid

3.19 Liability for development contributions will usually be assessed 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. Liability for development contributions may be reassessed on subsequent applications if development contributions have not yet been assessed, or if the scale or nature of the development has changed over time.

3.20 Development contributions 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, PIM, or service connection that triggers the assessment of development contributions is submitted with all required information.

Initial assessment

3.21 On receiving an application for resource consent, building consent, certificate of acceptance, PIM, or service connection, staff will assess whether:

a) the application is for a development that generates a demand for water or wastewater infrastructure services.

b) the effect of the development (either alone or together with other developments) requires new or additional assets, or assets of increased capacity.

c) Tiaki Wai has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Wellington City Council in anticipation of growth.

d) this Policy provides for a development contribution to be required in the circumstances.

3.22 Tiaki Wai has identified the assets and areas that are likely to meet the requirements of (b) and (c) for Wellington City, and these are outlined in Part 3.2, Schedule 3.2 (Past and future assets funded by development contributions), and Part 3.3 (development contribution catchment maps).

3.23 Development contributions will not be required if, and to the extent that:

- a development does not generate additional demands for infrastructure (such as a boundary adjustment)
- one of the circumstances outlined in the 'Limitations on imposing development contributions' section of this chapter applies
- credits apply as outlined in the 'Credits' section of this chapter.

3.24 If a subsequent resource consent (including a change to a condition of a resource consent), building consent, certificate of acceptance, PIM 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 development contributions assessment, will be calculated and the contributions adjusted to reflect this.

3.25 This means additional development contributions will be required where additional units of demand are created, and development contributions for those additional units of demand have not already been required. On the contrary, if the units of demand are reduced, the respective development contributions will be reduced accordingly.

3.26 Examples of where additional development contributions may apply after a subsequent trigger event include:

a) minimal development contributions 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) development contributions 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.

3.27 Staff will work with the developer to evaluate the development and determine the initial assessment of development contributions. Initial assessments are in draft and can be amended until a formal development contribution notice is issued.

Notice

3.28 A development contribution notice will normally be issued when a subdivision resource consent, building consent, certificate of acceptance, PIM or service connection authorisation is granted. The notice outlines the relevant activities and the number of HUEs assessed for development contributions, plus the charges that will apply. It also triggers rights to request a development contribution reconsideration or to lodge an objection.

3.29 If multiple consents or authorisations are being issued for a development, a development contribution notice may be issued for each part.

Invoice

3.30 An invoice for development contributions 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.

Table 3.3: 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
Project information memorandum (PIM)	Before the issue of the PIM
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

3.31 Notwithstanding the provisions above, if a development contribution required is not invoiced at the specified time due to an error or omission, an invoice will still be issued when the error or omission is identified. The development contribution remains payable.

Payment

3.32 Development contributions must be paid by the due time specified in Table 3.4.

Table 3.4: 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
Project information memorandum (PIM)	Within 20 working days after the completion of the building work. Completion of the building work is as outlined in Section 42B(6) of the Building Act 2004.
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA
Resource consent (other)	The 20th day of the month following the issue of the invoice, unless Tiaki Wai agrees to different payment timing for large-scale multi- stage developments.
Service connection	At the issue of the approval for connection

3.33 Prompt payment of development contributions is important because, until paid in full, Wellington City Council or Tiaki Wai (where applicable) may:

a) withhold a certificate under section 224(c) of the RMA

b) withhold a code compliance certificate under section 95 of the Building Act 2004

c) withhold a service connection to the development

d) withhold a certificate of acceptance under section 99 of the Building Act 2004.

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

Determining infrastructure demand

3.35 To enable a consistent method of charging for development contributions, 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".

3.36 In general, the number of HUEs charged depends on the number and nature of the residential units being created, in accordance with Tables 3.5 and 3.6 below.

3.37 For non-residential developments, the number of HUEs is usually expressed per 100m^2 of additional gross floor area (GFA) created or impervious surface area (ISA) for stormwater.

3.38 Table 3.5 below summarises the HUEs applied to different types of development identified in the Policy, including the conversion ratios used.

Table 3.5: HUE payable per type of development

	HUEs per unit				HUEs per 100m^2 GFA/ISA		
Activities	**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

Residential development

3.39 By default, residential subdivisions will generally be levied one HUE per new lot created for each activity in the table above.

3.40 When calculating the number of HUEs for a residential subdivision, the assessment will be adjusted to account for any:

a) credits relating to the site (refer to the 'Credits' section below)

b) allotment which, by agreement, is to be vested in Tiaki Wai or Wellington City Council for a public purpose

c) allotment required as a condition of consent to be amalgamated with another allotment.

3.41 When determining how many residential units are being created, Wellington City Council will deem a residential unit to be any area that:

a) is capable of being self-contained

b) includes cooking and bathroom facilities of any nature

c) is physically separated, or capable of being separated, from any other residential unit.

Special assessments

3.42 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, Tiaki Wai 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.

3.43 Without limiting Tiaki Wai discretion, when determining a special assessment, the demand measures set out in Table 3.6 below will be used as a guide.

Table 3.6: 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)

3.44 Any application for a special assessment must be accompanied by the fee payable to recover the Tiaki Wai actual and reasonable costs incurred (including costs oncharged by Wellington City Council). The fee will be assessed at the time of the application. Tiaki Wai may charge additional fees to meet Tiaki Wai actual costs, should they be materially higher than initially assessed.

3.45 If a special assessment is undertaken, Tiaki Wai may require the developer to provide information on the demand for infrastructure generated by the development. Tiaki Wai may also carry out its own assessment of demand for water services infrastructure and may determine the applicable development contributions based on its assessments.

Credits

3.46 Credits acknowledge that a lot, home or business may already be connected to, or make use of, one or more Tiaki Wai services, or that a development contribution has been paid previously. Credits can reduce or even eliminate the need for a development contribution. 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.

3.47 A credit is given for the number of HUEs for which development contributions 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 development contributions 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.

3.48 Table 3.7 illustrates how standard credits are given under different situations.

Table 3.7: 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
Residential units or lots	The number of HUEs	1 HUE for all services	1 HUE for the service(s) connected	1 HUE
Non-residential buildings or lots	A 'before and after' assessment of demand, using a special assessment or the conversion factors set out in Table 3.6 of this chapter, will be undertaken to determine credits and any increase in demand on services. Credits given will be guided by actual use over the period up to 5 years prior to the lodgement of the application when making this assessment.			

3.49 The calculation of development contributions recognises that Residential and Commercial HUE are not equal in demand nor value. Accordingly, the calculation of development contribution credits is based on the dollar value of the relevant fee rates under this Policy.

Review rights

3.50 Developers are entitled to request a reconsideration or lodge a formal objection if they believe a mistake has been made in assessing the level of development contributions for their development.

Reconsideration

3.51 Reconsideration requests are a process that formally requires Tiaki Wai to reconsider the assessment of development contributions for a development. Reconsideration requests can be made where the developer has grounds to believe that:

a) the development contribution levied was incorrectly calculated or assessed under the Policy.

b) the Policy has incorrectly been applied;

c) the information used to assess the development against the Policy, or the way that information was recorded or used when requiring a development contribution, was incomplete or contained errors.

3.52 To seek a reconsideration, applicants must lodge a reconsideration request within 10 working days of receiving the development contribution notice by emailing it to BUSdevelopmentcontributions@wcc.govt.nz.

3.53 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.

3.54 Once Tiaki Wai has received all required information, the request will be considered by a designated development contributions advisor and 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 development contributions required.

3.55 Notice of the Tiaki Wai decision will be given to the applicant within 15 working days from the date on which Tiaki Wai received all the required relevant information relating to the request.

3.56 Tiaki Wai will not accept any reconsideration request received after the 10-working day period or where an objection has already been lodged.

3.57 Tiaki Wai reserves the right to reconsider an assessment if it believes an error has been made.

Objections

3.58 Objections are a more formal process that allows developers to seek an independent review of certain decisions. 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 Tiaki Wai, although either party may seek a judicial review of the decision.

3.59 Objections may only be made on the grounds that an assessment 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 water services infrastructure in the city or parts of the city

b) required a for water services infrastructure not required by, or related to, the development, whether on its own or cumulatively with other developments.

c) required a development contribution in breach of section 116 of the LGWSA25.

d) incorrectly applied the Policy to the development.

3.60 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: BUSdevelopmentcontributions@wcc.govt.nz, noting the grounds for the objection and providing any supporting information.

c) pay a deposit to cover potential reasonable costs for Tiaki Wai or Wellington City Council.

3.61 Applicants for objections are liable for Tiaki Wai and/or Wellington City 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 Tiaki Wai and/or Wellington City Council associated with any hearings such as room hire and associated expenses, as provided by section 136 of LGWSA25. However, applicants are not liable for the fees and allowances costs associated with any Tiaki Wai or Wellington City Council witnesses. ▯

Other operational matters

Refunds

3.62 Section 145 of the LGWSA25 states the circumstances where development contributions must be refunded. In summary, Tiaki Wai will refund development contributions paid if:

a) the resource consent:
   - lapses under section 125 of the RMA
   - 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) Tiaki Wai does not provide the water services infrastructure for which the development contributions were required.

3.63 Refunds will also be made where overpayment has been made (for whatever reason).

3.64 Tiaki Wai may retain any portion of a development contribution referred to above of a value equivalent to the costs incurred by Tiaki Wai in relation to the development or building and its discontinuance.

3.65 Tiaki Wai may retain a portion of a development contribution refunded of a value equivalent to any administrative and legal costs it has incurred in assessing, imposing, and refunding a development contribution (including costs oncharged by Wellington City Council).

Limitations on imposing development contributions

3.66 Development contributions are unable to be required in certain circumstances, as outlined in section 116 of the LGWSA25.

3.67 Development contributions will only be imposed where the water services infrastructure is not being fully funded by any other revenue or funding sources, or in-kind or vested assets, or Tiaki Wai or Wellington City Council has already required a development contribution for the same purpose in respect of the same development.

3.68 In addition, development contributions will not be required 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 10m^2, unless the building consent is for a change of use.

b) The development is being undertaken by Wellington City Council or Tiaki Wai. This exemption does not apply to developments undertaken by or on behalf of Welington City 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 will still be assessed to determine if development contributions 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 development contributions, where no Tiaki Wai stormwater systems are provided.

3.69 However, another development contribution may be required 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

3.70 Wellington City 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, Wellington City Council may impose a condition of consent requiring retention tanks for delayed discharge of wastewater or stormwater where there would otherwise be an adverse effect on the wastewater or stormwater network if it was not provided. Such works are separate to the planned Wellington City Council infrastructure funded by development contributions and cannot be used to offset liability for development contributions or financial contributions.

Postponement

3.71 Postponement of development contribution payment will only be permitted at the discretion of Tiaki Wai and usually only:

a) for development contributions over $50,000

b) where a bond or guarantee equal in value to the payment owed is provided.

3.72 The request for postponement must be made before a payment becomes due.

3.73 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 Tiaki Wai

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 Tiaki Wai 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 Tiaki Wai decision, and the bonded or guaranteed sum will be amended accordingly

d) shall be based on the GST inclusive amount of the contribution.

3.74 At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately.

3.75 If the discretion to allow a bond is exercised, all costs for preparation of the bond documents will be met by the applicant.

3.76 When considering a request for postponement, Tiaki Wai will take into account:

a) the purpose of development contributions, financial modelling for development contributions, and the Tiaki Wai 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 Tiaki Wai in its capital works programme

c) any other matter(s) that Tiaki Wai considers relevant.

Development agreements

3.77 Tiaki Wai may enter into an agreement with a developer for the provision and/or funding of particular infrastructure. For activities covered by a development agreement, the provisions of that agreement take precedence over the development contributions that would otherwise be assessed under the Policy.

Remissions

3.78 Tiaki Wai may remit all or part of a development contribution 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 Tiaki Wai or Wellington City Council will not act as binding precedents.

3.79 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 of the issue of the notice for the development contribution payable; and

b) before the development contribution payment is made.

3.80 Tiaki Wai will not allow retrospective remissions of development contributions.

3.81 When considering a request for remission, Tiaki Wai will take into account:

a) the purpose of development contributions, financial modelling for development contributions and the Tiaki Wai 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 Tiaki Wai in its capital works programme

c) any other matters that Tiaki Wai considers relevant.

Definitions

3.82 In chapter 3, 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 one 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 water, wastewater or stormwater infrastructure services for which a development contribution charge exists under this 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 the Tiaki Wai (or Wellington City Council's previous) 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:

- kitchen or pantry
- bathroom or toilet
- laundry or clothes-drying room
- walk-in wardrobe
- corridor, hallway or lobby
- garage
- other room smaller than $6m^2$.

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.

Cooking facilities means any equipment used for cooking (including but not limited to an oven, rangehood or stove) and/or sink or tap or plumbing connected to potable water that is capable of being used as a cooking area.

Council means Wellington City Council.

Development has the same meaning as in section 109 of the LGWSA25.

Development agreement has the same meaning as section 109 of the LGWSA25.

Development contribution has the same meaning as in section 109 of the LGWSA25.

Greenfield development means a proposal that creates new residential or rural residential areas, including 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, lift wells 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 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.

LGWSA25 means the Local Government (Water Services) Act 2025.

Policy means this Development Contributions Policy.

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 *water services connection* in section 109 of the LGWSA25.

Small residential unit means a residential unit which only has one bedroom and includes 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 3.2: Wellington City policy details

Funding summary

3.83 Tiaki Wai has incurred (via Wellington City Council) or plans to incur around $354.2 million on water services infrastructure partially or wholly needed to meet the increased demand in Wellington City. This includes works undertaken in anticipation of growth, and future planned works. The total amount to be funded by development contributions is nearly $179.7 million.

3.84 Table 3.8 provides a summary of the total costs of growth-related capital expenditure and the funding sought by development contributions for all activities and catchments.

Table 3.8. Total cost of capital expenditure for growth and funding sources

Infrastructure	Total cost of capital works ($000)	Total growth component to be funded by development contributions ($000)
Wastewater - Citywide	7,729	7,729
Wastewater - Catchment	155,750	59,904
Water Supply - Catchment	144,592	65,873
Water Supply - Citywide	46,170	46,170
Total	**354,241**	**179,676**

Funding Policy summary

Funding growth expenditure

3.85 The Wellington City Council 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.

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

3.87 These costs in Wellington City are funded from development contributions for water supply and wastewater.

3.88 In reaching this decision, the matters set out in section 101(3) of the LGA02 were considered.

3.89 Tiaki Wai is required to explain within this Policy why it uses development contributions to fund capital expenditure relating to the cost of growth. The assessment and explanation for this chapter are below and is derived from Wellington City Council's position as recorded in its 2024 Development Contributions Policy.

Community outcomes

3.90 Whether development contributions are an appropriate source of funding has been considered 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.

e) 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) 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.

Other funding decision factors

3.91 The funding of growth-related water services infrastructure has also been considered against the following matters in sections 101 (3)(a)(ii) – (v) of LGA02:

- 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.
- The period in or over which those benefits are expected to occur.
- The costs and benefits including consequences for transparency and accountability of funding the activity distinctly from other activities.

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

Table 3.9: Other funding decision factors

Who benefits / whose act creates the need	A significant portion of the Tiaki Wai 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 customers, is determined for each asset or programme. Tiaki Wai 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. The Catchment determination section below outlines how the catchments for development contributions in the Policy were determined.
Period of benefit	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. Development contributions 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.
Funding sources & rationale including rationale for separate funding	Development contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth. Tiaki Wai may choose to fund a portion of growth costs from sources other than development contributions, considering housing affordability or the encouragement of development. Tiaki Wai may also be receiving third party funding for growth, and this may affect how much can be recovered from development contributions.

Overall impact of liability for revenue needs on community

3.93 Tiaki Wai considers it is appropriate that development contributions fund additional capacity required for growth under section 101(3)(b) of the LGA02.

3.94 The impact of the overall allocation of liability on the community has also been considered. In this case, the liability for revenue falls directly with the development community. The level of development contributions is affordable, and it is not likely that there will be an undue or unreasonable impact on the social, economic, environmental and cultural wellbeing of this section of the community.

3.95 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 development contributions 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 existing customers 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.

3.96 Overall, Tiaki Wai 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 to fund the costs of growth-related capital expenditure for water services infrastructure.

Catchment determination

3.97 When setting development contributions, catchments for each activity must be established.

3.98 This Policy uses a mixture of citywide and smaller catchments for Wellington City.

3.99 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

3.100 The more localised catchments 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 development contributions. 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.

3.101 The catchments with project capital expenditure for growth and related HUE charges are listed in Schedule 3.1.

3.102 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.

Significant assumptions of the Policy

Development contribution calculation methodology

3.103 In developing a methodology for the development contributions in the Policy, the cumulative effect of development has been considered across each catchment.

Planning horizons

3.104 A 10-year timeframe has been used for assessing the growth-related portions of capital works, which aligns with Wellington City Council's Long-Term Plan 2024. 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

3.105 Long-term population growth of 50,000 to 80,000 additional people over the next 30 years is forecast. 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 Wellington City 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.

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

3.107 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.

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

- Years 2024-2033:
  - Population growth in the district of around 0.81% (or around 1,678 people) per annum.
  - Residential unit growth in the district of around 0.87% (or around 800 households) per annum.
  - Development of around 70,962m^2 GFA annually for business space, primarily through redevelopment of existing business land.
- Years 2034-2043:
  - Population growth in the district of around 0.83% (or around 1,996 people) per annum.
  - Residential unit growth in the district of around 0.72% (or around 729 households) per annum.
  - Development of around 70,962m^2 GFA annually for business space primarily through redevelopment of existing business land.

3.109 Wellington City 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:

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

3.110 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.

3.111 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 Wellington City Council's 2024-2033 Long-Term Plan and on the Wellington City Council's website wellington.govt.nz. HUE growth catered for in each project, and the areas it relates to, are set out in Schedule 3.2.

Best available information

3.112 Development contributions are based on capital expenditure budgets included in the Wellington City Council Long-Term Plan 2024.

Key risks/effects

3.113 There are two key risks associated with administering development contributions.

- Growth predictions do not eventuate, resulting in a change to the assumed rate of development. To manage this risk, Tiaki Wai will continue to monitor the rate of growth and update its assumptions periodically as required.
- There is a time lag between expenditure incurred and development contributions received, resulting in less development contributions 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

3.114 Methods of service delivery and levels of service are assumed to be unchanged.

Funding model

3.115 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:

- all capital expenditure estimates are inflation adjusted and GST exclusive
- the levels of service (LOS)/backlog, renewal and maintenance portions of each asset or programme will not be funded by development contributions. See the 'Cost allocation' section below
- 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

3.116 The cost of each asset or programme must be allocated between three principal drivers – growth, LOS/backlog, and renewal. The general approach to this is summarised as follows:

- 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.

- If a project provides for growth, renewals and LOS, any renewal costs will first be removed, and the remainder is split between growth and LOS according to the shares of additional capacity consumed.

3.117 For particularly large and expensive projects, a specific cost apportionment assessment may be undertaken that differs from the general approach outlined above.

Calculating the development contributions

3.118 This section outlines how the development contributions were calculated.

Process

3.119 The steps needed to determine growth, growth projects, cost allocations, and to calculate the development contributions charges are summarised in Table 3.10.

Table 3.10: Summary of development contribution calculation methodology

Step	Description / comment
1. Forecast growth	Wellington City 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.
2. Identify projects required to facilitate growth	The work programme needed to facilitate growth is developed. In some cases, the work may have already been undertaken. The programme in the Policy is for 10 years – however some projects will be in the schedule until their capacity life is used up.
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. Schedules 3.1 and 3.2 of the Policy outline the amount required to fund growth from development contributions for each of these assets or programmes.
4. Determine growth costs to be funded by development contributions	Tiaki Wai determines whether to recover all of the growth costs identified in step 3 from development contributions, or whether some of the growth costs will be funded from other sources.
5. Divide development contribution funded growth costs by capacity lives	The growth costs from step 4 are divided by the estimated capacity life (defined in HUEs) to provide a charge per HUE for each future and past asset and programme.
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, development contributions fund the programme on an aggregated basis.

Summary of calculations

3.120 Tables 3.1 and 3.2 summarise the calculation of the charge per HUE for each activity and catchment added up at step 6. Schedules 3.1 and 3.2 provide information on each asset or programme including the information in steps 2 - 5.

Schedule 3.1 – Wellington City Development contribution calculations

3.121 Schedule 3.1 provides the forecast future capital expenditure on assets or programmes attributable to new growth. All figures exclude GST. All charges are provided in Part 3.1, Tables 3.1 and 3.2 of this chapter. This Schedule has additional information about the total capital expenditure.

Schedule 3.1.A Citywide Infrastructure Contributions

3.122 Charges identified as being citywide for projects with a citywide benefit, which are not attributable to specific catchments.

Activity	Total cost of capital works ($000)	Total growth component to be funded by development contributions ($000)	Citywide development contributions $ per HUE
Wastewater – Citywide	7,729	7,729	$290
Water supply – Citywide	46,170	46,170	$768
Total	**$53,899**	**$53,899**	**$1,058**

Schedule 3.1.B Water supply (by catchment)

Water Supply Catchment	Total Cost of Capital Works ($000)	Total Growth Component to be funded by DCs ($000)	Development Contributions per HUE ($)
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	-

Water Supply Catchment	Total Cost of Capital Works ($000)	Total Growth Component to be funded by DCs ($000)	Development Contributions per HUE ($)
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	**142,554**	**59,883**	

Schedule 3.1.C Wastewater

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

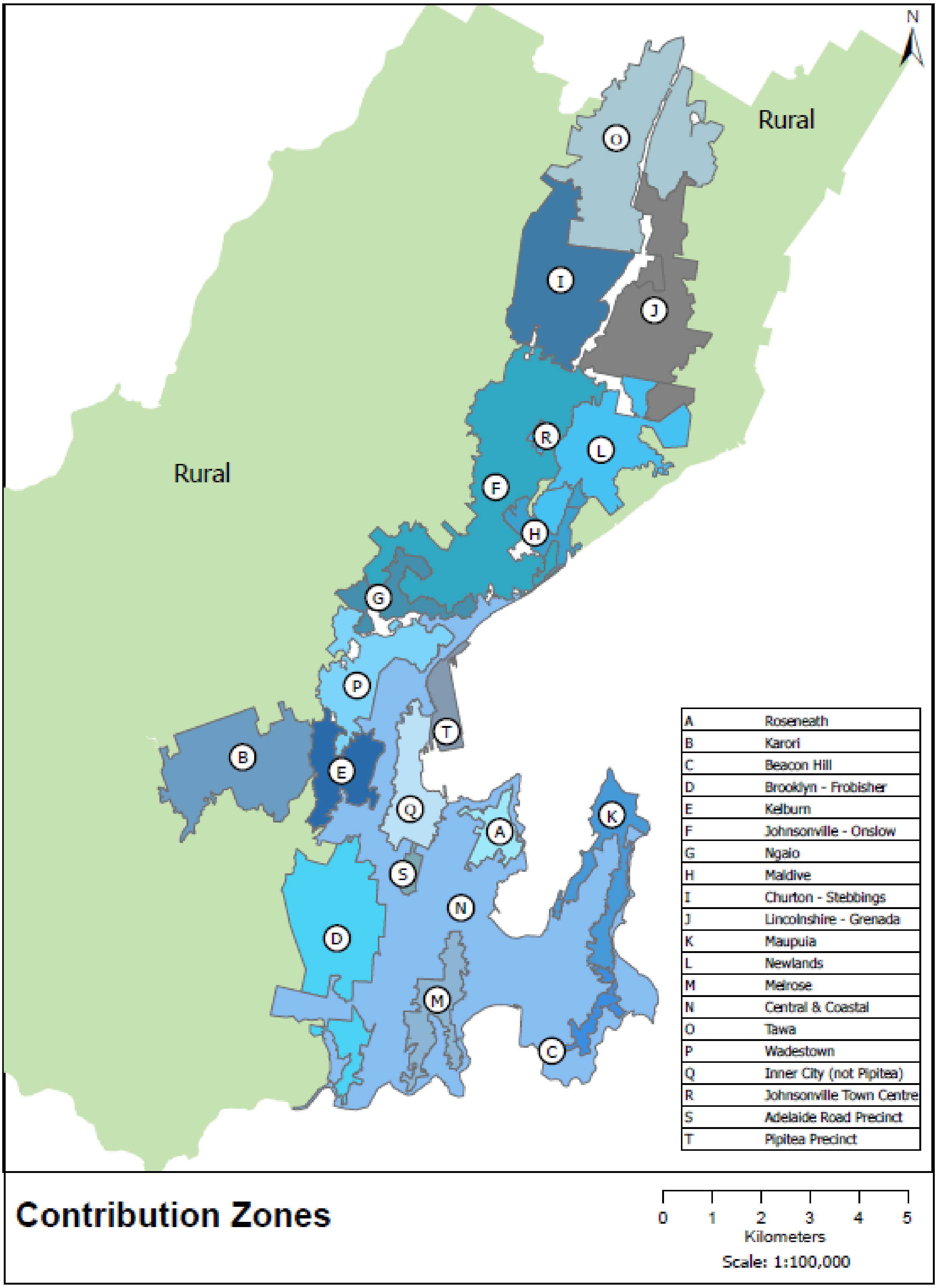
Catchment	Total Cost of Capital Works ($000)	Total Growth Component to be funded by DCs ($000)	Development Contributions per HUE ($)
Central (Moa Point)	136,700	52,577	1,185
Western (Karori)	12,200	4,692	2,440
Northern (Porirua)	6,850	2,635	722

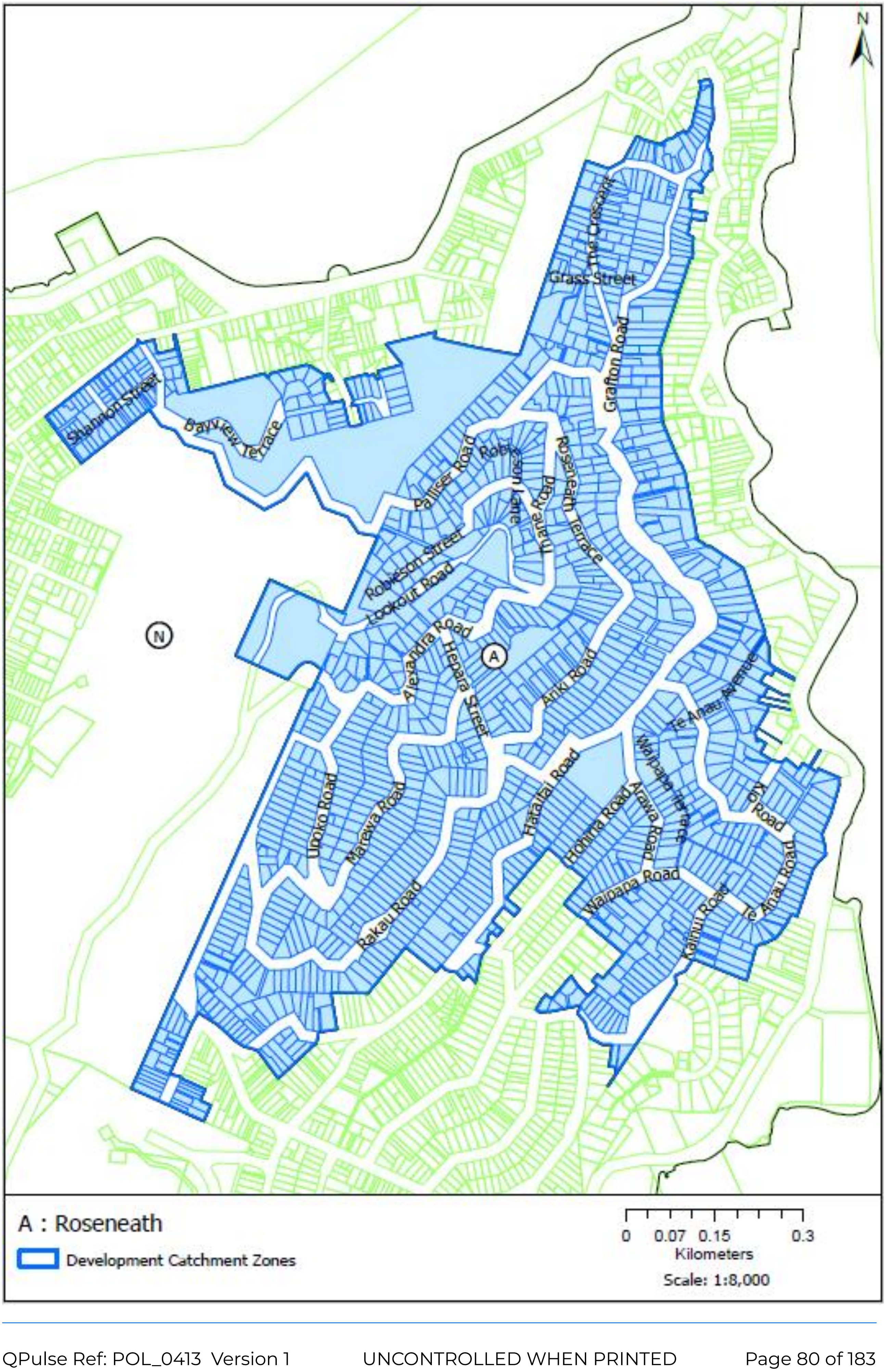
Schedule 3.2: Wellington City Assets and programmes funded by development contributions

Provides the capital expenditure incurred on assets and programmes attributable to new growth constructed in anticipation of growth. 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 %
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 3.3: Wellington City maps

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Bayview Terrace
Grass Street
The Crescent
Grafton Road
Palliser Road
Robieson Street
Lookout Road
Roseneath Terrace
Thane Road
Alexandra Road
Hepara Street
Ariki Road
Te Anau Avenue
Waipapa Terrace
Hataitai Road
Hohiria Road
Arawa Road
Oku Road
Waipapa Road
Kainui Road
Te Anau Road
Uruoko Road
Marewa Road
Rakau Road
A
N
A : Roseneath
Development Catchment Zones
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Kilometers
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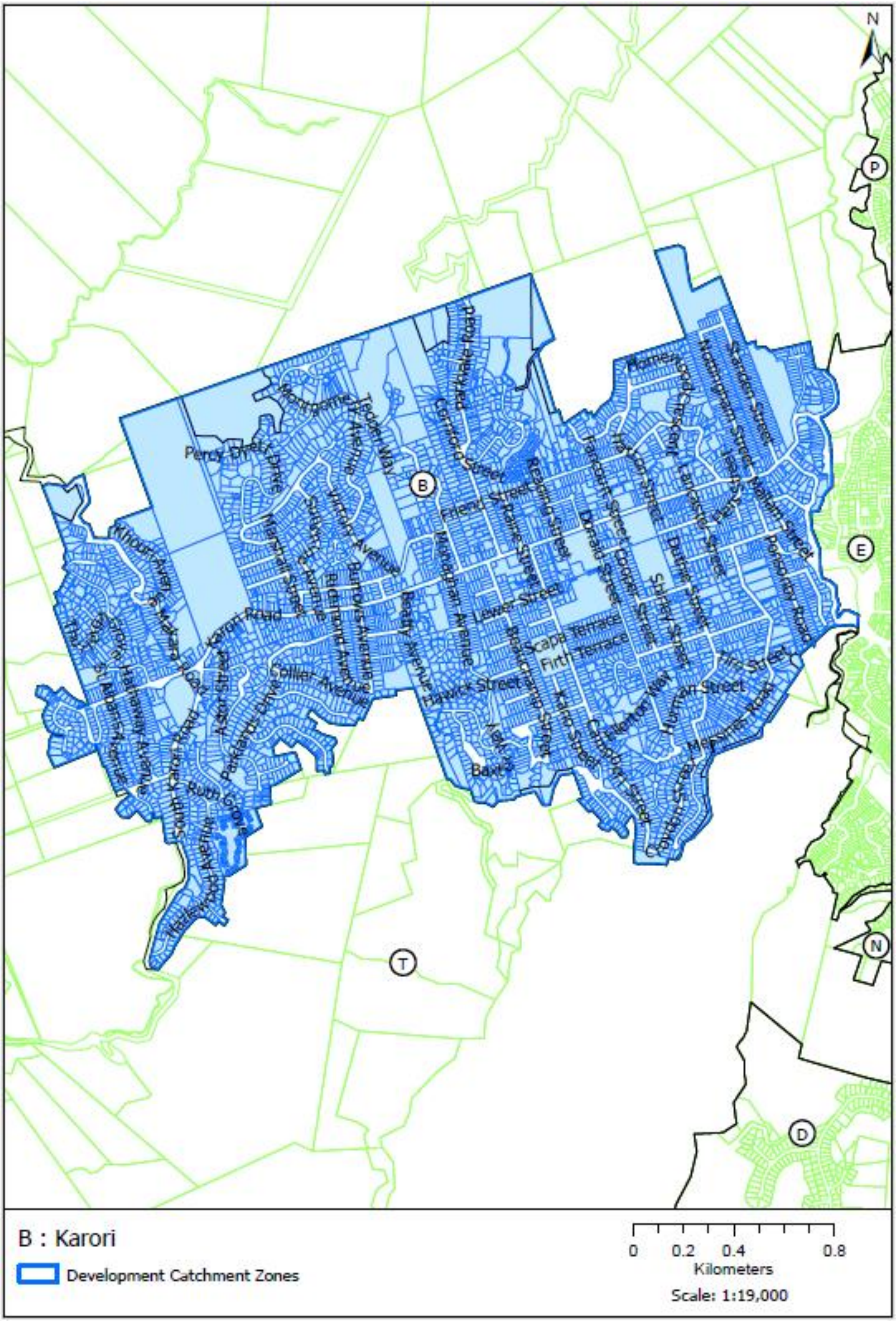
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Lewer Street
Scapa Terrace
Firth Terrace
Friend Street
Percy Dyett Drive
Marsden Road
B : Karori
Development Catchment Zones
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Kilometers
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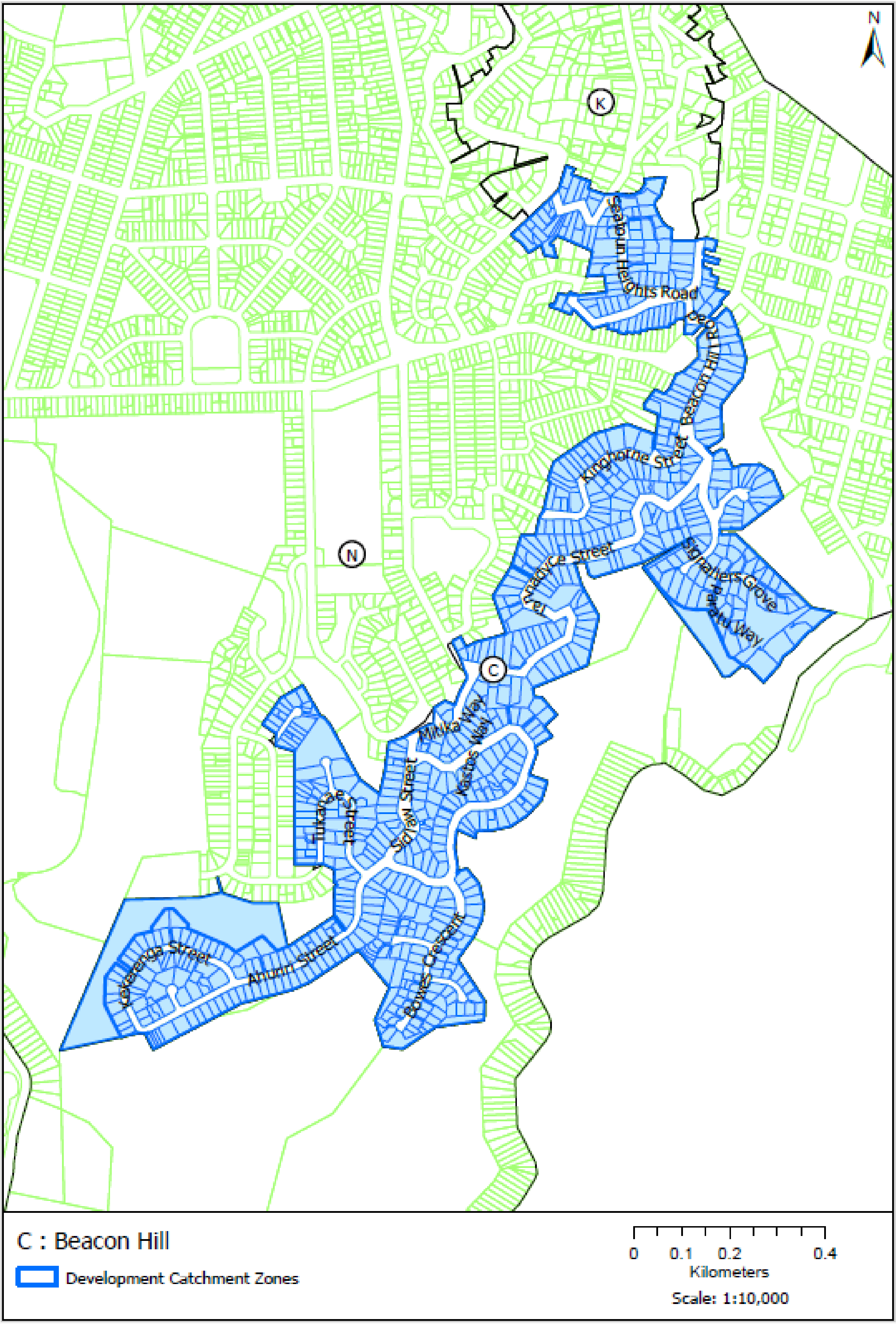
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Signallers Grove
Piripiri Way
Mitika Way
Kaponga Street
Tukana Street
Ahuriri Street
Bowes Crescent
C : Beacon Hill
Development Catchment Zones
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Kilometers
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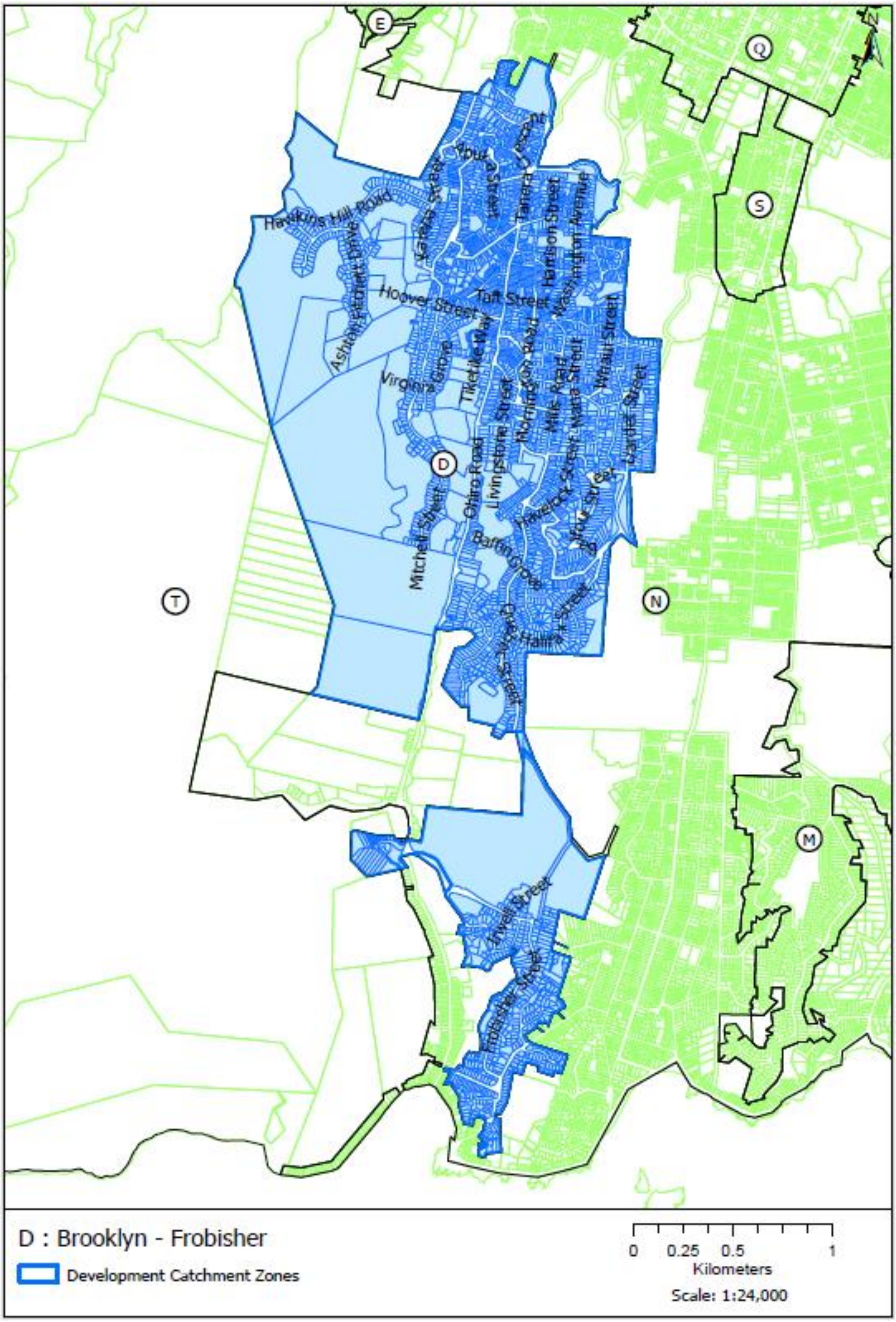
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Hoover Street
Taft Street
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Tiketike Way
Norrington Road
Mills Road
Waitui Street
Mitchell Street
Ohiro Road
Livingstone Street
Baffin Grove
Havelock Street
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Frobisher Street
D : Brooklyn - Frobisher
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Kilometers
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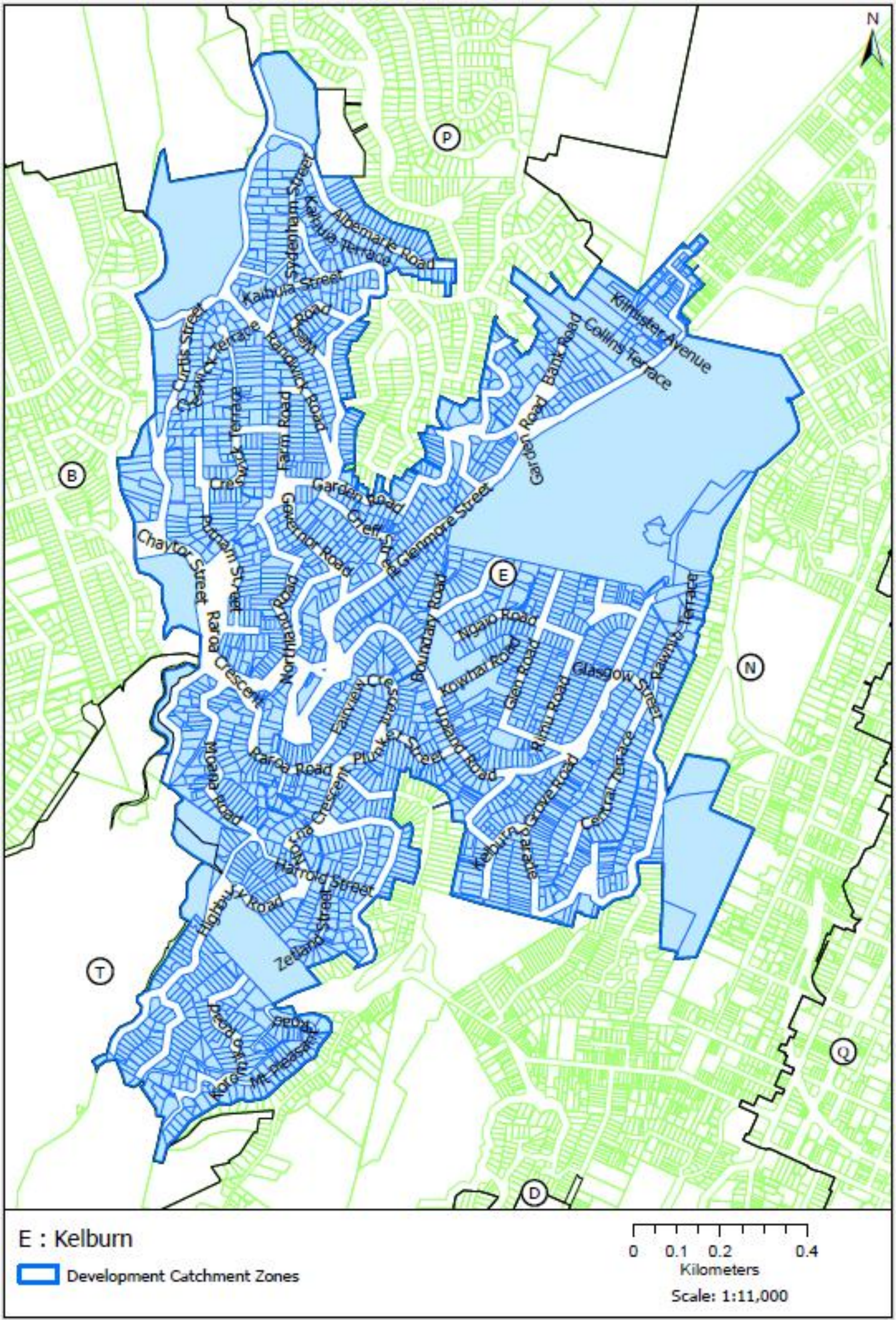
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Farm Road
Rangiora Road
Crescent
Garden Road
Creswick Street
Glenmore Street
Governor Road
Chaytor Street
Putnam Street
Raroa Crescent
Northland Road
Boundary Road
Ngaio Road
Kowhai Road
Glen Road
Pitt Road
Glasgow Street
Rawhiti Terrace
Kimister Avenue
Collins Terrace
Bank Road
Garden Road
Fairview Crescent
Pukatea Street
Upland Road
Raroa Road
Moana Road
Harrold Street
Highbury Road
Zetland Street
Mt Pleasant Road
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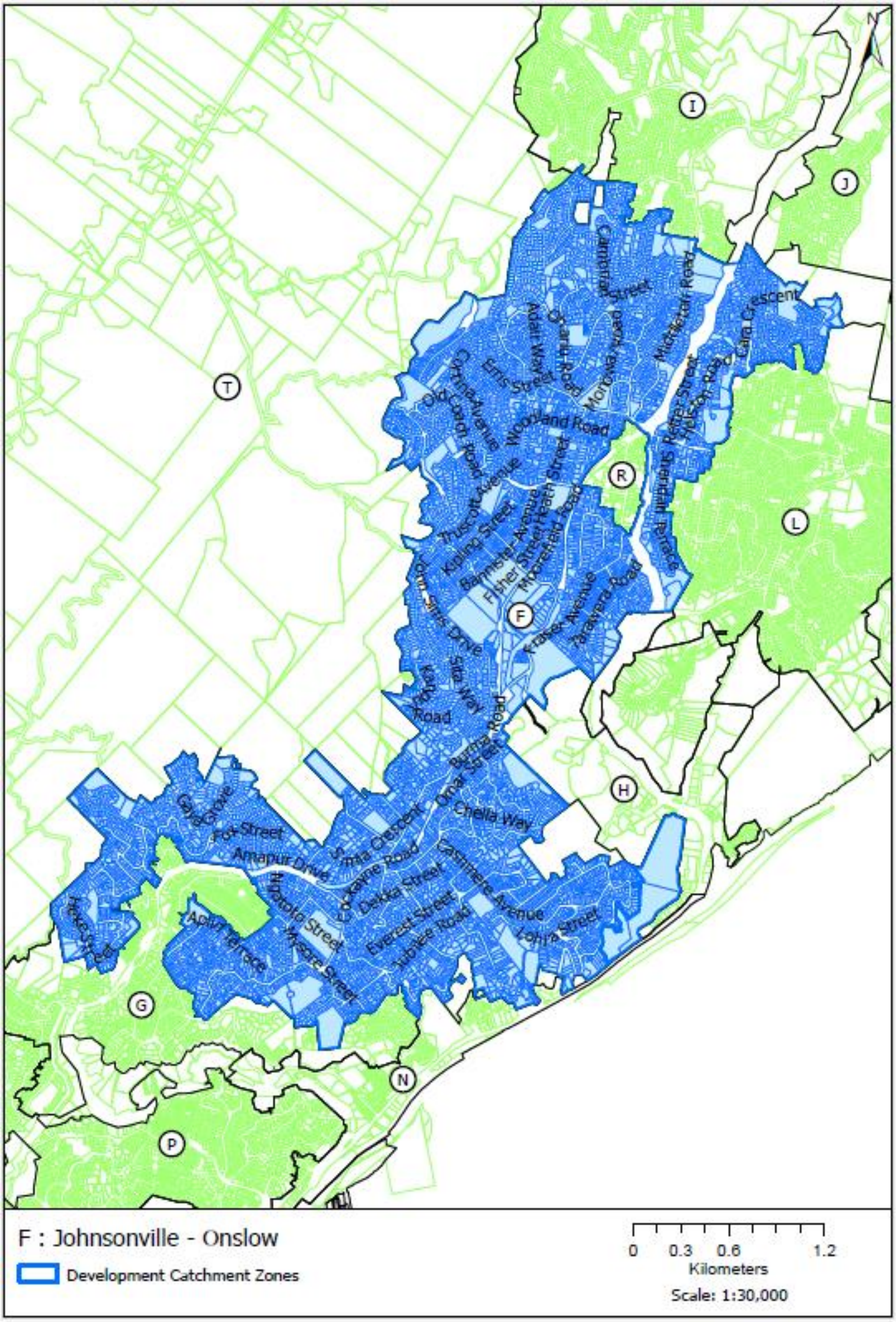
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Chelia Way
Gaya Grove
Fox Street
Amapur Drive
Simla Crescent
Cockayne Road
Delhi Street
Everest Street
Jubilee Road
Cashmere Avenue
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Kilometers
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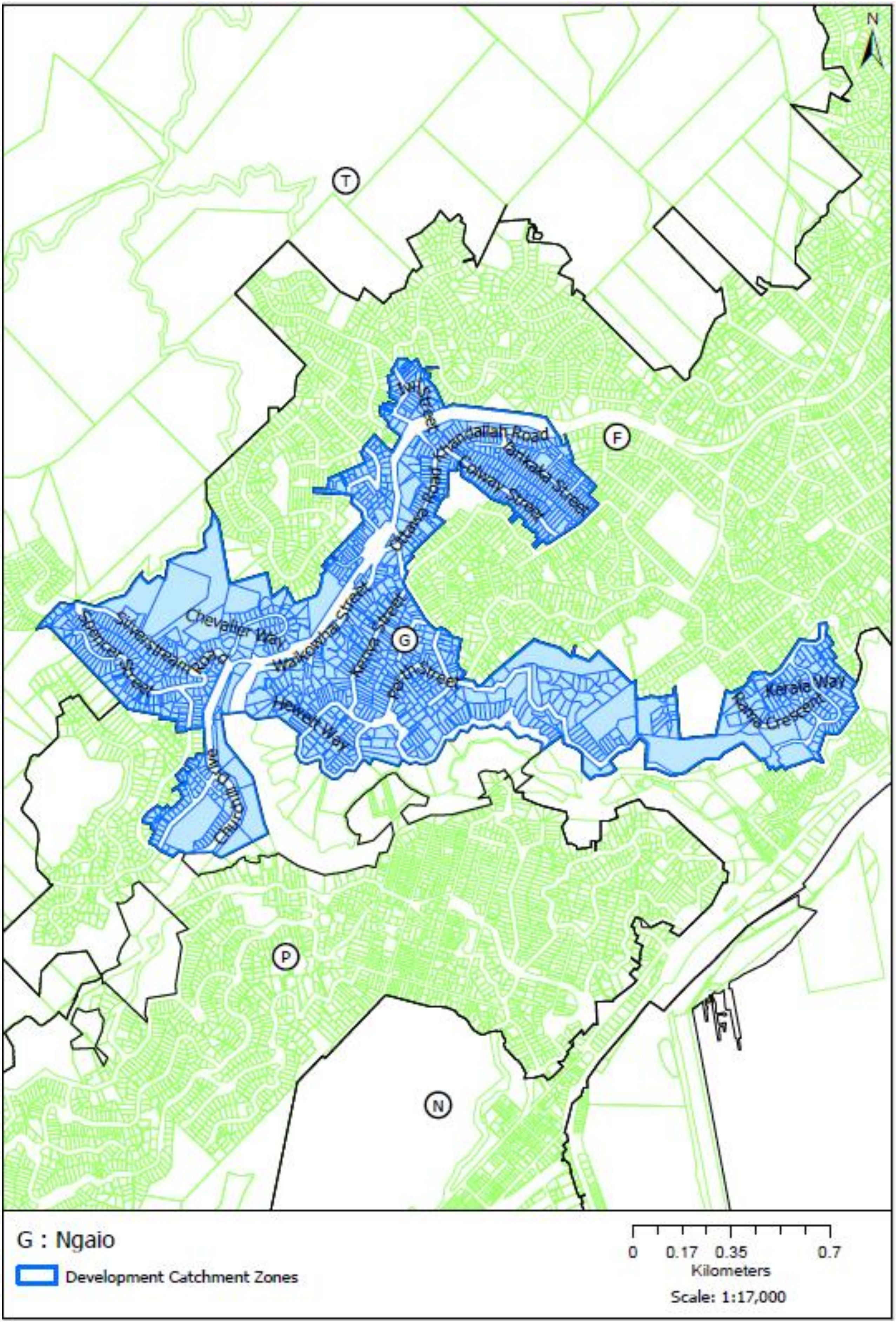
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Colway Street
Ottawa Road
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Waikowhai Street
Kenya Street
Perth Street
Hewett Way
Churchill Drive
Kerala Way
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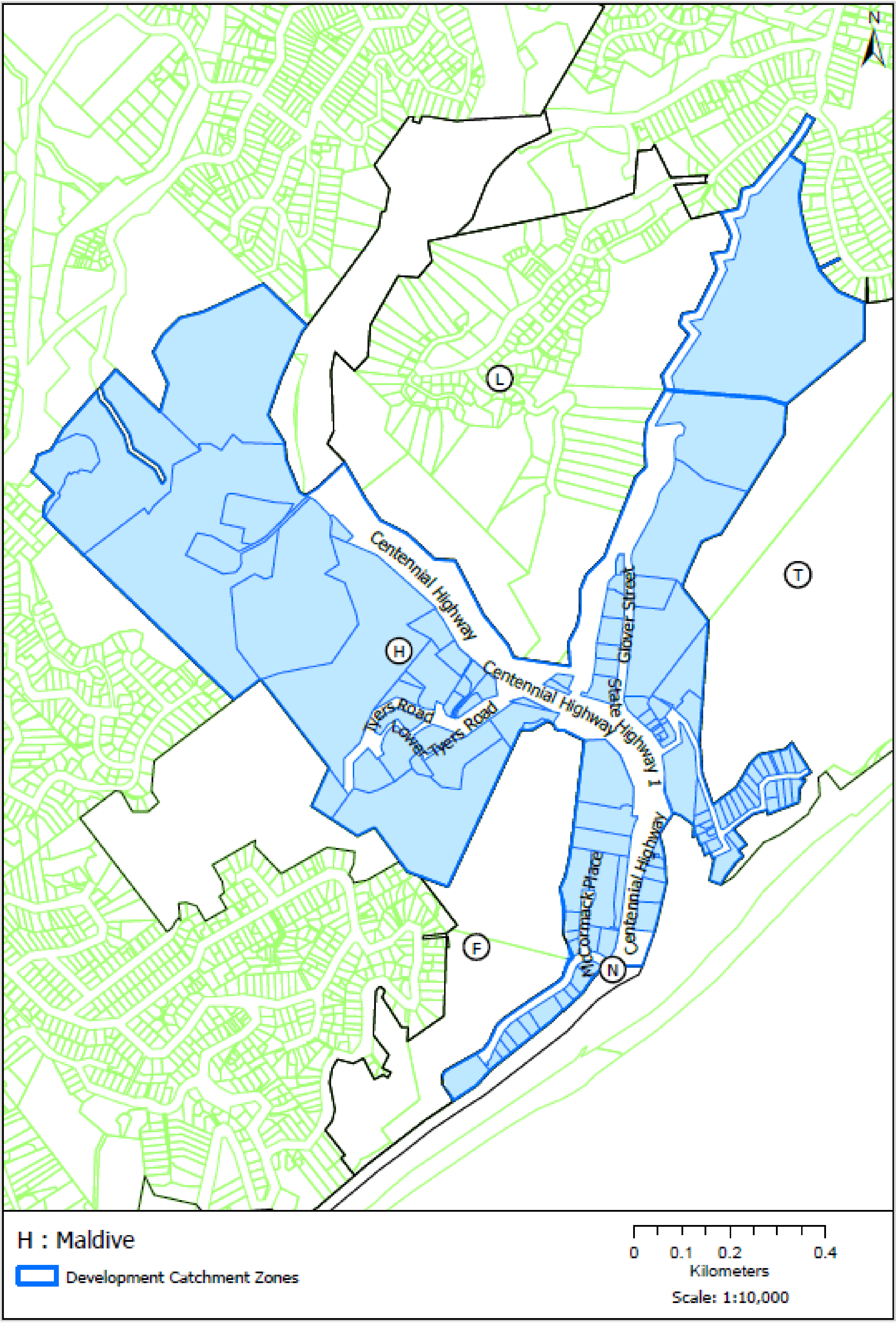
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State Highway 1
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Lower Tyers Road
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Centennial Highway
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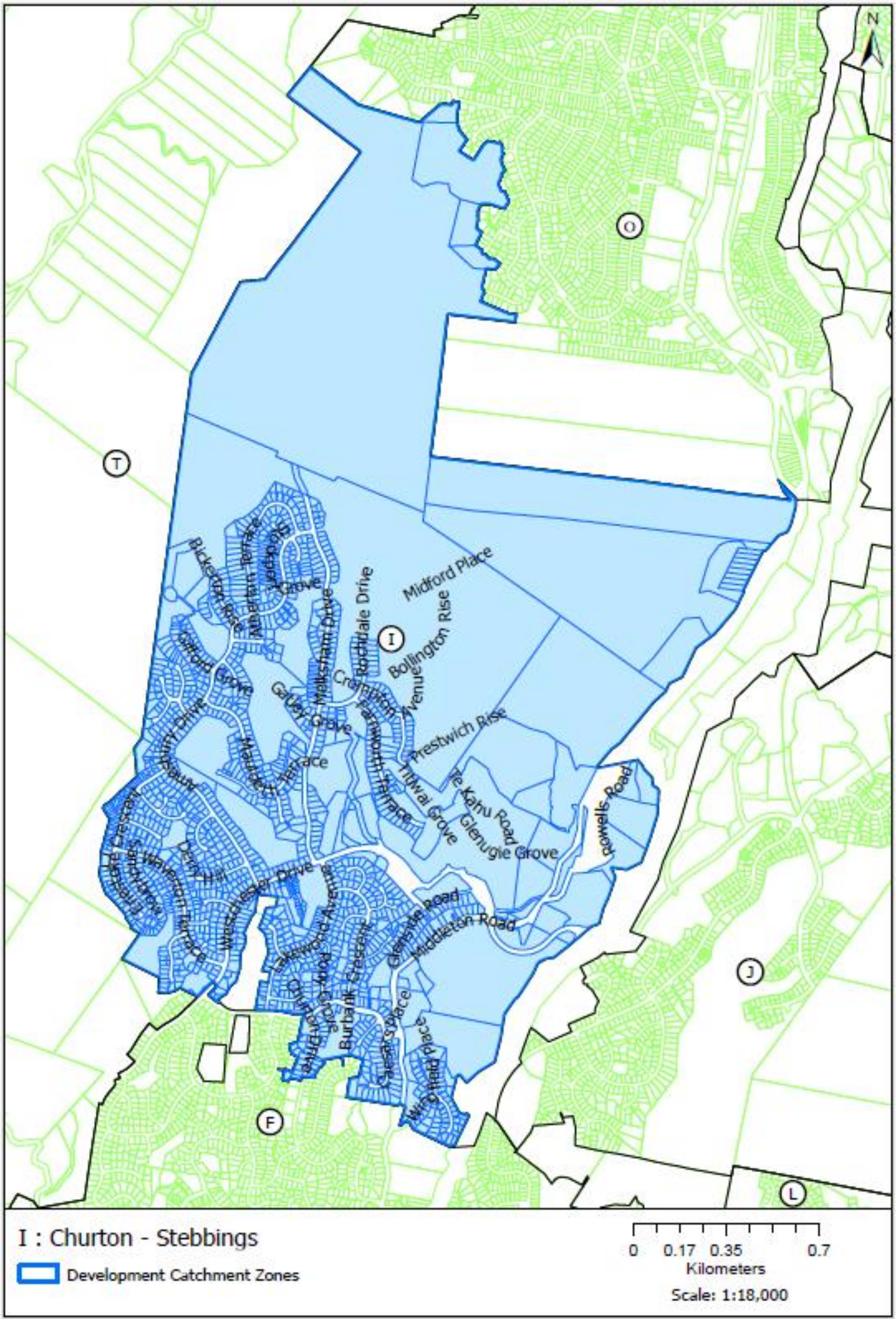
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Middleton Road
Glenside Road
Burbank Crescent
Gatley Grove
Gifford Grove
Bickerton Rise
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Development Catchment Zones
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Kilometers
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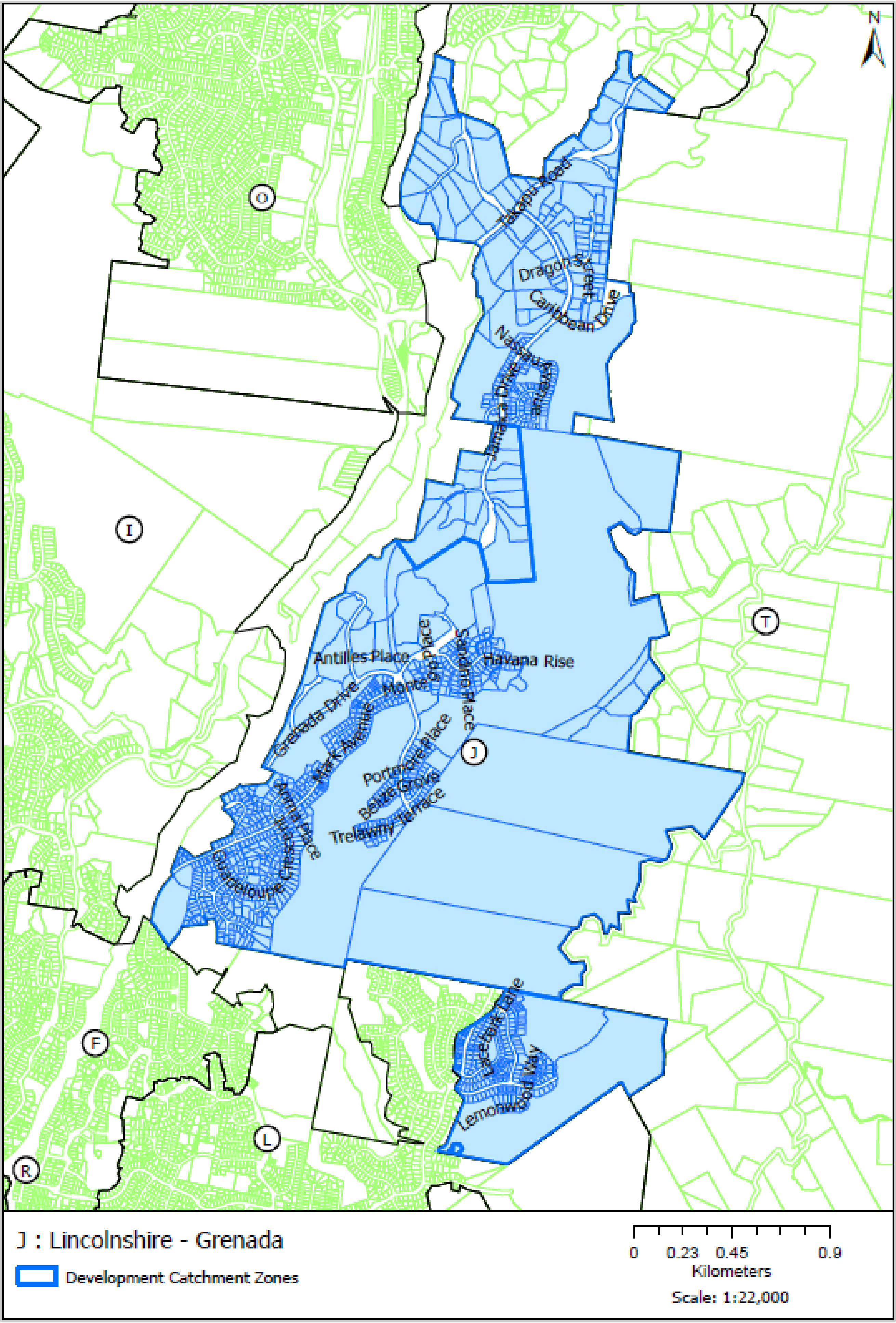
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Sanano Place
Grenada Drive
Mark Avenue
Portmore Place
Belize Grove
Trelawny Terrace
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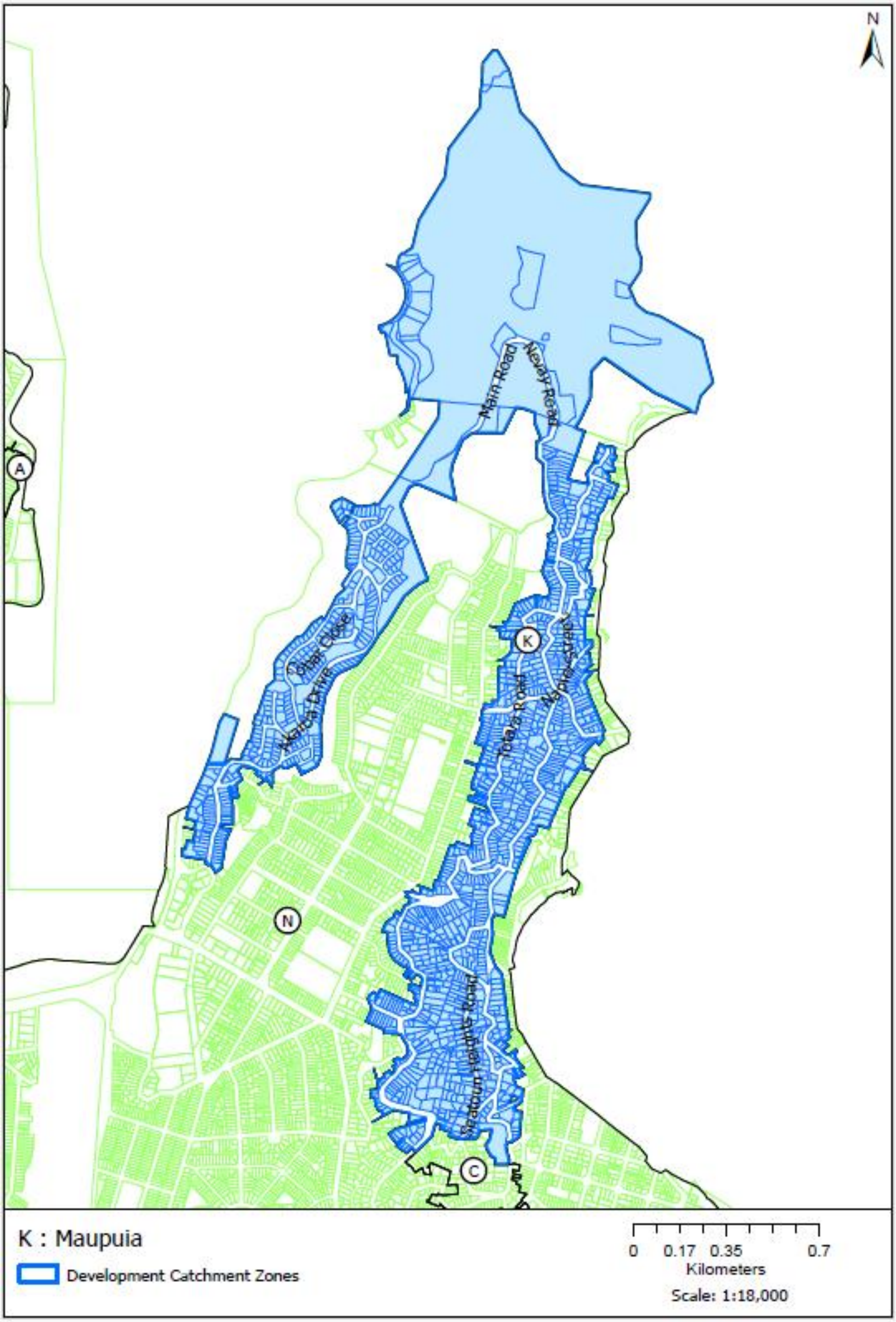
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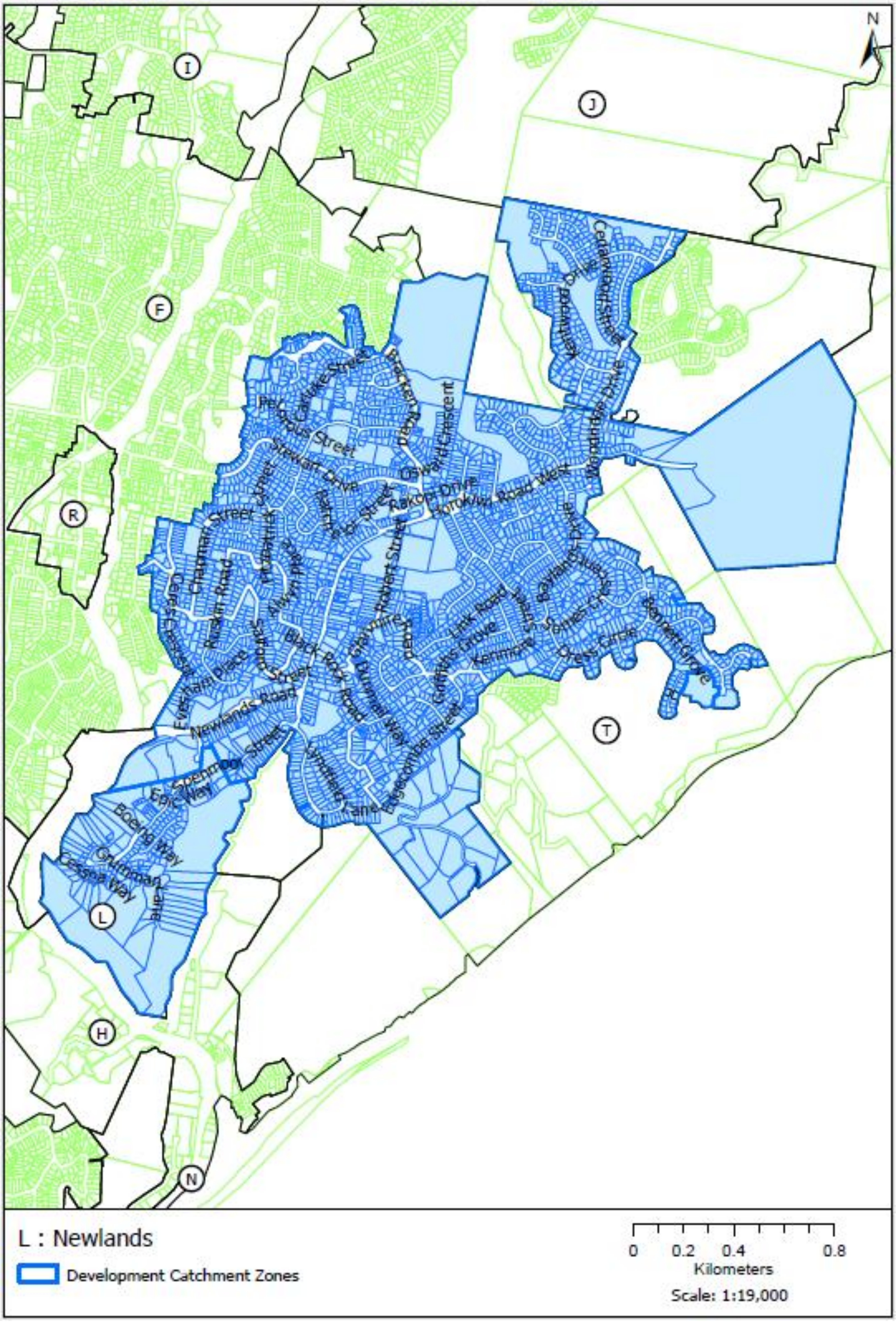
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Robert Street
Woodland Drive
Centennial Drive
Link Road
Epic Way
Boeing Way
Grumman Lane
Cessna Way
Ruskin Road
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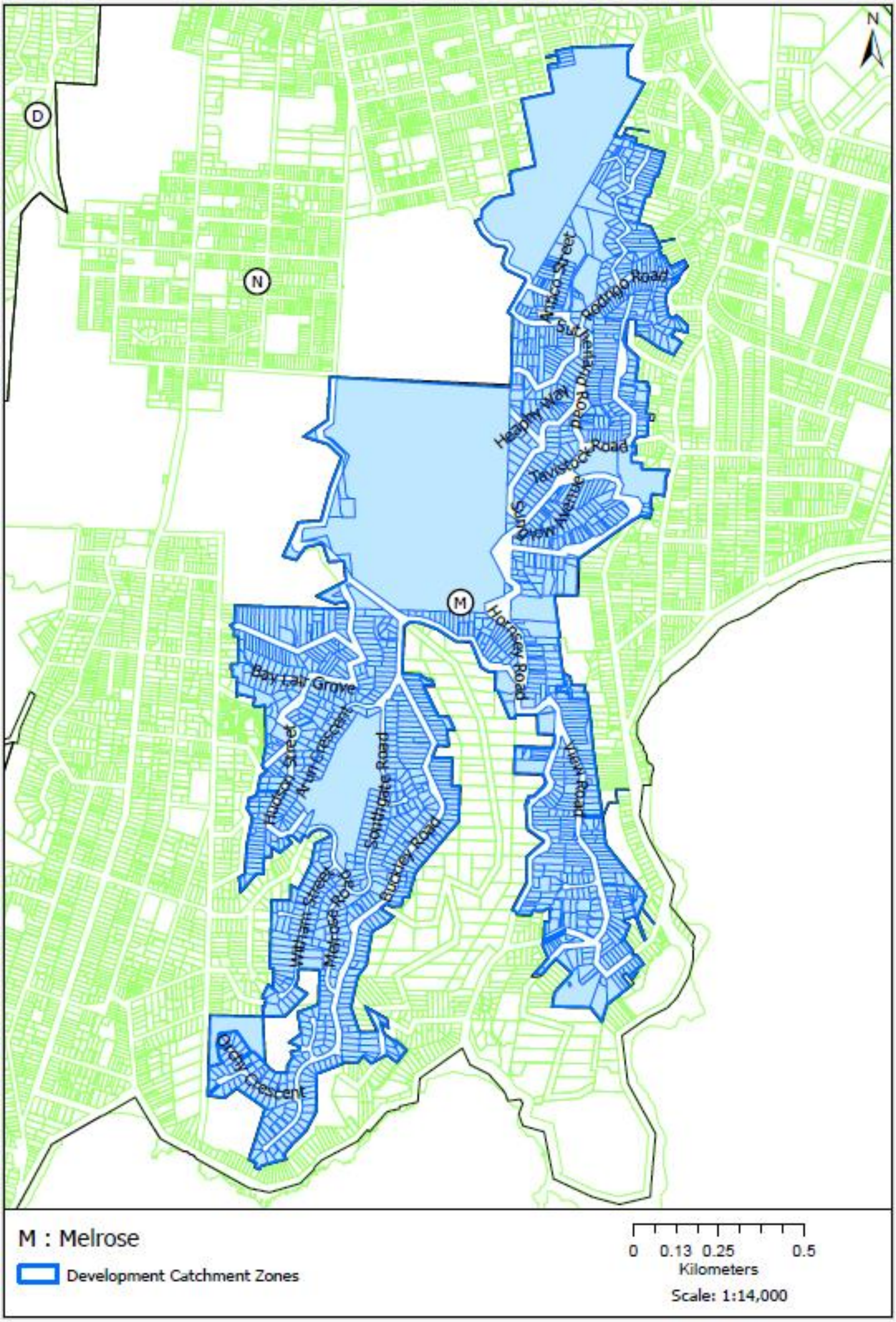
Scale: 1:19,000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Arun Crescent
Southgate Road
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M : Melrose
Development Catchment Zones
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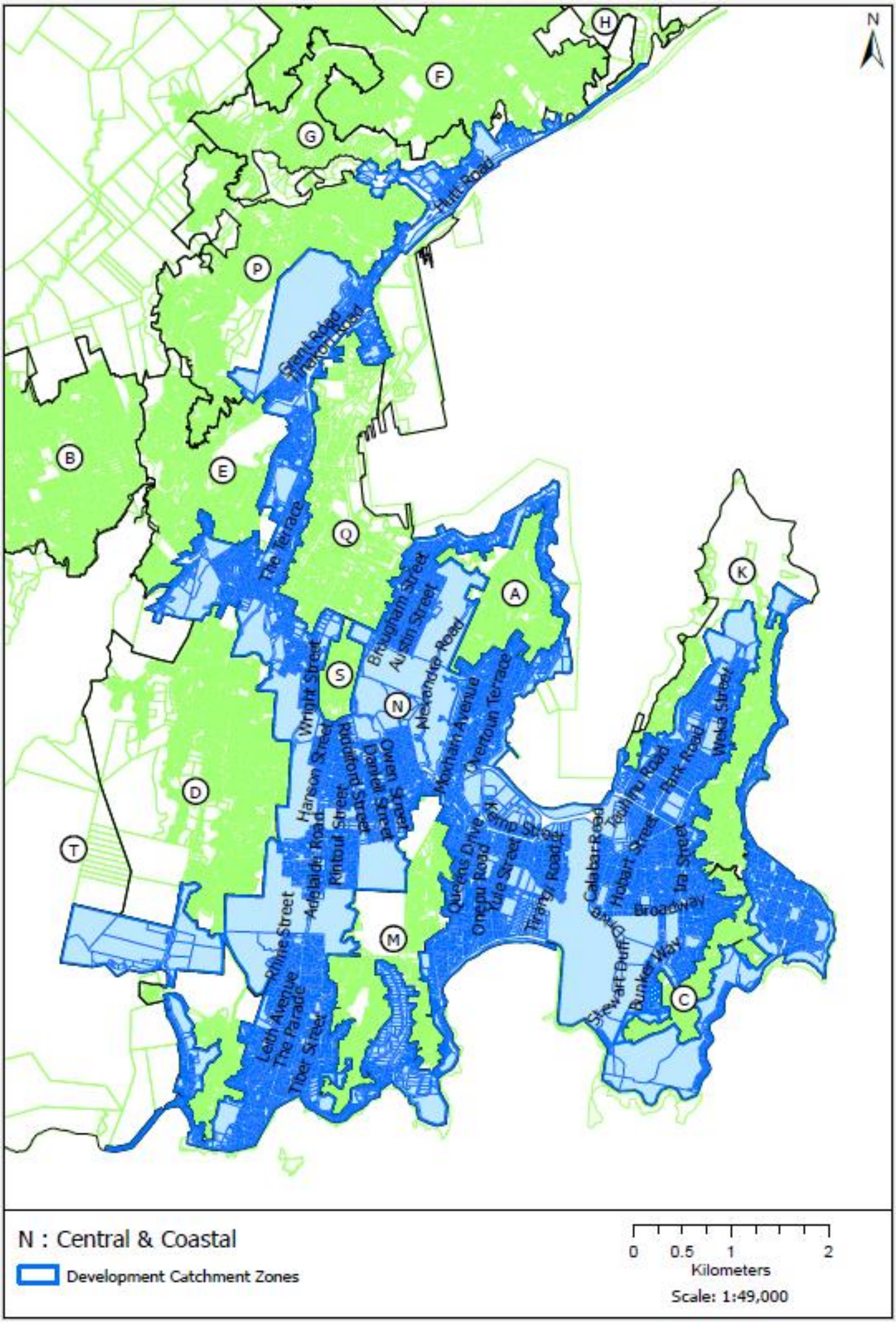
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Weka Street
Park Road
Tauhinu Road
Hobart Street
Ira Street
Broadway
Calabar Road
Kemp Street
Tirangi Road
Queens Drive
Onepu Road
Moxham Avenue
Overtoun Terrace
Hanson Street
Riddiford Street
Daniell Street
Owen Street
Adelaide Road
Rintoul Street
D
T
M
Rhine Street
Leith Avenue
The Parade
Tiber Street
Stewart Duff Drive
Bunker Way
C
N : Central & Coastal
Development Catchment Zones
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Kilometers
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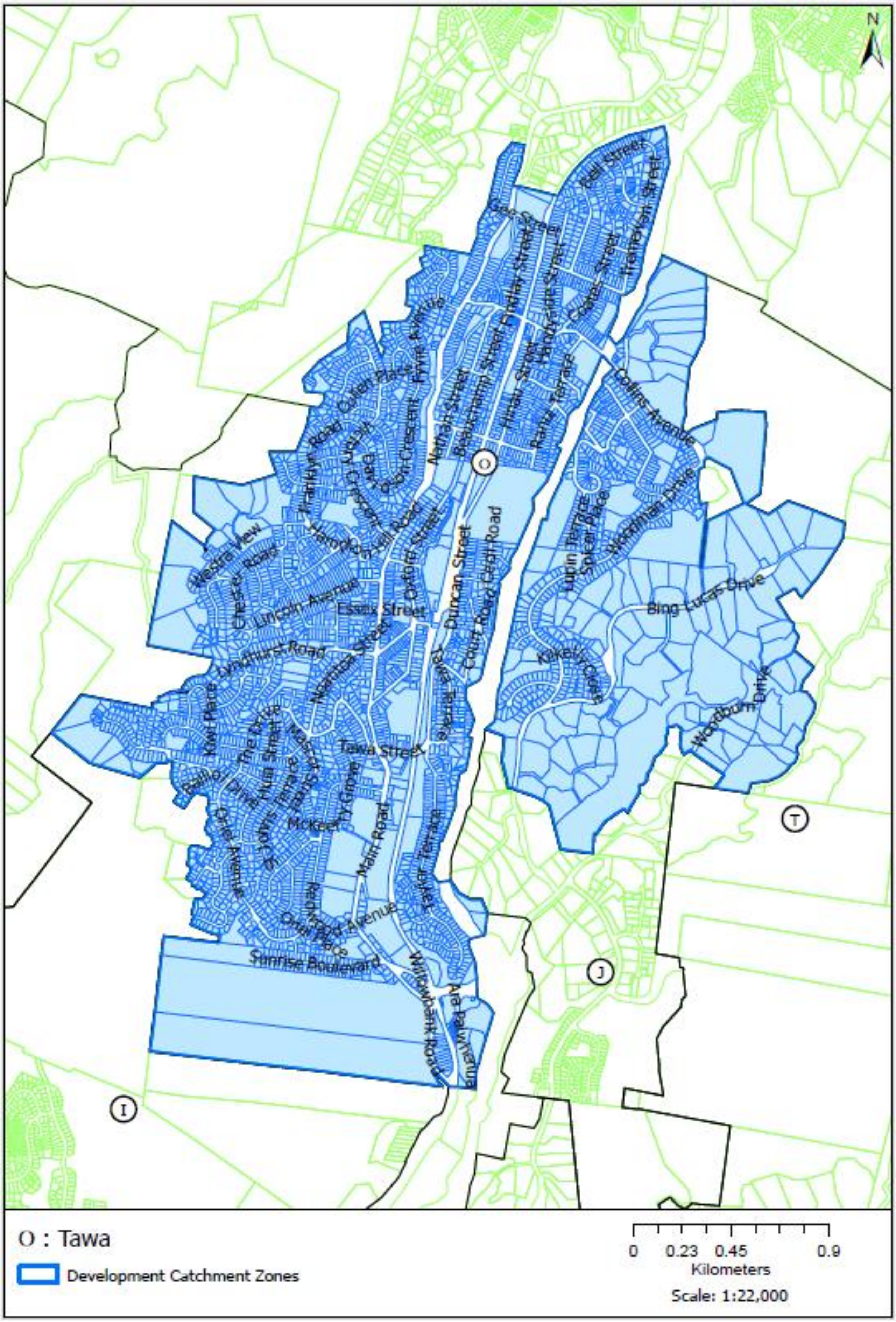
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Woodburn Drive
Lincoln Avenue
Essex Street
Lyndhurst Road
Duncan Street
Court Road
Tawa Street
Main Road
Taylor Terrace
Redwood Avenue
Sunrise Boulevard
Willowbank Road
O
T
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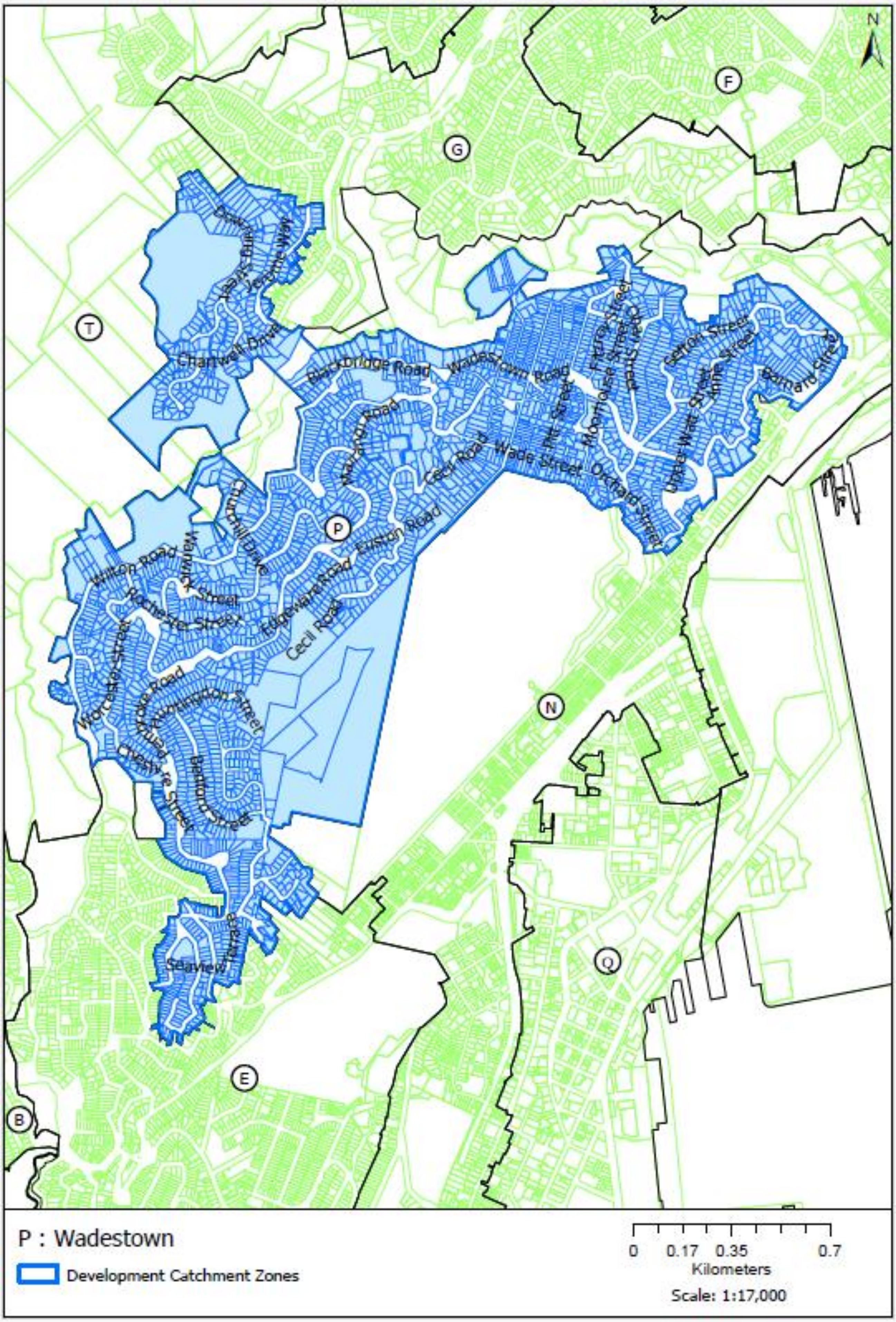
I
O : Tawa
Development Catchment Zones
0
0.23
0.45
0.9
Kilometers
Scale: 1:22,000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F
G
T
P
N
Q
E
B
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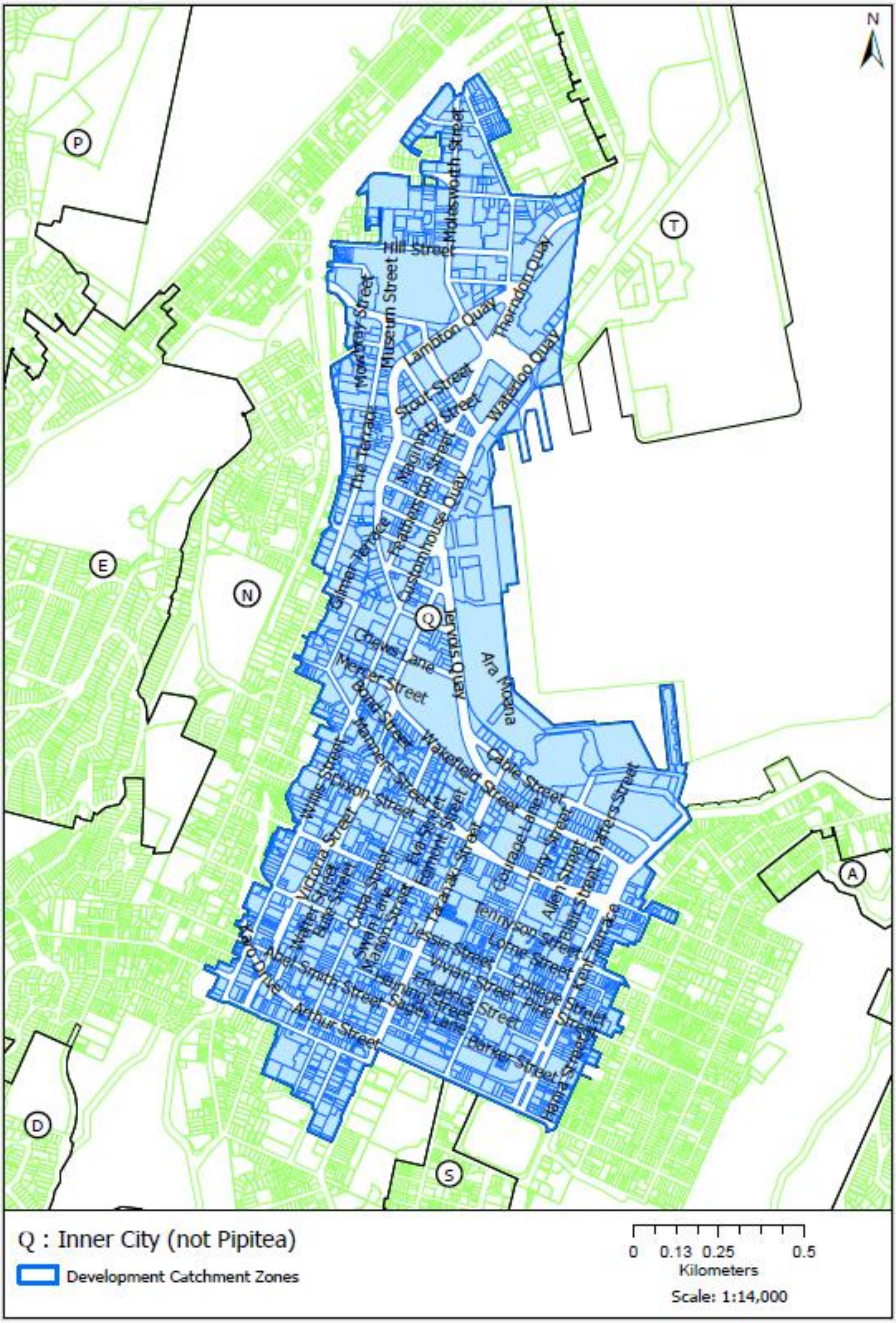
Wadestown Road
Wade Street
Cecil Road
Euston Road
Churchill Drive
Warwick Street
Wilton Road
Rochester Street
Edgeware Road
Worcester Street
Orchard Street
Sefton Street
Anne Street
Barnard Street
Upper Watt Street
Pitt Street
Fitzroy Street
Bedford Street
Seaview
P : Wadestown
Development Catchment Zones
0
0.17
0.35
0.7
Kilometers
Scale: 1:17,000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P
T
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N
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D
S
A
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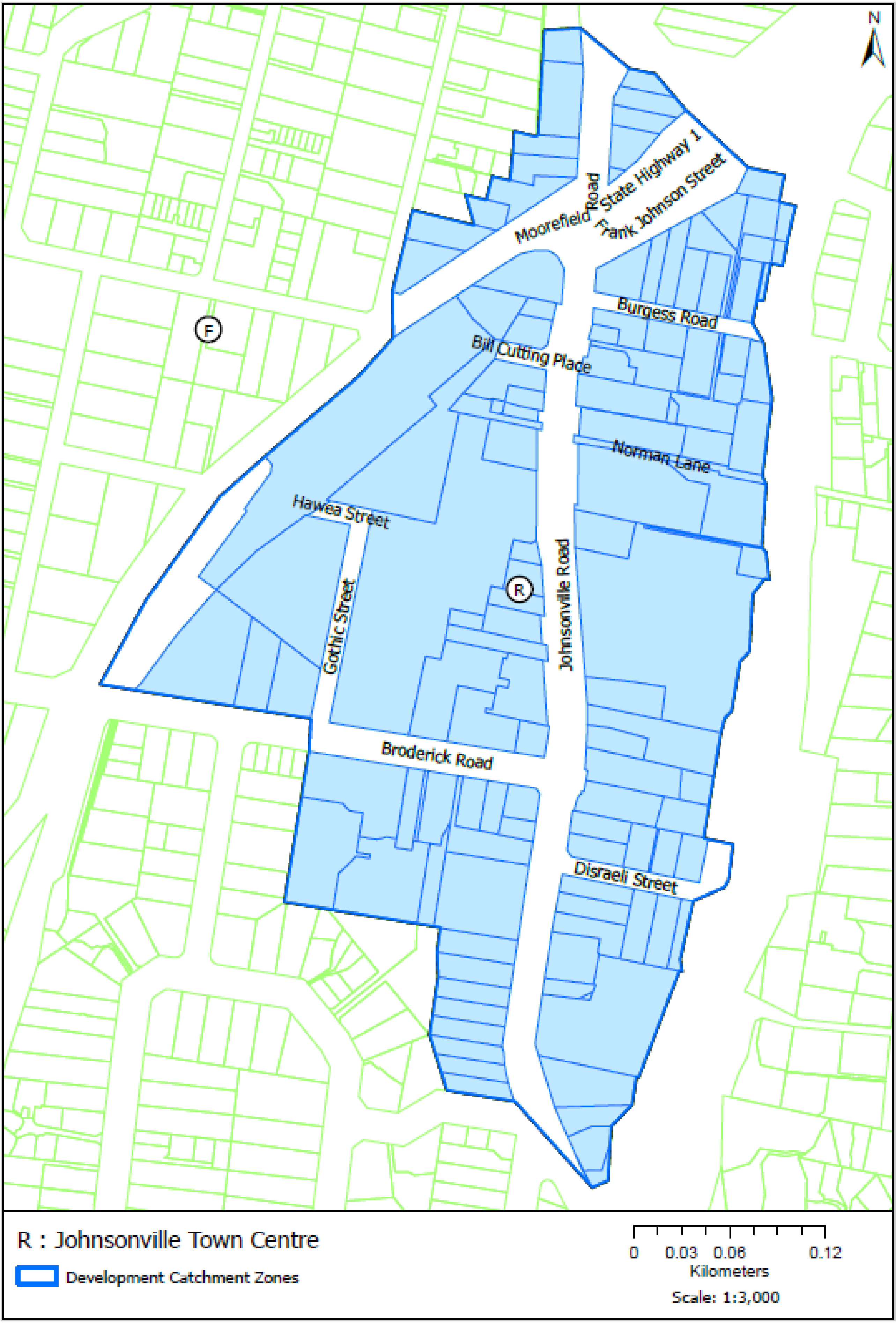
Hill Street
Museum Street
Mowbray Street
Thorndon Quay
Lambton Quay
Waterloo Quay
Stout Street
Featherston Street
Customhouse Quay
The Terrace
Gilmer Terrace
Chews Lane
Mercer Street
Jervois Quay
Ara Moana
Bond Street
Wakefield Street
Cable Street
Willis Street
Dixon Street
Victoria Street
Taranaki Street
Tory Street
Allen Street
Chaffers Street
Tennyson Street
Jessie Street
Vivian Street
Frederick Street
College Street
Kent Terrace
Lorne Street
Abel Smith Street
Arthur Street
Barker Street
Q : Inner City (not Pipitea)
Development Catchment Zones
0 0.13 0.25 0.5
Kilometers
Scale: 1:14,000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R
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State Highway 1
Frank Johnson Street
Burgess Road
Bill Cutting Place
Norman Lane
Hawea Street
Gothic Street
Johnsonville Road
Broderick Road
Disraeli Street
R : Johnsonville Town Centre
Development Catchment Zones
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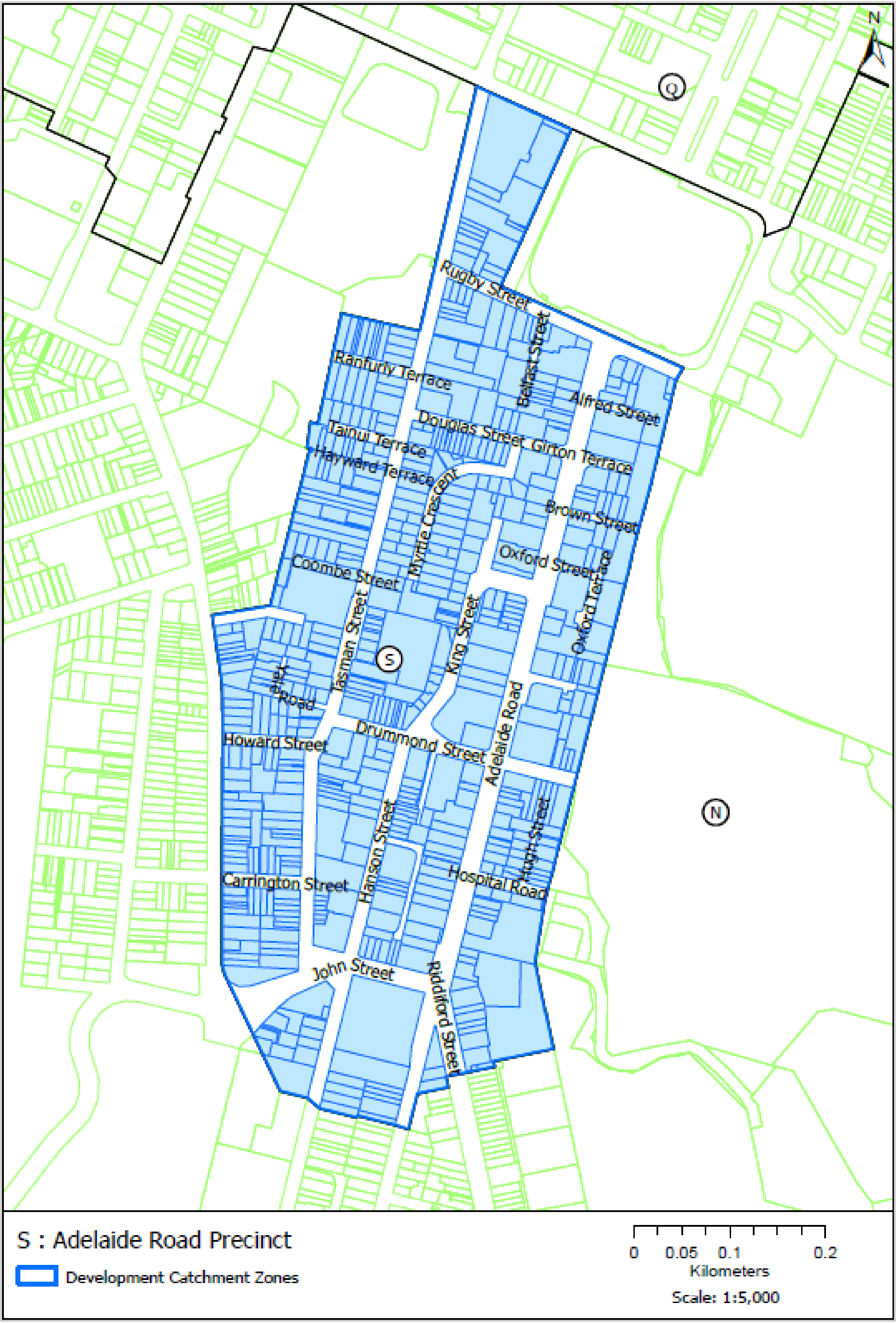
Kilometers
Scale: 1:3,000


Q
S
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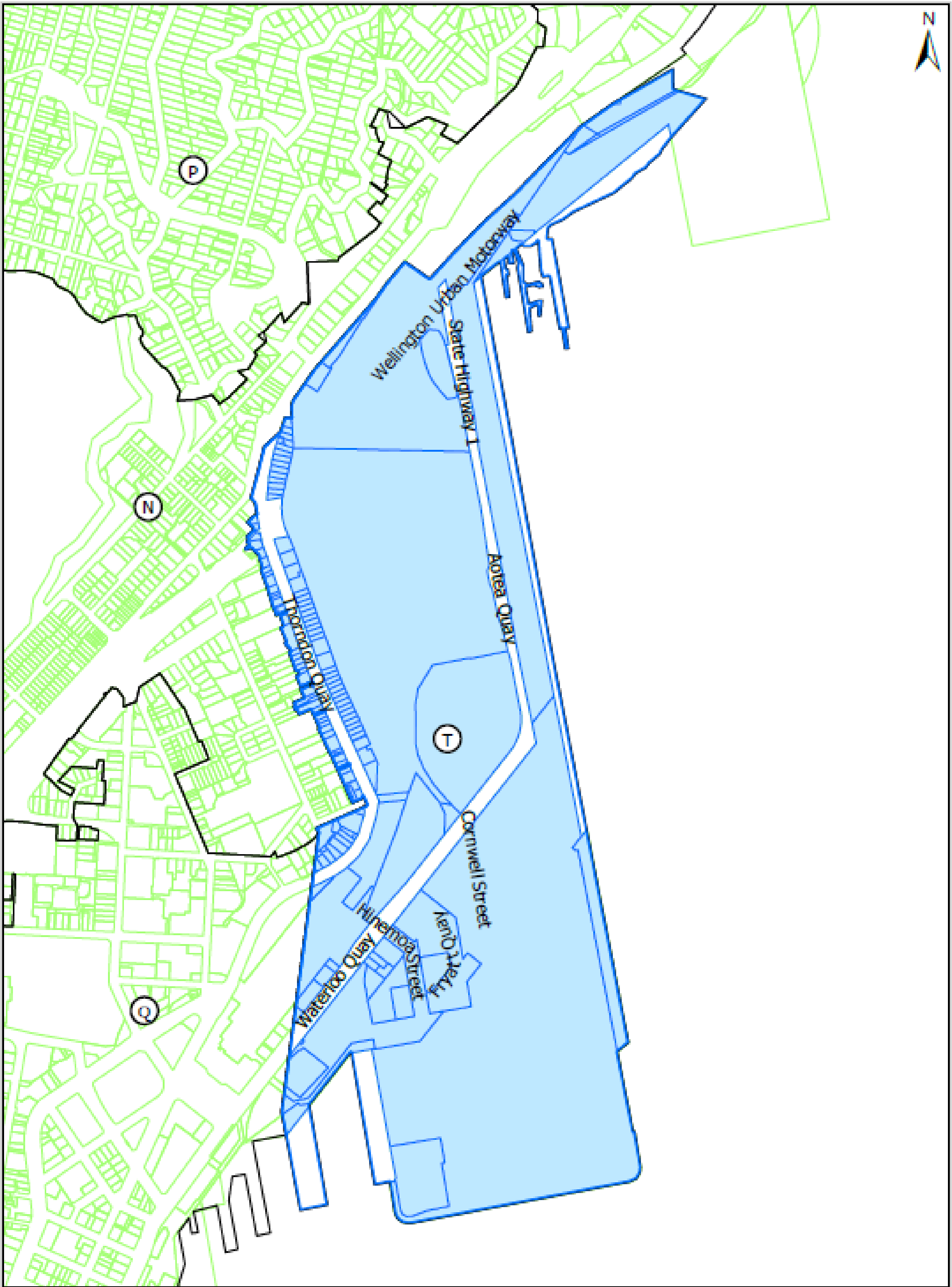
Belfast Street
Ranfurly Terrace
Alfred Street
Tainui Terrace
Douglas Street
Girton Terrace
Hayward Terrace
Myrtle Crescent
Brown Street
Coombe Street
Oxford Street
Oxford Terrace
Tasman Street
King Street
Yale Road
Drummond Street
Howard Street
Adelaide Road
Hanson Street
Hugh Street
Carrington Street
Hospital Road
John Street
Riddiford Street
S : Adelaide Road Precinct
Development Catchment Zones
0 0.05 0.1 0.2
Kilometers
Scale: 1:5,000



T : Pipitea Precinct

Development Catchment Zones

0 0.1 0.2 0.4
Kilometers
Scale: 1:10,000

Chapter 4. Porirua City

Introduction

4.1 This chapter outlines the Tiaki Wai approach to funding development infrastructure via development contributions in Porirua City for water services infrastructure. It sets out how and when development contributions are assessed, when they must be paid, as well as a summary of the methodology and the rationale used in calculating the level of contribution. It has the following parts:

- Part 4.1 Definitions
- Part 4.2 Development Contributions Schedule
- Part 4.3 Background
- Part 4.4 Significant assumptions
- Part 4.5 Requirement for development contributions
- Part 4.6 Assessment and application of development contributions
- Part 4.7 Appendices

Part 4.1: Definitions

4.2 In chapter 4, unless the context otherwise requires, the following definitions apply:

Accessory building means a detached building, the use of which is ancillary to the use of any building, buildings or activity that is or could be lawfully established on the same site but does not include a Household Unit.

Activity means the provision of water, wastewater or stormwater infrastructure services for which a development contribution charge exists under this Policy.

Aged care room means an accommodation unit as defined in s197(2) of the LGA2002 in a rest home or hospital care institution as defined in section 58(4) of the Health and Disability Services (Safety Act 2001).

Allotment means an allotment as defined by s218 of the RMA.

Authorised officer means an officer authorised to carry out functions under this Policy.

Building has the same meaning as s8 of the Building Act 2004.

Brownfield development means new residential or non-residential development in areas zoned for the intended purpose and with existing development works on the site. The brownfield development may involve complete removal and replacement and/or extension of existing development works on the site.

Catchment means an area of the city that is subject to development contributions as identified in the maps attached in Appendix One to this chapter.

Commercial development means a non-residential development using land or buildings for the provision of services in the course of a trade or business including offices.

Council means Porirua City Council.

DCP means Development Contributions Policy.

Development has the same definition as in s109 of the LGWSA25.

Development agreement has the same meaning as in section 109 of the LGWSA25.

Development capacity means in relation to housing and business land, the capacity of land intended for urban development based on:

- the zoning, objectives, policies, rules and overlays that apply to the land, in the relevant proposed and operative regional Policy statements, regional plans and district plans; and
- the provision of adequate development infrastructure to support the development of the land.

Development contribution has the same definition as in s109 of the LGWSA25.

District Plan means the Operative Porirua District Plan.

Gross floor area or **GFA** means the total area of all the floors of all buildings on a site, excluding mechanical service equipment areas, external stairways and balconies.

Health and community services means medical services (e.g. doctors, optometrists, hospitals), veterinary services, dental services, childcare services, community care services (excludes accommodation) and education services.

Household unit or **Dwelling** means a home or residence which consists of a single self-contained household unit and includes accessory buildings. Each household unit includes kitchen and bathroom facilities of any nature and is physically separated, or capable of being separated from any other joined or detached household unit/s on the same allotment.

Household unit equivalent or **HUE** is a unit of demand used for each activity and represents the demand generated by one average household unit.

Industrial or **Industrial activity** has the same meaning as in the District Plan.

Impermeable surface area means a surface area that is not capable of being entirely permeated by rainwater at a rate that avoids ponding or runoff.

Kaumātua housing means housing for Māori over the age of 55 years situated on Māori land administered under the Te Ture Whenua Māori Act 1993 and on the same site as Marae or Papakāinga.

LGA 2002 means the Local Government Act 2002.

LGWSA25 means the Local Government Water Services Act 2025.

LTP means Porirua City Council's Long-Term Plan 2024-2034.

Non-residential development means any development that is not for residential purposes.

Place of worship means a non-residential development of premises used for public or private religious worship, religious ceremonies, religious meetings or instruction and social gatherings directly related to the work of the religious organisation.

Residential development means use of land and buildings by people for the purpose of living accommodation in a household unit but does not include Visitor Accommodation.

Residential services means retirement units, aged care rooms and Kaumātua Housing.

RMA means the Resource Management Act 1991.

Retail means a non-residential development, which uses land, a building, or parts of a building for the display and/or sale of goods, or the offer of goods for hire. It also includes land uses involving the wholesaling of retail goods.

Retirement village means a managed comprehensive residential complex or facilities used to provide residential accommodation for people who are retired and any spouses or partners of such people. It may also include any of the following for residents within the complex: recreation, leisure, supported residential care, welfare and medical facilities (inclusive of hospital care) and other non-residential activities. The retirement village must be registered under section 10 of the Retirement Villages Act 2003.

Retirement unit means a Household unit in a Retirement Village (other than an aged care room)

Service connection has the same meaning *water services connection* in section 109 of the LGWSA25.

Subdivision has the same meaning as in s218 of the RMA.

Stormwater network includes all pipework and open channels to allow for the management of a continuous public drainage system.

Visitor accommodation means land or buildings which are offered for temporary accommodation of persons and includes bed and breakfast establishments, backpackers' accommodation, homestay facilities, motels, hotels, tourist lodges, holiday flats, tourist cabins, motor inns and ancillary workrooms, reception areas and accessory buildings or ancillary activities on the site. This definition does not include activities defined in the DCP as Residential Developments or Residential Services.

Warehousing means storage of goods/property.

Part 4.2: Development Contributions Schedule

4.3 Table 4.1. shows the Development Contributions payable in each catchment for a single residential HUE within the catchments listed.

4.4 The total development contribution amount for a non-residential development will vary according to the size of the development and the number of HUE of demand it generates.

4.5 Catchments maps can be found in Appendix One.

Table 4.1: Schedule of Development Contributions per HUE by catchment

DCs Catchment Reference	Stormwater	Wastewater	Waste Water Treatment Plant	Water Supply	Total Excl. GST
Area 1. Urban (Porirua Low, Western)	$492	$0	$15,259	$3,746	$19,497
Area 2. Urban (Porirua Low, Central)	$492	$242	$15,259	$3,746	$19,739
Area 3. Urban (Porirua Low, Central, Greenfields)	$492	$242	$15,259	$3,746	$19,739
Area 4. Urban (Porirua Low, Eastern)	$492	$7,103	$15,259	$3,746	$26,599
Area 5. Urban (Porirua High, Central Northern, Greenfields)	$492	$12,168	$15,259	$7,061	$34,980
Area 6. Urban (Porirua Low, Central Northern, Greenfields)	$492	$12,168	$15,259	$3,746	$31,665
Area 7. Urban (Porirua Low, Central Northern)	$492	$12,168	$15,259	$3,746	$31,665
Area 8. Urban (Porirua High, Eastern, Greenfields)	$492	$7,103	$15,259	$7,061	$29,915
Area 9. Urban (Porirua High, Eastern)	$492	$7,103	$15,259	$7,061	$29,915

DCs Catchment Reference	Stormwater	Wastewater	Waste Water Treatment Plant	Water Supply	Total Excl. GST
Area 10. Urban (Whitby High, North Eastern, Greenfields)	$492	$20,811	$15,259	$11,056	$47,618
Area 11. Urban (Whitby, North Eastern, Greenfields)	$492	$20,811	$15,259	$3,646	$40,209
Area 12. Urban (Whitby High, North Eastern)	$492	$20,811	$15,259	$11,056	$47,618
Area 13. Urban (Whitby, North Eastern)	$492	$20,811	$15,259	$3,646	$40,209
Area 14. Urban (Plimmerton North, Northern)	$492	$20,266	$15,259	$8,556	$44,573
Area 15. Urban (Plimmerton North, Northern, Greenfields)	$492	$20,266	$15,259	$8,556	$44,573
Area 16. Urban (Plimmerton Farm, Northern, Greenfields)	$492	$20,266	$15,259	Developer funded	$36,017
Area 17. Urban (Standard, Northern)	$492	$20,266	$15,259	$0	$36,017
Area 18. Urban (Pukerua South, Northern Greenfield)	$492	$20,266	$15,259	Developer funded	$36,017
Area 19. Rural	$492	$0	$0	$0	$492

Part 4.3: Background

4.6 Porirua City has seen significant growth over the last six years, the residential sector has on average been experiencing growth of 1.28%, however, it is anticipated growth will be slower over the next few years. Porirua City is predicted to have an additional 27,363 residents by 2054. This growth requires careful planning and investment.

4.7 The impact of population and housing growth (including housing intensification) on our infrastructure assets is reflected in major water service infrastructure projects.

4.8 Along with the advantages of sustained growth comes the difficulty of funding and building sufficient water services infrastructure to service the growing community.

4.9 Development contributions allow Tiaki Wai to recover in a fair, equitable and proportionate manner the cost of capital expenditure that is necessary to service growth in the long term from persons undertaking development.

4.10 In the interests of achieving financial equity between existing customers and new developers, Tiaki Wai has adopted a growth pays for growth approach with developers funding the growth-related capital costs of providing water services infrastructure to service the growing community.

4.11 Further background information supporting this chapter is included in the methodology included as Appendix Two of this chapter.

Summary explanation and justification

4.12 S122 of the LGWSA25 requires the DCP to include, in summary form, an explanation of and justification for the way each development contribution in the schedule is calculated. Table 4.2 summarises this process for development contributions for Porirua City.

4.13 The explanation for this chapter is below and is derived from Porirua City Council's position as recorded in its 2024 DCP.

Table 4.2: Methodology steps

Step	Explanation
One	**Identify and define catchments** A catchment is the area served by a particular infrastructure, e.g. reservoirs, pumping stations and pipes. Catchments are defined with reference to characteristics of the service, the common benefits received across the geographical area supplied and judgement involving a balance between administrative efficiency and the extent of common benefits. Consider principles for the establishment of catchments. Service catchments are attributed to the localities within Porirua City Council's growth model which forecasts household growth by census areas unit.
Two	**Identify 30-year capital expenditure resulting from growth** Historic capital expenditure incurred in anticipation of growth.

Step	Explanation
	The proportion of total planned costs of capital expenditure resulting from growth. Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total 30-year capital costs budgeted in Porirua City Council's LTP 2024, the other two components being the level of service improvements (including backlog costs to bring service standards up to desired levels) and renewals. These two costs must be met from funding sources other than development contributions. Justification for the level of growth costs should be supported by financial management funding considerations and show significant assumptions and impacts of uncertainty. New capital expenditure is developed with reference to Porirua City Council's growth model. Consider development contribution principles.
Three	**Identify the percentage of growth-related thirty-year capital expenditure to be funded by development contributions** 100% of the growth-related capital expenditure will be funded by development contributions because: • the identified capital expenditure requirements for this infrastructure directly benefits the growth community, with benefits to the existing community being marginal or non-existent. • there is a clear and logical connection between the growth community and the need for the infrastructure; and • all growth should be funded by development that places added demand on water services infrastructure assets. It must take into account Porirua City Council's identified community outcomes and overall wellbeing of the community. This is considered to be the most transparent, equitable and appropriate way to shift the responsibility of capital infrastructure directly from the existing customers.
Four	**Identify the appropriate units of demand** The selected unit of demand is the Household unit equivalent (HUE) based on an average residential dwelling. The choice of the HUE as the unit of demand was influenced by the following matters: For areas of greenfield residential development, HUEs can then be applied uniformly at one for each lot, regardless of size for reasons of administrative simplicity. Lots typically accommodate one residential dwelling, and therefore lot size is not considered to have a material impact on demand. For brownfield residential development areas, additional demand will predominantly arise due to the development of additional residential dwellings. Non-residential development may then be allocated HUEs based on typical industry demand generation characteristics for each water services infrastructure

Step	Explanation
	type as set out in Table 4.5 of the chapter. This approach does not prevent a case-by-case assessment of demand if required.
Five	**Identify the designed capacity (in units of demand) provided for growth** The designed capacity may vary between different types of infrastructure. In some cases, it may be considered economically prudent to provide for spare or surplus growth capacity considerably beyond current 30-year expectations of growth. Costs are recovered across the full designed number of HUEs.
Six	**Allocate the costs to each unit of demand for growth** The development contribution charge per HUE is calculated by dividing the total capital expenditure resulting from growth (step two) by the designed units of demand for growth (step five). The methodology in Appendix Two of this chapter provides further details on this step.
Seven	**Prepare schedules** Prepare a schedule of assets for which development contributions will apply. This schedule is contained in Appendix Three of this chapter. Prepare a schedule of development contributions: A detailed schedule must be prepared as part of the DCP that enables the development contributions to be calculated by infrastructure type and catchment. The DCP will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or refund, and catchment maps. Consider overall impact of development contributions on the community and finalise schedule. Check maximum development contributions not to be exceeded. This schedule is found in Table 4.1 of this chapter.

Part 4.4: Significant assumptions

Residential Growth

4.14 Section 122 of the LGWSA25 requires the DCP to state the significant assumptions underlying residential growth and non-residential growth. These growth trends assumptions are discussed in detail in the methodology document, included as Appendix Two of this chapter.

4.15 The Porirua Growth Strategy 2048 was developed in 2018 with input from stakeholders, community members and partners to test the spatial framework and principles in our draft strategy. Since 2018 the feedback we have received from the community through various engagements and consultations, including the Long-Term Plan 2021 and District Plan. The refreshed Growth Strategy 2053 retains the key focus areas of the 2018 strategy but has been updated to consider the changes since 2018 and prepare Porirua City Council for the next steps in growth. The growth sequencing used for the growth model in this chapter is based on the Porirua Growth Strategy 2053.

4.16 The following list provides a summary of the key assumptions that Porirua City Council has used in developing its growth projections for the city. These assumptions are considered further in the methodology document, included as Appendix Two to this chapter.

4.17 Key assumptions underlying growth calculations for Porirua City to 2054 are shown below in Table 4.3.

Table 4.3: Underlying residential growth assumptions

Area	Growth assumptions
Infill	1,050 dwellings across the city.
Eastern Porirua	2,500 dwellings are anticipated. This is made up of a mix of regeneration dwellings and private development.
Western Porirua	Takapūwāhia and Western regeneration - 900 dwellings across 2026- 2054.
Northern Porirua	4,000 dwellings are likely to come on board over the next 30 years.
Aotea	100 dwellings in the Aotea Block between 2024-2031.
Whitby	700 dwellings are expected to be constructed between 2024-2054.
Southern/Central	Kenepuru Land development – 700 dwellings to continue 2024-2036.

Non-residential Growth

4.18 Livingston and Associates annual average non-residential growth projections are used for estimating non-residential growth for Porirua City, the average growth used as the basis for the DCP 2024. Details are contained in Appendix Two of this chapter.

4.19 In summary, annual non-residential development rates are expected to be uneven but, over a 5-10 year period, have average annual levels of 800 m^2, 450 m^2 and 2500 m^2 for retail, commercial/office and industrial land use respectively.

4.20 These figures have been used to calculate non-residential growth HUEs for the thirty-year planning period shown in Table 4.4 of this chapter. Brownfields (infill) growth is not included in the calculation as most sites are assumed to have existing connections to the roading and stormwater networks.

4.21 Demand driven by non-residential development is translated into HUEs generally using land-use conversion factors (HUE demand per 100m^2 gross floor area).

4.22 The water and wastewater conversion factors are based on factors used for similar councils in averaging servicing requirements generated by typical non-residential developments.

4.23 Porirua City Council previously verified these factors based on the existing demands of existing development on the city's existing networks and has assessed these average factors as being appropriate for the Porirua City context. Notwithstanding this, it is noted that these factors are estimates and are averaged conversion factors.

4.24 Tiaki Wai or a developer can elect to conduct a special assessment of demand where they believe the conversion factors are not appropriate for the development.

4.25 Stormwater demand is estimated on the basis of the expected impermeable surface area at each non-residential development site. A conversion factor of 0.2 HUEs per 100m^2 of floor area is used based on an estimate of the average impermeable area created by a residential development in Porirua City (65% of the average section size of 700m^2).

Table 4.4: Total new HUE demand arising from non-residential growth 2021-54

	Growth floor area m^2	Conversion factor per 100m^2	Projected growth non-residential HUEs
Water and Wastewater			
Retail	12,500	0.3	38
Commercial/Office	8,000	0.3	24
Industrial	45,000	0.3	135
Total Water and Wastewater			**197**
Total Stormwater	**65,500**	**0.2**	**131**

Costing and Financing

4.26 Development contributions are collected over the capacity life of the assets.

4.27 Development contribution calculations make allowances for the extent to which developers in year one should pay for growth-related assets that may not be built until year thirty. Where existing or current growth demand for an asset is greater than existing asset capacity, a development contribution towards planned growth-related works, that will address any capacity shortfall, is calculated and applied.

4.28 The methodology for determining development contributions toward asset programmes with growth-related components for Porirua City is detailed in Appendix Two of this chapter. This includes the consideration of the proportional allocation of asset programme costs to renewal work, resolving backlog capacity issues, and appropriately providing for growth.

4.29 The growth assumptions have been explicitly considered by asset managers in creating the Asset Management Plans that underpin the capital works schedule.

Historic capital expenditure

4.30 Historic capital expenditure for growth-related projects, undertaken prior to Porirua City Council's LTP 2024-34, is recognised by the DCP where there was an explicit assumption, at the time that expenditure was incurred, that the asset project was required to service growth, and that the growth component cost of that asset would be recovered from new developments.

4.31 This chapter includes a schedule of historic capital expenditure that has remaining capacity for growth against which development contributions will continue to be collected in Porirua.

Inflation

4.32 All costs for projects in the thirty-year plan used in this chapter are based on current estimates of infrastructure construction prices in 2024 dollar terms with inflation of all capital costs over the period using cost inflation factors as used for Porirua City Council's LTP 2024 financial forecast planning assumptions.

Cost of capital / cost of debt

4.33 The costs of securing capital, or debt, to build and hold assets until all development contributions are collected are a material cost.

4.34 It is equitable that development contributions incorporate these costs. The development contributions for Porirua are calculated using a cash flow analysis of the net results of both the development contributions income and capital expenditure over time. This analysis establishes equitable development contributions that account for the cost of debt and interest on development contributions received.

Other assumptions

4.35 All capital expenditure and development contribution amounts noted in this DCP are exclusive of GST unless otherwise noted.

4.36 Income generated from rates set and collected will be sufficient to meet the operating (including maintenance) costs of growth-related capital expenditure into the future.

4.37 The methods of service delivery will remain substantially unchanged.

4.38 Within these broad classes it is appropriate to use development contributions as a funding source for Porirua for capital expenditure related to activities listed in Appendix Three of this chapter.

4.39 Section 122 of the LGWSA25 requires Tiaki Wai to explain why, in terms of matters in s101(3) of the LGA 2002, it has determined to use development contributions as a funding source for each of these activities.

4.40 The basis for the Tiaki Wai assessment reflects Porirua City Council's consideration of these matters, as set out in Appendix Six of this chapter.

Part 4.5: Requirement for development contributions

4.41 Development contributions shall be required for the following activities:

- Stormwater
- Wastewater
- Wastewater treatment plant
- Water supply.

4.42 Development contributions shall be required in money for both community-wide and any catchment-specific development contributions unless, at the sole discretion of Tiaki Wai, it is wholly or partially offset by a piece of land and/or an agreed work/s that is offered by the developer that would adequately suit the purposes for which all or part of the contribution was sought. Any offset of development contributions would need to be dealt with through a development agreement and agreed to by Tiaki Wai.

4.43 Where Tiaki Wai accepts, at its sole discretion, a developer's offer to provide water services infrastructure in lieu of paying all or part of a development contribution, the parties will need to enter into a development agreement.

Part 4.6: Assessment and application of development contributions

Development Contributions Initial Threshold Tests:

4.44 Section 109 of the LGWSA25 defines "development" as:

- any subdivision, building, land use or work that generates a demand for water services infrastructure; but
- does not include the pipes or lines of a network utility operator.

4.45 A development contribution may be required in relation to a "development" if:

a) the effect of that "development" is to require new or additional assets or assets of increased capacity; and

b) Tiaki Wai (or previously, Porirua City Council) has incurred or will incur capital expenditure to provide water services infrastructure (this includes capital expenditure already incurred in anticipation of growth-related development); and

c) this Policy provides for a development contribution to be required in the circumstances.

4.46 The "effect" of a development, in terms of impact on these assets, includes the cumulative effects that a development may have in combination with other developments.

4.47 A development contribution will not be required if:

a) Porirua City Council has prior to 1 July 2026, under s108(2)(a) of the RMA imposed a condition on a resource consent requiring a financial contribution in relation to the same development, and for the same purpose; or

b) the developer will fund or otherwise provide for the same water services infrastructure in accordance with a development agreement approved by Porirua City Council (before 1 July 2026) or Tiaki Wai (after 1 July 2026); or

c) the territorial authority has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance; or

d) a third party has funded or provided, or undertaken to fund or provide, the same water services infrastructure; or

e) credits apply.

4.48 Another development contribution may be required to be made for the same purpose if the further development contribution is required to reflect an increase in the scale or intensity of the development since the original contribution was required.

4.49 Where development satisfies the requirements for development contributions, Tiaki Wai will at its sole discretion determine when development contributions are not applicable.

Residential Subdivisions and Developments

4.50 Residential subdivisions and developments will be assessed for development contributions at the time of granting resource consent (subdivision and land use), building consent or approving a service connection to a site or building development, or when granting a certificate of acceptance under section 98 of the Building Act 2004 if a development contribution would have been required, had a building consent been granted for the building work in respect of which the certificate is granted subject to paragraphs 4.52-4.58.

4.51 Development contributions will be assessed based on the DCP that was in force at the time the application was submitted and accompanied by all relevant information. If development contributions are assessed under this DCP, they will be applied using the rates set out below, having firstly considered whether any credit, historical credit or actual credit applies to the activity and/or subdivision that is being assessed. Residential development contributions will be assessed on the number of household units and/or allotments being created with:

a) 1 HUE per vacant allotment; or

a) 1 HUE per household unit where allotments are not vacant. Credits will be applied for existing lawfully established allotment and/or household units.

Residential extensions and alterations

4.52 Development contributions will not be payable for residential extensions or alterations to existing dwellings, including the construction of related accessory buildings, that do not create a household unit.

4.53 Where residential extensions or alterations create additional household units, 1 HUE will be charged per household unit.

Additional residential household unit within an established site

4.54 Where one or more additional residential household units are being created within an already established site 1 HUE will be charged per household unit.

Residential services

4.55 Development contributions for residential services will be assessed as:

a) any retirement unit will be assessed at 0.5 residential HUE.

b) any aged care room will be assessed at 0.4 residential HUE per room.

c) Kaumātua housing will be assessed at 0.5 HUE per unit.

d) any non-residential buildings/structures for residential services will be assessed under Table 4.5 or known demand.

Rural development

4.56 Rural developments, as defined by the rural catchment, will be charged development contributions for stormwater.

4.57 Rural developments will only be charged development contributions for water and wastewater if Tiaki Wai agrees to make service connections available to all or part of the development. Water and wastewater infrastructure to support potential growth in rural areas is not provided for in asset management plans. Tiaki Wai may therefore agree to such a service connection only in special circumstances.

4.58 Tiaki Wai will use the special assessment process for development contributions outlined in the DCP to determine an appropriate development contribution/s that should apply for connection to these services. Case-specific development contributions may be required to fully cover the Tiaki Wai costs.

Non-residential Subdivisions and Development

4.59 Non-residential subdivisions and developments will be assessed for development contributions at the time of granting resource consent (subdivision and land use), building consent or approving a service connection to a site or building development or when granting a certificate of acceptance under S 98 of the Building Act 2004 if a development contribution would have been required had a building consent been granted for the building work in respect of which the certificate is granted.

4.60 Development contributions will be assessed based on the DCP that was in force at the time the application was submitted accompanied by all relevant information and applied using the rates set out in this section, having firstly considered whether any credit, historical credit or actual credit applies to the activity and/or subdivision that is being assessed.

4.61 Non-residential subdivisions will be assessed on the number of allotments being created with 1 HUE charged per vacant allotment for water, wastewater and stormwater. Where sites are occupied contributions will be assessed using the calculation in either **paragraph 4.66** or **paragraph 4.67** as appropriate.

4.62 Non-residential land use; building consents; and service connections will have development contributions assessed for the activities of water supply, wastewater and stormwater.

4.63 Where a non-residential development's level of demand is known for the below activities, development contributions will be assessed by calculating the number of HUEs equivalent to the known demand:

a) water (m^3 per day)

b) wastewater (m^3 per day)

c) stormwater (m^2 impermeable area).

4.64 Subject to paragraph 4.65, HUEs created by activities described in the paragraph above can be determined by using the equation in paragraph 4.66 or 4.67 and referencing column (A) in Table 4.5.

4.65 For developments involving a water connection from the main into the development that is greater than 20mm, HUE water and wastewater demand will be based on the greater of:

- the HUE calculated either by **paragraphs 4.66 or 4.67 or**
- the HUE calculated by the pipe size, as determined in **Appendix Four**.

Non-Residential HUE Calculation- Known Demand:

4.66 Where water use, wastewater volume, and/or stormwater impermeable surface area are known, the number of HUEs payable can be determined using the below equation:

N= K / HUE

Where:

- **K**= **Known Units of demand** for water (m^3 per day); wastewater (m^3 per day); and/or stormwater (impermeable area) generated by the development.
- **HUE**= **Household unit equivalent of demand**, as set out in column (A) [Table 4.5](#).
- **N = Number of HUEs payable**

Non-residential HUE calculation – Unknown or uncertain demand:

4.67 Where a non-residential activities water use, wastewater volume, and/or stormwater impermeable surface area are not known or are uncertain, HUEs created by these activities are calculated as follows:

N= (GFA / 100m²) x HUE per 100m²

Where:

- **GFA** = **Gross floor area** of the development. For the purpose of stormwater HUE calculations, GFA must be replaced by impermeable surface area.
- **HUE per 100m²** = **Non-residential unit of demand**, per 100m² GFA, or impermeable surface area for stormwater HUE calculations, as set in column (B)**Table 4.5**.
- **N = Number of HUEs payable**

Table 4.5: Non-residential conversion factors

Activity	(A) HUE Household equivalent unit of demand	(B) HUE per 100m² Household unit equivalent of demand by gross floor area or impermeable surface area
Water Supply[3]	1.35 m^3 per day[3]	Commercial / Retail / Office / Industrial / Health and community service / Warehousing / Place of worship 0.3 HUE[1] per 100m^2 GFA Visitor accommodation 0.5 HUE[1] per 100m^2 GFA Residential services 0.7 HUE[1] per 100m^2 GFA
Wastewater[1]	0.774 m^3 per day[3]	Commercial / Retail / Office / Industrial / Health and community service / Warehousing / Place of worship 0.3 HUE[1] per 100m^2 GFA Visitor accommodation 0.5 HUE[1] per 100m^2 GFA Residential services 0.7 HUE[1] per 100m^2 GFA
Stormwater	455m^2 of impermeable area	All non-residential activities 0.2 HUE per 100m^2 impermeable surface area

4.68 Where the level of demand is expected to diverge by more than 10%, from the average noted in Table 4.5, where a case-by-case assessment is required or where the intended use of the development falls outside the categories listed in Table 4.5 above, Tiaki Wai may require the developer to provide at its cost a **special assessment** of the units of demand.

4.69 Developers may also elect, at their own cost, to provide a special assessment.

4.70 In calculating development contributions for non-residential development, a minimum of 1 HUE for each relevant activity will be assessed for all development excluding extensions to existing buildings.

4.71 In the case of extensions to existing buildings, development contributions may be assessed at less than 1 HUE.

[3] Any water connection from the main into the development greater than 20mm will be assessed for water and wastewater demand based on the greater of the HUEs calculated by paragraphs 4.66 and 4.67 or the number of HUEs per pipe size as determined in Appendix Four.

Cross-boundary issues

4.72 In some cases, developments may fall within one or more catchments or Council boundaries.

4.73 The total units of demand will be assessed separately for each catchment. The development contribution will then be calculated using the appropriate development contribution per unit of demand for each development contribution area. The total development contribution is the sum of the development contribution for each area.

Credits

4.74 Where development contributions for an activity on a property have previously been paid, credit to that amount will be given for the particular activity. For the calculation of these credits, there is no historical time limit, and all previous credits will be taken into account.

4.75 Credits towards the development contribution assessment include 'deemed credits', 'historical credits' and 'actual credits'. Credits are expressed in units of demand and may be used to reduce the number of units of demand created by a development.

4.76 Credits can only be used for developments on the same site and for the same activity; except where allowed by a development agreement and cannot be used to reduce the number of units of demand to less than zero.

Historical credits

4.77 Historical credits will apply to the redevelopment of existing allotments.

4.78 Historical credits are used where the demand generated by development of the site is offset by some pre-existing demand having regard to the prior use of the site. For avoidance of doubt, if no increase in demand occurs at all, no contribution is payable under the "initial threshold" tests.

4.79 Historical credits will generally apply where there is existing non-residential development, credits shall be granted on the basis of the gross floor area of the existing development and/or specific use by reference to the GFA conversion factors in Table 4.5 (i.e. m^3 of water).

4.80 The prior use of the site must have been lawfully established. It is the responsibility of the applicant to provide sufficient proof to establish this, such as a certificate of existing use (pursuant to the RMA).

Actual credits

4.81 Actual credits are used to the extent that a development contribution/s for a particular activity on a property has been previously paid, and the development has only partially occurred or has not proceeded.

4.82 It is the responsibility of the applicant to provide confirmation of any actual credits paid. If the applicant is unable to provide confirmation of payment of credits, no credits will be allocated.

4.83 Actual credits will apply to vacant lots created on and after 1 July 2018.

Deemed credits

4.84 Deemed credits will apply to vacant lots that existed before 1 July 2018 which have not previously paid a development contribution. It is the responsibility of the applicant to provide the certificate of title for the lot(s) to confirm the lot existed prior to 2018.

Table 4.6: Examples of credit application

Type of existing original development	Nature of credit
1 additional household unit on an existing allotment with one existing house (without subdivision)	2 HUEs of demand, one from the existing household unit and one from the additional household unit **Minus** 1 HUE credit for the existing household **Equals** 1 HUE payable
6 lot vacant subdivision of 1 existing lot	6 HUEs chargeable **Minus** 1 HUE credit for the existing lot **Equals** 5 HUEs payable
1 new household unit on an existing vacant allotment	1 HUE chargeable for new household **Minus** 1 credit for existing allotment **Equals** No development contributions payable
Addition of a granny flat/family flat to an existing allotment with one existing house	2 HUEs chargeable for demand from the existing household unit and the additional household unit **Minus** 1 HUE credit for the existing household **Equals** 1 HUE payable

Timing of assessments, payment & enforcement

4.85 A development contribution will be required to be made when:

- a resource consent is granted under the RMA;
- a building consent, or certificate of acceptance, is granted under the Building Act 2004;
- an authorisation for a service connection is granted.

Assessment

4.86 Where a "development" meets the threshold of when a development contribution may be required, development contributions will be required and will be subject to an assessment on all applications for building consent, land use (resource) consent, subdivision (resource) consent and service connection.

4.87 The assessment will be made against the first consent application lodged for the development and will be made on every subsequent consent application or variation request. The assessment will take account of the number of units of demand previously assessed and determine whether the development still generates the same number of units of demand. This will ensure that the final development is neither overcharged nor undercharged.

4.88 An assessment may be made on each and every event described below and will remain valid unless otherwise amended by a special assessment, reconsideration or objection from the date of that assessment.

4.89 The assessment will be made upon receiving:

- a complete resource or building consent application, or request for service connection; or
- a complete written application to vary a consent or service connection application that has already been assessed for a development contribution.

4.90 If an application is not complete, further information will be requested to enable a development contribution assessment.

4.91 If the criteria to assess development contributions are not met, development contributions will not be required on an individual consent/authorisation application. However, they may be required on a future consent/authorisation application in relation to the same development proposal/development site if in that subsequent event the criteria to assess development contributions are met.

4.92 If for any reason an earlier application for consent or authorisation is not assessed for development contributions, an assessment for development contributions may be made on a subsequent application for the same development project.

4.93 The applicant will have **10 working days** from the receipt of any development contribution assessment in which to lodge a request for a special assessment, remission, reconsideration or objection as set out in this chapter.

Payment and enforcement powers

4.94 The development contribution must be paid as follows:

Subdivision consent:	Development contributions will be payable prior to the issue of s224(c) certificate. An invoice will be issued shortly after Porirua City Council receives a s224(c) certification application or upon request.
Land use consent:	Development contributions will be payable by the due date stated on the invoice (20 days after the invoice is issued). Contributions will generally be invoiced upon Porirua City Council and Tiaki Wai receiving notification that physical works are scheduled to begin or upon request. Where both a land use consent and subdivision consent or, a land use consent a building consent are required for the same development payment will be required under the subdivision or building consent provisions.
Building consent:	Development contributions will be payable prior to the issuing of a Building Act code compliance certificate or certificate of acceptance for the related building works or connection to the service, whichever comes first. An invoice will be issued shortly after Porirua City Council receives an application for a code compliance certificate or certificate of acceptance, or upon request.
Service connection:	Prior to connection.

4.95 To request an invoice, email DCassessments@poriruacity.govt.nz with the subject line "Invoice Request" and include the relevant consent number and property address.

4.96 If payment is not received in time, Porirua City Council or Tiaki Wai (where applicable) may:

- in the case of a development contribution required for a resource consent—
  - withhold a certificate under s224(c) of the RMA:
  - prevent the commencement of a resource consent under the RMA:
- in the case of a development contribution required for a building consent, withhold a code compliance certificate under s95 of the Building Act 2004.
- in the case of a development contribution required for a request for a certificate of acceptance, withhold a certificate of acceptance under s99 of the Building Act 2004.
- in the case of a development contribution required for a service connection, withhold a service connection to the development.

Remissions

4.97 At the request of an applicant, the development contributions required on a development may be considered for remission at the discretion of Tiaki Wai on a case-by-case basis.

4.98 Any such request shall be made in writing by the applicant no more than **10 working days** after the applicant has been advised in writing of the amount of a development contribution required on the development, as provided for in the assessment above.

4.99 The application must be made before any development contribution is paid, as Tiaki Wai will not consider a retrospective application for remission.

4.100 In considering a request for a remission Tiaki Wai shall as soon as reasonably practicable consider the request.

4.101 Tiaki Wai may exercise its discretion in accordance with the matters listed below to uphold, reduce or cancel the original amount of development contribution required on the development.

4.102 Where Tiaki Wai decides to consider such a request the following matters shall be taken into account:

a) this DCP.

b) the extent to which the value and nature of any works proposed by the applicant reduces the need for works proposed by Tiaki Wai in its capital works programme.

c) the level of existing development on the site.

d) whether Tiaki Wai determines that the development contributions are manifestly excessive in relation to:

- the scale of the development;
- the value of the development;
- the viability of the development;
- the impact of the development on infrastructure;
- whether the development supports the Tiaki Wai wider objectives; and
- any other matter Tiaki Wai considers relevant.

4.103 An application for remission will need to be justified by the applicant.

4.104 For the avoidance of doubt, Tiaki Wai will not generally grant remissions due to the following circumstances:

a) Additional dwellings that are located near the boundaries of other Territorial Authorities;

b) Dwellings which are able to be relocated more readily than others;

c) Developments on the basis that the applicant is a not-for-profit or community group/organisation.

Refunds

4.105 Tiaki Wai will refund development contributions where:

- the resource consent lapses under section 125 of the RMA or is surrendered under section 128 of the RMA; or
- the building consent lapses under section 52 of the Building Act 2004; or
- the development or building in respect of which the resource consent or building consent was granted does not proceed. In this case, Tiaki Wai will refund any amount by the 20th of the following month, following notification from a Developer to Porirua City Council and Tiaki Wai that the development will not proceed; or
- Tiaki Wai does provide the water services infrastructure for which the development contribution was required; or
- Previous overpayment has been made (for whatever reason).

4.106 The development contribution will be refunded to the consent holder or to his or her representative, but Tiaki Wai may retain a portion of a development contribution refunded of a value equivalent to any administrative and legal costs it has incurred (including costs on charged by council) in assessing, imposing and refunding a development contribution for water services infrastructure development contributions.

Postponements

4.107 Tiaki Wai will not consider requests to postpone a development contribution.

Reconsiderations

4.108 Tiaki Wai must have a process for applicants to request reconsideration of the development contributions required. The process must set out how requests can be lodged and the steps in the process that will apply.

4.109 An applicant may request Tiaki Wai reconsider a requirement to make a development contribution if the applicant has grounds to believe that:

a) the development contribution was incorrectly calculated or assessed under the DCP; or

a) the DCP has been incorrectly applied; or

b) the information used to assess the applicant's development against the DCP, or the way that information was recorded or used when requiring the development contribution, was incomplete or contained errors.

4.110 A request for reconsideration must be made within **10 working days** after the date on which the applicant receives notice of the level of development contribution required.

4.111 A person may not apply for reconsideration if the person has already lodged an objection.

How to lodge a request for reconsideration

4.112 A request for reconsideration must be made in writing to DCassessments@poriruacity.govt.nz. The request must identify the basis on which the reconsideration is sought together with, as appropriate, the legal and evidential grounds in support of the application for reconsideration.

Process for reconsiderations

4.113 Tiaki Wai may, within 10 working days of receiving the request for reconsideration, request further information from the requester to support the grounds stated in the request for reconsideration.

4.114 Tiaki Wai will proceed to determine the request for reconsideration if:

- it has, in its view, received all required information relating to the request; or
- the requester refuses to provide any further information requested by Tiaki Wai (as set out above).

4.115 The request for reconsideration will be delegated to an authorised officer to make this decision.

4.116 Tiaki Wai will give written notice of the outcome of its reconsideration to the applicant within **15 working days** after:

- the date the application for reconsideration is received if all required information is provided in that application; or
- the date the application for reconsideration is received if the applicant refuses to provide further information; or
- the date the further information is received from the applicant.

4.117 An application for reconsideration does not prevent the applicant from also filing an objection.

Objections process

4.118 Persons required to pay a development contribution wishing to object to the assessed amount of the development contribution can seek to have objections heard by commissioners. However, the objections cannot challenge the DCP itself.

4.119 **Appendix Five** contains a diagram setting out the main steps of the objections process. However, an objection must be lodged within 15 working days after the date on which the person received notice of the level of development contributions required (or the date on which the Tiaki Wai gives notice of the outcome of a reconsideration under section 199B). Objections must be sent to DCassessments@poriruacity.govt.nz.

4.120 An objection can only be made on the grounds that the assessment:

a) failed to take into account features of a development that, on their own or cumulatively with other developments, would substantially reduce the impact of the development on requirements for water services infrastructure;

b) required a development contribution for water services infrastructure not required by, or related to, the objector's development;

c) was in breach of s116 of the LGWSA25 (limitations applying to the requirement for development contribution); or

d) incorrectly applied the DCP to the development.

4.121 Objections are lodged with Porirua City Council in the first instance, and must be in writing, set out the grounds and reasons for the objection, state the relief sought, and must state whether the objector wishes to be heard. Porirua City Council or Tiaki Wai will then administer the objections process and select and support the development contributions commissioners (numbering up to three).

4.122 Objections will be decided by development contributions commissioners selected from a register of commissioners appointed by the Minister of Local Government.

4.123 Tiaki Wai or Porirua City Council will seek to recover its actual and reasonable costs incurred in respect of the objection from the objector. However, objectors are not liable for the fees and allowances costs associated with any Tiaki Wai or Porirua City Council witnesses. Tiaki Wai or Porirua City Council will take a deposit for the expected costs of administering the objection process. When full costs are known at the end of the process either a refund will be made where the deposit has exceeded actual costs, or an invoice will be issued for the outstanding balance. Where the objection is successful this deposit will be refunded.

4.124 Development contributions commissioners have the ability to make a decision without a hearing if:

a) they are satisfied that they have sufficient information to decide the objection following an exchange of written briefs of evidence; or

b) the objector has indicated that they do not wish to be heard or has agreed that no hearing is required.

4.125 The decisions of the development contributions commissioners are binding on parties, including Tiaki Wai. The decisions can be overturned only by judicial review.

Special assessments

4.126 Tiaki Wai reserves its discretion to require a developer to provide a 'special assessment' or where a proposed development clearly has a significantly greater impact than is envisaged in the averaging implicit in the development contributions model.

4.127 Where a developer considers that a development has a significantly lesser impact than is envisaged in the averaging implicit in the development contributions model, the developer may request that Tiaki Wai undertakes a special assessment and Tiaki Wai, in its discretion may consider a reduction to the number of HUEs assessed.

4.128 A special assessment may be initiated by Tiaki Wai, the applicant or an agent working on behalf of an applicant. Applications for special assessment should be made in writing to DCassessments@poriruacity.govt.nz.

4.129 Tiaki Wai and the applicant have **20 working days** from the first development contributions assessment following lodgement of an application for resource consent, building consent or request for a service connection, to trigger a special assessment. In all cases, the applicant will be expected to provide supporting information and detailed calculations of their development's demand on infrastructure expressed in the relevant units of demand set out in **Table 4.5**.

4.130 Once the applicant submits the required information, Tiaki Wai will advise the applicant of the assessed impact and fee within **20 working days**.

4.131 The final approval of a special assessment may be delegated to an authorised officer.

4.132 If the applicant does not provide or fails to disclose any information reasonably requested, then the special assessment will be declined on the grounds that Tiaki Wai is unable to assess the application.

Development agreements

4.133 Where it is in the best interests of all parties (and all parties agree), Tiaki Wai may enter into a development agreement with the developer. The development agreement must clearly state the departure from the standard processes and calculations, and the reasons for these differences.

4.134 Tiaki Wai is committed to a timely and effective response to this legislated process for establishment of development agreements.

Guarantees

4.135 An applicant may request that Tiaki Wai accept a guarantee for development contributions in excess of $50,000. This request will be considered at the discretion of an authorised officer. Guarantees:

- will only be accepted from a registered trading bank.
- shall be for a maximum period of 24 months, subject to later extensions as may be agreed by an authorised officer.
- will have an interest component added, at an interest rate of 2% per annum above the Reserve Bank official cash rate on the day the guarantee document is prepared. The guaranteed sum will include interest, calculated on the basis of the maximum term set out in the guarantee document.

- shall be based on the GST inclusive amount of the contribution.

4.136 At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately.

4.137 If Tiaki Wai accepts the guarantee, all costs for the preparation and any subsequent and agreed variation or extension of the guarantee documents will be met by the applicant.

Goods and Services Tax Act 1985

4.138 All assessments are provided inclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985.

4.139 GST will be added to the invoice at the time of supply as required by the Goods and Services Tax Act 1985.

Council developments

4.140 Porirua City Council and Tiaki Wai are exempt from paying any development contributions.

Crown developments

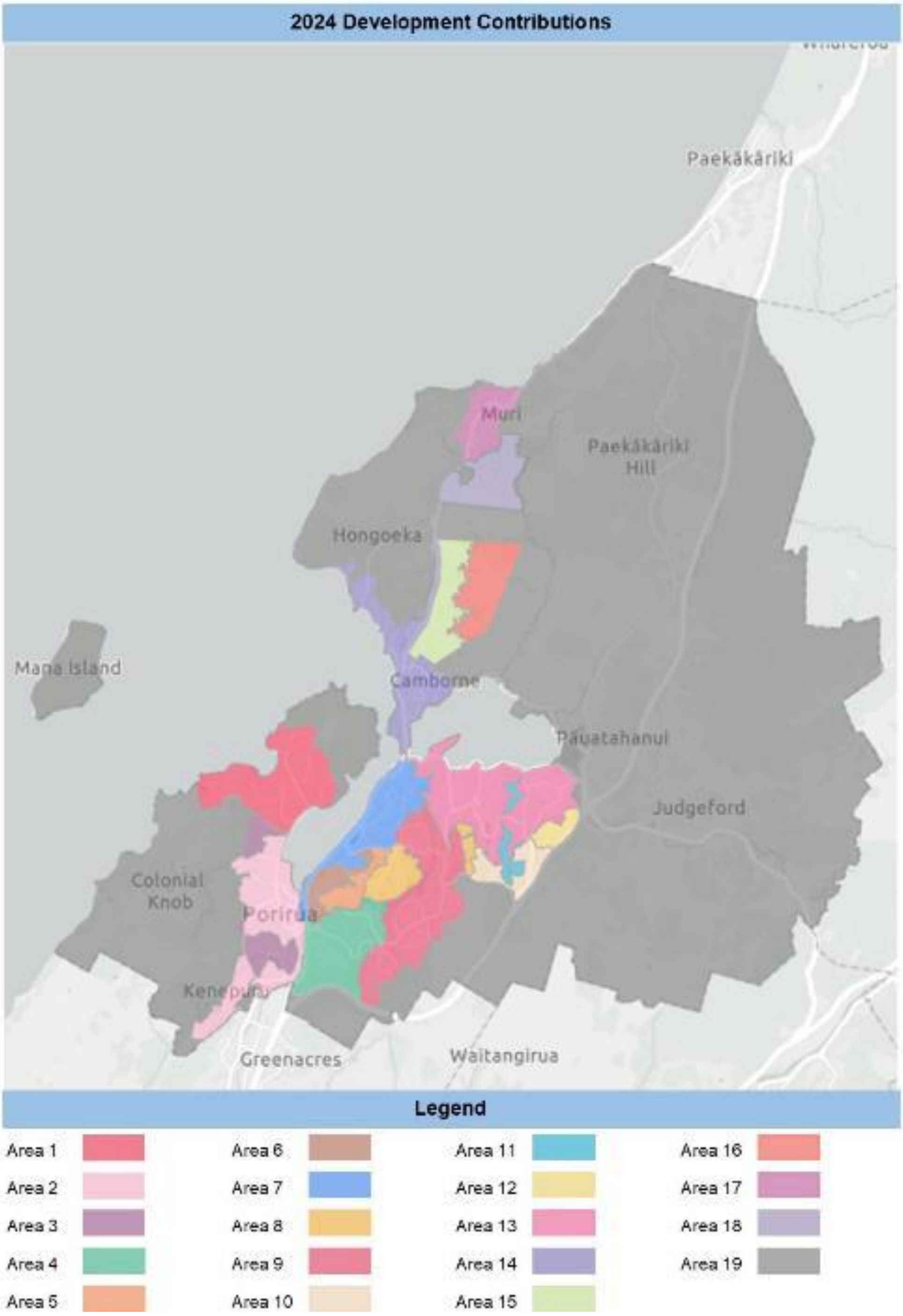
4.141 The Crown is exempt from paying development contributions. Any subsequent amendment will be considered when applying this Policy to Crown developments.

4.142 When an applicant considers that it is the Crown for the purposes of avoiding liability to pay a development contribution, the applicant must provide written advice the basis on which the applicant considers that it is the Crown.

4.7 Appendices

Appendix One:	Development Contribution Areas: Catchment Maps
Appendix Two:	Methodology • Methodology Appendix A: Growth Model – Residential Growth (Porirua Growth Strategy 2053) • Methodology Appendix B: Growth Model – Non-residential growth projections (Livingston & Associates)
Appendix Three:	Schedule of assets for which development contributions will be used
Appendix Four:	Water connection size
Appendix Five:	Development Contributions Objection process
Appendix Six:	Considerations of activity funding

Appendix One – Porirua City Development Contribution Areas: Catchment Maps



Appendix Two – Porirua City Methodology

Methodology

1. The development contributions in the chapter are based on Porirua City Council's development contributions Policy, Long-Term Plan, and development contributions model. An explanation of the methodology used by Porirua City Council for calculating these is provided here.
2. In 2014, Porirua City Council implemented a new software model ("SPM Projects") to record all capital expenditure necessary to provide for growth and to ensure a consistent calculation of Development Contributions for growth across all activities.
3. This software bridges the areas of asset and financial management to calculate development contributions in a repeatable, transparent, and defensible manner.
4. The calculation model leads users through a series of inputs and calculations comprising growth assumptions, financing costs, project cost and timing details, and cost allocations.

Description of calculation model methodology

Growth model

5. The assumptions for growth in both residential households and non-residential development (estimated in m^2 of gross floor area) driving the need for infrastructure capital expenditure in the Council's LTP are captured. This growth information is broken down by localities to which services and benefits are provided. Alignment of the timing of expected growth with the timing of capital expenditure is important for accurate calculations.

Project definition

6. Development contributions are based on asset management plans (AMPs) where demand for infrastructure to deliver a desired level of service is estimated across localities. One output of the AMPs is forecasts of capital expenditure over the next thirty years and beyond.
   - **Project information**: The calculation model records the general details about projects including name, status, scope, timing and the locality/catchment to which the project will provide benefits. Historic projects with remaining capacity for growth are also captured.
   - **Costs:** AMP information for projects is recorded on estimated project costs (or actual costs if past project) and their timing and any third-party funding. The calculation model includes the cost of capital (Council's net cost of debt after receipt of any interest from Development Contributions collected).
   - **Project considerations:** The calculation model can be used to record decision-making deliberations on matters including s101(3) of the LGA, community outcomes, and funding considerations.

Cost allocation

7. The cost allocation methodology allocates the project costs into the expenditure components of:

   - Renewal (relating to asset replacement);
   - Backlog (non-growth related - which falls on the existing community, and consists of shortfall of the current service); and
   - Growth-related (capacity for the future, which falls on the growth community)

8. The cost allocation methodology has a number of defined components including:

   - Renewal and new work (backlog and growth) costs are shared based on their standalone costs as if the projects were constructed as separate works.
   - Based on the defined Level of Service the existing capacity, existing demand and total capacity provided by the project are assessed and the percentage allocation of costs to renewal, backlog and growth calculated.
   - The calculation model spreads the costs of growth over the projected total of residential and non-residential growth in each catchment.
   - For non-residential growth, the calculation model converts projected non- residential gross floor area (m^2) growth, for retail, industrial and commercial/office activity, to residential household equivalent units (HUEs). This enables total residential and non-residential HUE growth demand across the city, and within catchments, to be calculated.
   - Factors for converting retail, industrial and commercial gross floor area to HUEs are set by standard design parameters, local community experience and benchmarking with other councils.
   - Project growth costs are allocated to growth HUEs over the shorter of the funding period or the design capacity life of the asset.

Outputs

9. The calculation model output is a Development Contributions Schedule (See Table 4.1). This is calculated using a cash flow analysis of development contributions income and capital expenditure timing for each project. This cash flow model incorporates the cost of debt funding and any credit interest on money received.

10. The calculation of the development contribution towards growth recognises that new development will also pay through rates a contribution towards backlog costs, which are not a cost of growth. The development contribution charge is reduced by a back charge to avoid this potential double charging.

11. The development contribution charge is a dollar amount as at the date of calculation (2024). This charge does not change over the course of the period of development contributions collection – unless input assumptions change. The charge is therefore similar to a fixed table mortgage repayment schedule.

Methodology Appendix A – Growth Model Residential Growth

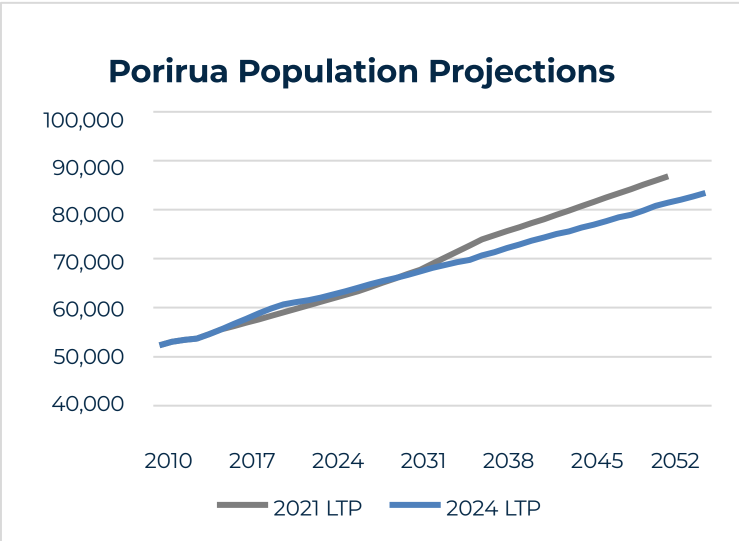
Growth Model – Residential Growth (Porirua Growth Strategy 2053 and Long-term Plan 2024-34)

Growth model – residential growth assumptions

The table below illustrates the results of the forecasts for population, households and dwellings in Porirua City. The Porirua Growth Strategy 2053 was used as the base assumptions from which growth estimates were extrapolated and included in the Long-term Plan 2024-34. These growth assumptions have been used as the underlying methodology for the recognition of projected growth.

Forecast population, households and dwellings

Porirua's population is projected to steadily increase over the next 30 years, with an additional 20,000 residents expected to call our city home by 2053. The table below provides a comparison of the population projections in Long-term Plan 2021-51 and Long-term Plan 2024-34.



The average occupancy over the course of the next 30 years is expected to decrease. For the purposes of the DCP and averaging implicit for occupancy of 2.7 has been used. Table A1 summarises the population projections in ten-year increments.

Table A1: Summary Population

Summary Dwellings	24/25-33/34	34/35-43/44	44/45-53/54
Existing Dwellings	21,590	24,122	28,165
Gross new dwellings	2,532	4,043	3,376
Total Dwellings	24,122	28,165	31,541
Additional Population @ 2.7 per dwelling	6836	10,916	9,115
Population of Porirua from base 62,088 in 2023	68924	79,840	88,955
Population growth per period	9.91%	13.67%	10.25%
Annual population growth	0.99%	1.36%	1.03%

Minor variances are observed over the term of the Long-term Plan 2024-34 and this Policy in regard to underlying population projections. This is a result of minor variances in occupancy rates derived. Any differences are considered inconsequential and have no material impact on household projections used for this Policy. As capacity is the primary driver for demand calculations any variances will be captured through latent capacity calculations over the long term.

Forecast dwellings and development

The addition of dwellings to the housing stock is a major driver of population growth in an area, providing opportunities for households to relocate from other areas or new households to form locally (such as young people leaving the family home or separations/divorces).

Residential development can take various forms depending on the availability of land. These include new housing estates on greenfield sites, subdivision in existing residential neighbourhoods (often called infill development), conversion of industrial lands to residential lands, and densification of housing by building up. The household projections below estimate 55% of the city's growth will occur in greenfield and 45% in brownfield development over the 30-year term of the DCP.

Council worked with various stakeholders and planners, during the development of the Porirua Growth Strategy 2053 and Long-term Plan 2024-34, to understand the likely development activity in each small area. This forms the development assumptions for the forecasts. Table A2 below shows the quantity of new development assumed in each small area in Porirua City. Select each small area to see detailed assumptions.

Table A2: Forecast Dwellings

New Dwellings	24/25-28/29	29/30-33/34	34/35-38/39	39/40-43/44	44/45-48/49	49/50-53/54	Total
Compact City	75	75	175	175	275	275	1,050
South	200	250	250	0	0	0	700
North	165	365	700	720	920	1,130	4,000
Aotea	100	0	0	0	0	0	100
East	145	325	650	700	180	0	2,000
East	25	25	50	50	175	175	500
Whitby	117	117	117	117	117	117	700
West	60	100	150	150	275	165	900
Total New Dwellings	**887**	**1,257**	**2,092**	**1,912**	**1,942**	**1,862**	**9,950**

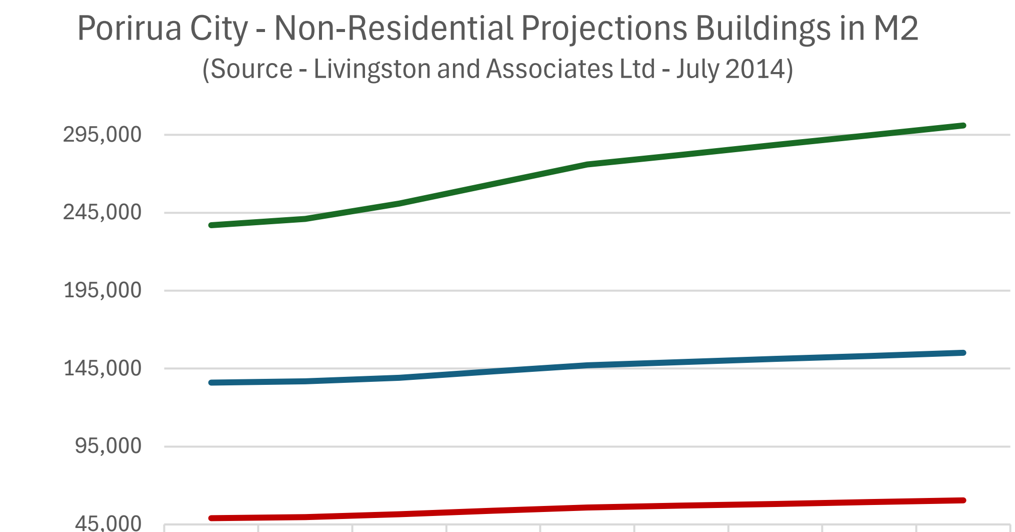
* Numbers have been round prior to totalling giving a discrepancy of 2 dwellings across the city over 30 years

Methodology Appendix B – Growth Model Non-Residential Growth

Model – Non-Residential Growth (Livingston & Associates) Growth model - non-residential growth assumptions

1. Non-residential growth within Porirua, in the form of industrial, commercial/office and retail development, tends to come in uneven annual increments.
2. Non-residential development is related to both population growth specifically in the city, but also other factors that determine the location of non-residential development across the region. The construction and operation of the Transmission Gully Highway is an example. There is expected to be a long-term average growth trend however.
3. Table A3 shows the anticipated annual average medium to long-term non-residential development activity anticipated within the city. This is sourced from an assessment undertaken by Livingston and Associates.

Table A3: Non-residential growth projections 2014 - 2051



	2014	2016	2021	2026	2031	2036	2041	2046	2051
Retail	136,000	136,900	139,150	143,150	147,150	149,150	151,150	153,150	155,150
Office	49,000	49,700	51,450	53,700	55,950	57,075	58,200	59,325	60,450
Industrial	237,000	241,000	251,000	263,500	276,000	282,250	288,500	294,750	301,000

Conversion of non-residential development into household equivalent units (HUE) of demand

4. In order to forecast demands on water, wastewater, and stormwater services, and allocate growth costs for new projects across residential and non- residential developments, projected non-residential gross floor area (m^2) growth is converted into HUEs using equivalences calculated below.

5. Table A4 provides the equivalence or conversion factors for all activities comprising water, wastewater, and stormwater. It also calculates total non-residential HUEs that are projected to be developed within Porirua over the 2021-2051 period.

Table A4: Conversion of non-residential GFA growth to HUEs 2021-2051

	Growth floor area m^2 (30 year total 2021-2051	Conversion factor per $100m^2$	Growth HUEs (30 year total 2021-2051)
Water and Wastewater			
Retail	12,500	0.3	38
Commercial/office	8,000	0.3	24
Industrial	45,000	0.3	136
Total Water and Wastewater			198
Stormwater	65,500	0.2 (impermeable surface area)	132

Appendix Three – Porirua City Schedule of Assets

Schedule of assets for which development contributions will be used

Provided below is a schedule of each new asset, additional asset, asset of expanded capacity or programme of works for which development contributions are intended to be used or have already been used.

The Schedule of Assets shows the estimated capital cost of each asset, the proportion the capital cost to recover through development contributions, and the proportion of the capital cost to be recovered from other funding sources. This schedule contains both historic and proposed future capital expenditure providing capacity for growth.

This Schedule may be amended at any time without consultation provided the change is made to reflect a change in circumstances (or to add an asset) and does not increase the total or overall development contribution that will be required.

Table A10: Schedule of assets for which development contributions will be used

Project Name	Gross Cost	Third-Party Growth Funding	Growth Cost	Development Contribution Funded Cost	% funding from Development Contribution
Stormwater					
Rangituhi Improvements (Complete)	$73,346.00		$7,340.00	$7,340.00	10.01%
CBD Improvements	$14,827,235.00		$692,432.00	$692,432.00	4.67%
Stormwater upgrades	$6,998,000.00		$2,998,910.00	$2,998,910.00	42.85%
Wastewater					
Paremata Papakōwhai gravity sewer capacity increase	$73,000,000.00		$29,225,795.00	$29,225,795.00	40.04%
PS6B pump station upgrade	$2,000,000.00		$800,357.00	$800,357.00	40.02%

Project Name	Gross Cost	Third-Party Growth Funding	Growth Cost	Development Contribution Funded Cost	% funding from Development Contribution
Paremata WW Trunk Upgrade Stage 1	$12,320,783.00				
Whitby Paremata gravity sewer	$23,916,959.00		$6,147,298.00	$6,147,298.00	25.70%
Bothamley Park Sewer Upgrade	$80,000,000.00	$10,938,477.00	$11,000,000.00	$11,000,000.00	13.75%
Plimmerton-Mana-Camborne gravity sewer capacity increase	$18,447,840.00		$7,382,558.00	$7,382,558.00	40.02%
PS38 WW rising main upgrade	$2,951,640.00		$1,179,924.00	$1,179,924.00	39.98%
SH1 gravity sewer capacity increase (Pukerua to Plimmerton)	$33,577,920.00		$13,437,396.00	$13,437,396.00	40.02%
Takapūwāhia-Eldson gravity sewer capacity increase	$18,490,320.00		$7,398,598.00	$7,398,598.00	40.01%
PS01, PS02, PS04, PS05, PS38 WW pump station upgrade	$18,235,000.00		$7,289,477.00	$7,289,477.00	39.98%
PS07a, PS08 and PS09 WW pump station upgrade	$1,334,000.00		$533,847.00	$533,847.00	40.02%
Wastewater Treatment Plant					
Central City WW Storage (PS20)	$96,889,425.00	$10,841,033.00	$38,717,973.00	$27,876,941.00	28.77%
North Plimmerton WW storage	$51,028,560.00		$20,391,518.00	$20,391,518.00	39.96%
Paremata WW storage	$66,185,177.00		$26,448,252.00	$26,448,252.00	39.96%

Project Name	Gross Cost	Third-Party Growth Funding	Growth Cost	Development Contribution Funded Cost	% funding from Development Contribution
Whitby Storage Tank	$20,000,000.00		$7,992,198.00	$7,992,198.00	39.96%
Major Pump Station Upgrade PS20 pump station upgrade	$28,585,440.00		$8,453,038.00	$8,453,038.00	29.57%
Major Pump Station Upgrade PS34 pump station upgrade	$5,584,320.00		$1,651,347.00	$1,651,347.00	29.57%
Sludge Handling / Dewatering and upgrade	$29,513,560.00		$2,656,220.00	$1,923,104.00	6.52%
Trunk Network Upgrades 2029-33 PS20 rising main duplication	$14,145,120.00		$4,182,872.00	$4,182,872.00	29.57%
Trunk Network Upgrades 2035/36/37 PS34 rising main upgrade	$6,468,480.00		$1,912,803.00	$1,912,803.00	29.57%
Porirua WWTP Outfall upgrade	$57,198,960.00		$42,327,230.00	$42,327,230.00	74.00%
Porirua WWTP Outfall upgrade - UV to drop structure	$4,536,000.00		$3,356,640.00	$3,356,640.00	74.00%
WWTP JV Clarifier	$6,668,340.00		$4,314,416.00	$733,450.00	11.00%
WWTP Milliscreen to Aeration Basin Pipe (Complete)	$6,671,899.00		$1,972,956.00	$1,972,956.00	29.57%
WWTP UV Upgrade (Complete)	$3,391,149.00		$2,373,750.00	$1,718,595.00	50.68%
Trunk Upgrades (Complete)	$8,141,184.00		$5,300,770.00	$1,328,248.00	16.32%

Project Name	Gross Cost	Third-Party Growth Funding	Growth Cost	Development Contribution Funded Cost	% funding from Development Contribution
Water Supply					
Whitby high level trunk water main	$8,000,000.00		$3,318,519.00	$3,318,519.00	41.48%
Plimmerton LL Reservoir (Pope Street)	$20,000,000.00		$12,000,000.00	$12,000,000.00	60.00%
Porirua High Level Reservoir No 2 (Stemhead)	$40,000,000.00	$8,775,281.00	$19,775,281.00	$11,000,000.00	27.50%
Porirua LL Zone Reservoir (Aotea Reservoir)	$33,300,000.00		$11,408,333.00	$11,408,333.00	34.26%
Plimmerton LL Reservoir (Pope Street)	$20,000,000.00		$12,000,000.00	$12,000,000.00	60.00%

Table A11 outlines the funding catchments for infrastructure which is charged at a locality level. All other projects are charged through city-wide charges.

Table A11: Schedule of assets funding catchments

Wastewater	Wastewater Catchments
Paremata Papakōwhai gravity sewer capacity increase	Northern, Central Northern, North Eastern
PS6B pump station upgrade	Northern, North Eastern
Whitby Paremata gravity sewer	North Eastern, Central Northern
Bothamley Park Sewer Upgrade	Eastern
Plimmerton-Mana-Camborne gravity sewer capacity increase	Northern
PS38 WW rising main upgrade	North Eastern
SH1 gravity sewer capacity increase (Pukerua to Plimmerton)	Northern
Takapūwāhia-Eldson gravity sewer capacity increase	Central
PS01, PS02, PS04, PS05, PS38 WW pump station upgrade	North Eastern
PS07a, PS08 and PS09 WW pump station upgrade	Northern
Water Supply	
Whitby high level trunk water main	Whitby High, Whitby
Plimmerton LL Reservoir (Pope Street)	Plimmerton North
Porirua High Level Reservoir No 2 (Stemhead)	Porirua High, Whitby High, Whitby
Porirua LL Zone Reservoir (Aotea Reservoir)	Porirua Low
Whitby Booster Pump Station (Navigation Drive)	Whitby
Water supply upgrades	Urban Standard, Porirua Low

Table A12: Water Supply Catchment Localities

Water supply catchment	Localities
Porirua Low Level	Cannons Creek North 56
	Cannons Creek South 18
	Porirua Central Elsdon-Takapūwāhia
	Paremata SW
	Onepoto Papakōwhai 71
	Tītahi Bay North
	Tītahi Bay South
	Porirua East
	Rānui Heights
	Aotea West
Porirua High Level	Postgate 10
	Cannons Creek East
	Cannons Creek North 44
	Cannons Creek South 82
	Papakōwhai 29
	Aotea East
	Waitangirua
	Whitby 10
	Ascot Park
Whitby	Whitby 90
	Postgate 90
	Paremata SE
	Endeavour
Whitby High	Whitby High
Plimmerton North	Plimmerton
	Camborne
	Paekākāriki Hill S
	Paremata North
Urban Standard	Pukerua Bay

Table A13: Wastewater Catchment Localities

Wastewater Catchments	Localities
Central	Porirua Central Elsdon-Takapūwāhia
Central North	Paremata SW Papakōwhai 29 Papakōwhai 71 Aotea West
Eastern	Whitby 10 Postgate 10 Ascot Park Cannons Creek East Cannons Creek North 44 Cannons Creek North 56 Cannons Creek South 18 Cannons Creek South 82 Aotea East Waitangirua Porirua East Rānui Heights
North Eastern	Whitby 90 Postgate 90 Endeavour Paremata SE Pāuatahanui Whitby High
Northern	Paremata N Paekākāriki Hill S Paekākāriki Hill Pukerua Bay Camborne Plimmerton
Western	Onepoto

Tītahi Bay North
Tītahi Bay South

Appendix Four - Porirua City Water Connection Size

Assessment of Household Equivalent Units for Development Contributions

This Appendix is intended to be read in conjunction with **Table 4.5: Non-residential conversion factors**. For water connection pipe sizes from **DN 100 – 375**, Water and Wastewater HUEs will be determined by reference to the number of residential lots in **Table 6.2 of NZS 4404:2010 Land Development and Subdivision Infrastructure**:

NZS 4404:2010 Table 6.2 – Empirical guide for principal main sizing

Nominal diameter of main DN	Capacity of main (single direction feed only)			
	Residential (lots)	Rural residential (lots)	General/light industrial (ha)	High usage industrial (ha)
100	40	10		
150	160	125	23	
200	400	290	52	10
225	550	370	66	18
250	650	470	84	24
300	1000	670	120	35
375	1600	1070	195	55

For **DN 50** water connection pipes, Water and Wastewater HUEs will be determined by **Table 6.3 of NZS 4404:2010 Land Development and Subdivision Infrastructure** below

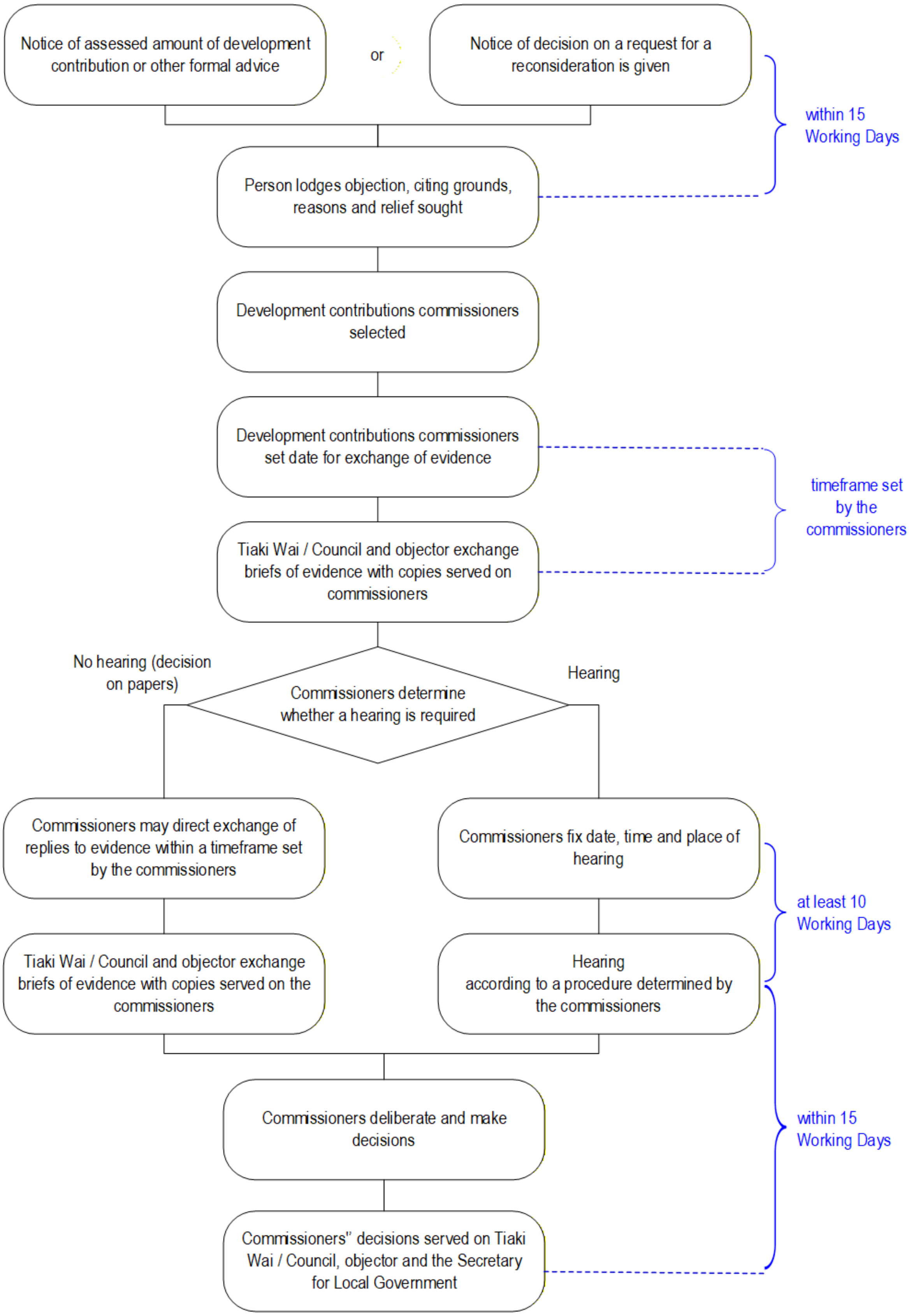
NZS 4404:2010 Table 6.3 – Empirical guide for sizing rider mains

DN 50 Rider mains		
Pressure	**Max no. of dwelling units**	
	One end supply	**Two end supply**
High > 600 kPa	20	40
Medium 400-600 kPa	15	30
Low < 400 kPa	7	15

For water connection pipe sizes **DN 20 – 40**, Water and Wastewater HUEs will be determined by the following table, based on common industry standard parameters for sizing rider mains.

Water Connection size DN	Residential lots (= Water and Wastewater HUEs)
20	1
25	2
32	7
40	14
40 (Two end supply)	20

Appendix Five – Porirua City Development Contributions Objection process



Appendix Six – Porirua City considerations of activity funding

Tiaki Wai is required under section 122(c) of the Local Government (Water Services) Act 2025 (LGWSA) to explain within the Policy why it has decided to use development contributions to fund capital expenditure relating to the cost of growth for each activity. The explanation for this chapter is below and is derived from Porirua City's Council's position as recorded in its 2024 DCP.

Tiaki Wai, when deciding what sources it will use to meet its funding needs, must consider s101(3) of the LGA2002. This assessment is below.

The community outcomes to which the activity primarily contributes

Development contributions fund the capital costs of water, wastewater, and stormwater infrastructure. The following table sets out the community outcomes to which each activity contributes:

Activity	Our People	Our Harbour	Our Home
Stormwater		Y	Y
Wastewater		Y	Y
Wastewater Treatment Plant		Y	Y
Water Supply		Y	Y

The nature of each infrastructure group benefits development in different ways. This approach provides for aggregation across different activities to recognise the location and type of infrastructure to be provided.

The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals

Investment in infrastructure to support growth provides benefits to:

- existing landowners
- existing households, customers and businesses
- new households and businesses benefit from the provision of services and amenities.

Landowners receive an immediate benefit through connection to services. The connection allows for development to proceed and increases in land value.

Existing households and businesses receive a benefit through the provision of growth-related infrastructure through increases to current levels of services and more effective spatial planning. These capacity increases however will be reduced over time as additional capacity is utilised.

The period in or over which those benefits are expected to occur

The infrastructure provided has useful lives of various terms however are considered intergenerational, long useful lives. The growth capacity that new infrastructure provides is recovered from development as it occurs over time. Current developers only pay for the proportion of the capacity that they will use.

The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity

Growth places additional demands on services. Tiaki Wai is required to respond and plan for growth to ensure the infrastructure necessary to support growth is provided for. The additional investment must consider local growth projections and future demand.

The cumulative nature of growth must be considered and the provision and aggregation at both a city and locality level. The nature of each infrastructure group needs to be considered and understood to provide for the collection and funding from revenue streams. The catchment approach leads to address the different nature of infrastructure and the provision for different assets.

Development contributions allow Tiaki Wai to recover the cost of additional infrastructure from new developments at a level that is proportionate to the demand that they create. Tiaki Wai has adopted a growth pays for growth principle for Porirua City. The drivers of demand for infrastructure vary based on development type and location. Development contributions are therefore differentiated by development type and location.

The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

The provision for growth-related infrastructure represents a significant portion of the Tiaki Wai capital expenditure forward programme. The provision for this infrastructure is often required to unlock new growth cells or to allow for development to occur.

Development contributions represent, and signal, the costs of facilitating growth to developers and the growth community. The Tiaki Wai approach to catchments and charging development contributions provides transparency in the costs of servicing growth and provides certainty to the development community. Differentiating different infrastructure categories, and the aggregation of costs, allows Tiaki Wai to transparently reflect the individual nature of different activities, development types and locations. These costs will be reflected in the land value of development. This provides clear signals to developers and the growth community of the associated costs of different development areas.

Setting and recovering development contributions separately incurs administration costs. However, these are immaterial compared to the revenue that development contributions generate for Tiaki Wai.

Development contributions provide the ability to record and recover the costs of growth-related infrastructure. This improves both developers' ability to hold the Tiaki Wai accountable for its expenditure as well as ensure growth services and the costs of supporting its development. If all costs were provided through user charges or other funding, it would provide less transparency and less accountability and scrutiny.

Consideration of the overall impact

Tiaki Wai has taken this approach, through the consideration of the above criteria, to evaluate the activity specific consideration and the proposal in terms of the overall impact on the community.

Matters considered as part of this overall judgement include:

- cost implications of infrastructure funding decisions on development and the challenges developers face in getting their products built. If development costs are too high this may act as a barrier to development and slow down growth.
- economic research indicates that increasing the Development Contributions price will not generally increase house prices. House prices are determined by the balance of supply and demand.
- if the growth does not occur as forecast then there are implications on user charges of under-recovery of infrastructure costs associated with growth. This will result in the Tiaki Wai facing additional financing costs until development occurs. These costs may end up being met by existing customers.
- if development contributions are not used then there are financial and service level implications for existing residents and businesses who would have to fund growth-related infrastructure from user charges.

Taking into account all of the above considerations and understanding the projected growth of Porirua City and the need to provide effectively for growth Development Contributions provides the best approach to recognising the needs of the community and meet the needs of funding growth. Otherwise, the cost of the provision of such infrastructure would fall to existing customers. Development Contributions provides the costs of providing infrastructure is serviced by those who seek to benefit from the provision, growth pays for growth principle. This approach leads to ensure we reach our visions: “Porirua City, a great place to live, work, and raise a family”.

Chapter 5. Upper Hutt City

Introduction

5.1 This chapter outlines the Tiaki Wai approach to funding development infrastructure via development contributions in Upper Hutt City. The chapter has three parts:

Part 5.1: Policy Operation

5.2 Part 5.1 provides information needed to understand if, when and how development contributions will apply to developments in Upper Hutt City. It also explains people's rights and the steps required to properly operate the Policy. The key sections of Part 5.1 are:

- The charges
- Liability for development contributions
- When development contributions are levied
- Determining infrastructure impact
- Review rights
- Other operational matters
- Definitions.

Part 5.2: Background and Supporting Information

5.3 Part 5.2 provides the information needed to meet the accountability and transparency requirements for the Policy, including explaining Policy decisions, how the development contribution charges were calculated, and what assets the development contributions are intended to be used towards.

5.4 The key sections of part 5.2 are:

- Requirement to have the Policy
- Funding summary
- Funding Policy summary
- Catchment determination
- Significant assumptions of the Policy
- Cost allocation
- Calculating the development contribution charges
- Schedule 5.1 Growth related assets and development contribution calculations summary

Part 5.3: Catchment Maps

5.5 Part 5.3 provides the catchment maps that show where specific development contribution charges in the Policy apply.

Part 5.1: Upper Hutt City Policy Operation

Development contributions

The charges

5.6 Within Upper Hutt City, there are water, wastewater and stormwater development contributions for areas serviced by these networks.

5.7 The stormwater catchment is mapped in Part 5.3 of the Policy. The related development contribution charges per household unit equivalent (HUE) for each activity are in Table 5.1.

5.8 For each infrastructure activity and area for which development contributions are required, the development contribution payable is calculated by multiplying the number of HUEs generated through the development by the charge for that activity. This is then aggregated for all activities to give the total charge.

5.9 For example, a subdivision that creates three new lots in an area serviced by water, wastewater and stormwater will pay three times the charges for water, wastewater and stormwater. The total development contributions payable in this case would be $42,438 (i.e. 3 x $14,146).

5.10 These charges may be adjusted for inflation annually in line with the Producers Price Index outputs for Construction, as permitted by section 122 of the LGWSA25. The latest charges will be published on Upper Hutt City Council's website www.upperhuttcity.com.

Table 5.1: Development contribution charge per HUE on 1 July 2026 (GST inclusive)[4]

Serviced areas			
Water	**Stormwater**	**Wastewater**	**Total**
$2,603	$94	$11,423	$14,120

Liability for development contributions

5.11 If subdividing, building or otherwise undertaking development in Upper Hutt City, development contributions will usually need to be paid.

5.12 In some circumstances, development contributions may not apply or may be reduced. Further information on these circumstances can be found in the sections of this part of the Policy titled, *When development contributions are levied, Credits, and Limitations on imposing development contributions.*

5.13 Development of new infrastructure sometimes means that areas not previously liable for a development contribution become liable.

[4] GST has been applied at the rate of GST as at 1 July 2026 (15%). Should the rate of GST change, the charges will be adjusted accordingly. The GST exclusive charge per activity can be found in Schedule 1.

When development contributions are levied

5.14 Developments that generate additional demand on water services infrastructure are generally liable for development contributions. Once an application for a resource consent, building consent, service connection, or certificate of acceptance has been made with all the required information, the normal steps for assessing and requiring payment of development contributions are.

TRIGGER
Liability for DCs is assessed

NOTICE
A formal notice of DC requirement is issued

INVOICE
An invoice requiring payment is issued

PAYMENT
DCs are paid

5.15 These steps are explained in more detail below.

Trigger for requiring development contributions

5.16 Development contributions for a development can be required upon the granting of:

- a resource consent
- a building consent
- an application for service connection
- a certificate of acceptance.

5.17 Development contributions are generally required at the earliest possible point (i.e. whichever consent or certificate is granted first). At the discretion of Tiaki Wai, it may choose to require development contributions instead on the issue of later consents or service connections. For new developments, the resource consent is often the first step in the process and therefore the first opportunity to levy development contributions. Where development contributions were not assessed (or only part assessed) on the first consent or certificate for a development this does not prevent an assessment of development contributions for a subsequent consent or certificate for the same development. This approach is the same for all charges in all catchments.

5.18 Development contributions will be assessed under the Policy in force at the time the relevant application was submitted with all required information.

Assessment

5.19 On receiving an application for resource consent, building consent, service connection, or certificate of acceptance, staff will check that:

a) the development (subdivision, building, land use, or work) generates a demand for water services infrastructure; and

b) the effect of that development (together with other developments) is to require new or additional assets or assets of increased capacity in water services infrastructure; and

c) Tiaki Wai has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Upper Hutt City Council in anticipation of development.

5.20 Tiaki Wai has identified the assets and areas that are likely to be impacted by increased demand as described in (b) and (c). Assets are outlined in Schedule 5.1 (*Past and future assets funded by development contributions*). For water and wastewater, all developments that connect to these services generates a need for these assets. Part 5.3 (*Development contribution catchment maps*) outlines areas where development generates a need for the relevant stormwater assets. In addition, if a development is outside of the catchment map for stormwater but connects to that service, a development contribution will be required.

5.21 Consequently, it is likely that development contributions will be required for most developments if they meet the requirements in (a). However, Development contributions may be waived or reduced if:

- a resource consent or building consent does not generate additional demand for any water services (such as a minor boundary adjustment); or
- one of the circumstances outlined in the section *Limitations on imposing development contributions* apply; or
- credits apply as outlined in the *Credits* section.

5.22 If a subsequent resource consent (excluding a change to conditions of an existing resource consent), building consent, service connection or certificate of acceptance is sought, a new assessment may be undertaken using the Policy in force at that time. Any increase or decrease in the number of HUEs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.

5.23 Additional development contributions will be required where additional units of demand are created, and development contributions for those additional units of demand have not already been required.

5.24 Examples of where these would be needed, include:

- minimal development contributions were levied on a commercial development at subdivision or land use consent stage as the type of development that will happen will only be known at building consent stage.
- development contributions levied at the subdivision or land use consent stage were for a small home, but the home built is larger or is subsequently extended.
- the nature of use has changed, for example from a low infrastructure demand commercial use to a high infrastructure demand commercial use.

Notice

5.25 A development contribution notice will normally be issued when a resource consent, building consent or certificate of acceptance is granted. In some cases, the notice may be issued or re-issued later. The notice is an important step in the process as it outlines the activities and the number of HUEs assessed for development contributions, as well as the charges that will apply to the development. It also triggers rights to request a development contributions reconsideration or to lodge an objection (see the section on *Review rights* below).

5.26 If multiple consents or authorisations are being granted by Upper Hutt City Council or Tiaki Wai, a notice of requirement may be issued for each. However, where payments are made in relation to one of the notices, actual credits will be recognised for the remaining notices.

Invoice

5.27 An invoice for development contribution charges 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 5.2).

Table 5.2: Invoice timing

	Invoice timing
Building consent	At granting of the building consent.
Certificate of acceptance	Prior to issue of a certificate of acceptance.
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the Resource Management Act 1991. An invoice will be issued for each stage of a development for which 224 (c) certificates are sought, even where separate stages are part of the same consent.
Resource consent (other)	At granting of the resource consent, or for retirement villages developments prior to issue of code compliance certificates for each stage.

5.28 Despite the provisions set out above, if a development contribution required is not invoiced at the specified time as a result of an error or omission, the invoice will be issued when the error or omission is identified. The development contribution remains payable.

Payment

5.29 Development contributions must be paid by the due dates in Table 5.3.

Table 5.3: Payment due date

	Payment due date
Building consent	20th of the following month (after the issue of the invoice).
Certificate of acceptance	Prior to issue of a certificate of acceptance.

Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the Resource Management Act 1991 (the 224(c) certificate) for each stage.
Resource consent (other)	20th of the following month (after the issue of the invoice), or for retirement village developments, prior to issue of code compliance certificates for each stage.

5.30 On time payment is important because, until the development contributions have been paid in full, Upper Hutt City Council or Tiaki Wai (where applicable) may:

- prevent the commencement of a resource consent.
- 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.

5.31 Where invoices remain unpaid beyond the payment terms set out in the Policy, Tiaki Wai or Upper Hutt City Council will seek to recover the money through its usual debt recovery processes. Tiaki Wai may also register the development contribution under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution was required.

Determining infrastructure impact

5.32 In order to have a consistent method of charging for development contributions, the Policy is centred around the concept of a household unit equivalent or "HUE" for infrastructure. In other words, an average household in a standard residential unit and the demands they typically place on water services infrastructure. Table 5.4 summarises the demand characteristics of an HUE.

Table 5.4: HUE demand measures

Activity	Unit of measurement	Demand per hue[5]
Water	Litres per day	567 litres per day
Wastewater	Litres per day	510 litres per day
Stormwater	Impervious surface area (ISA)	200 m^2 of ISA

[5] Water based on an allowance of 227 litres per day per person on average and an average occupancy of 2.5 people per dwelling; Wastewater based on 90% of water; and stormwater based on 160m^2 dwelling with 40m^2 hardstand.

Residential development

5.33 In general, the number of HUEs charged is one per new allotment or residential unit created, although lower assessments can apply in some cases for minor and small residential units.

5.34 When calculating the number of HUEs for a residential subdivision, the assessment will be adjusted to account for any:

- credits relating to the site (refer to the *Credits* section below).
- allotment which, by agreement, is to be vested in Tiaki Wai or Upper Hutt City Council for a public purpose.
- allotment required as a condition of consent to be amalgamated with another allotment.

5.35 Retirement village units (per unit) and aged care rooms (per room) will be assessed as 0.3 HUEs each. Retirement village ancillary facilities will not be assessed separately for development contributions if those facilities are for the exclusive use of the residents and their guests (i.e. not open to the public).

5.36 Visitor accommodation units will be assessed as 0.5 HUEs each for each service.

Minor and small residential units

5.37 Lower assessments for minor or small residential units will be permitted as set out in Table 5.5: Small residential unit (RU) assessment guidance in relation to:

- building consents or certificate of acceptance.
- subdivision or land use consents where information is provided by the applicant that demonstrates that a minor or small residential unit(s) will be provided, to the satisfaction of Tiaki Wai. Tiaki Wai may enter into agreements with developers or landowners to give effect to a minor or small residential unit assessment and bind the applicant to any conditions that accompany the assessment.

5.38 For subdivisions, each allotment will be assessed as 1 HUE and Tiaki Wai may agree to postpone payment by the person undertaking the subdivision until a building consent is issued for an allotment. At that time, the assessment and the payment required will be adjusted accordingly. See the section on *Postponement*.

5.39 Such assessments are guided by the parameters outlined in Table 5.5.

Table 5.5: Small residential unit (RU) assessment guidance

	Minor RU	Small RU	Standard RU
No. of bedrooms*	1	2	3 or more
HUE Discount (all services)	50%	25%	Nil
Proportion of HUE Payable for all charges	0.5	0.75	1

* A definition of bedroom is provided in the definitions section of this chapter

5.40 Should additional bedrooms be proposed to a minor or small residential unit that has been assessed under this section, additional development contributions will be required in line with Table 5.6.

Table 5.6: Small residential unit (RU) extension assessment guidance (HUEs)

Type of extension	Top of proportion required	Total proportion required
Extend minor RU to a small RU	0.25	0.75
Extend minor RU to a standard RU	0.5	1
Extend small RU to a standard RU	0.25	1

Non-residential development

5.41 Non-residential subdivisions, land uses or building developments are more complicated as they do not usually conform with typical household demands.

5.42 A household "equivalent" assessment is made based on the characteristics of the development and demand loadings likely to be placed on the networks. To provide consistency, the demand measures in Table 5.4 have been converted for assessing non-residential developments based on gross floor area for water and wastewater, and impervious service area for stormwater (Table 5.7). These rates will be used for determining HUEs for non-residential developments unless Tiaki Wai seeks or accepts a special assessment.

Table 5.7: HUE per 100 m² GFA (except for stormwater, which is based on impervious surface area)

<table>
<tr><th>Development type</th><th>Water</th><th>Wastewater</th><th>Stormwater</th></tr>
<tr><td>Industrial</td><td rowspan="3">0.4</td><td rowspan="3">0.4</td><td rowspan="4">0.5</td></tr>
<tr><td>Commercial</td></tr>
<tr><td>Retail</td></tr>
<tr><td>Other non-residential</td><td colspan="2">Special assessment</td></tr>
</table>

5.43 If no proper assessment of the likely demand for activities is able to be carried out at the subdivision consent stage, a development contribution based on one HUE will be charged for each new allotment created and another assessment will be made at the building consent stage. This later assessment will credit any development contributions paid at the subdivision consent stage.

Special assessments

5.44 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 service stations. In these cases, Tiaki Wai may decide to make a special assessment of the HUEs applicable to the development. Tiaki Wai may initiate this process or may consider a request by the developer, in writing, to make a special assessment prior to a development contribution notice being issued.

5.45 In general, Tiaki Wai will evaluate the need for a special assessment for one or more activities where it considers that:

a) the development is of relatively large scale or uses, such as a supermarket; or

b) the development is likely to have less than half or more than twice the demand for an activity listed in Table 5.7 for that development type; or

c) a non-residential development does not fit into an industrial, retail or commercial land use and must be considered under the other category in Table 5.5.

5.46 The demand measures in Table 5.4 will be used to help guide special assessments.

5.47 Where the special assessment is requested by the developer, the onus is on the applicant to prove (on the balance of probabilities) that the actual increased demand created by the development meets the requirement of criteria (B) above.

5.48 Any application for a special assessment must be accompanied by the fee payable to recover the Tiaki Wai actual and reasonable costs of determining the application. The fee will be assessed at the time of application. Tiaki Wai may levy additional fees to meet the Tiaki Wai actual costs, should the actual costs be materially higher than the initial assessment.

5.49 If a special assessment is undertaken, Tiaki Wai may require the developer to provide information on the demand for water services generated by the development. Tiaki Wai may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

Credits

5.50 Credits are a way of acknowledging that the lot, home or business may already be connected to, or lawfully entitled to use, one or more Tiaki Wai services, or a development contribution has been paid previously. Credits can reduce or even eliminate the need for a development contribution. Credits can only be used for development on the same site and for the same service for which they were created.

5.51 A credit is given for the number of HUEs paid previously or assessed for the existing or most recent prior use of the site. This is to recognise situations where the incremental demand increase on infrastructure is not as high as the assessed number of units of demand implies.

5.52 The number of HUE credits available will be calculated by applying the criteria in the above paragraph except where what is being considered is residential allotments existing as at 1 July 2023 – these are deemed to have a credit of one HUE.

5.53 Examples where credits will arise are illustrated in table 5.8.

Table 5.8: Credit examples

Situation	Credits
Redevelopment of six residential allotments into a commercial office block	6 HUEs credits, i.e. one for each of the existing residential allotments
Infill residential subdivision of existing allotment into two allotments	1 HUE credit, i.e. one for the original allotment. Development contributions payable on 1 HUE
Residential development of existing CBD site with 400 m^2 GFA commercial building (800m^2 impervious surface area) into eight unit title apartments	**Water and Wastewater: 1.6 HUE credits** (400 m^2 GFA x 0.4 HUEs per 100 m^2) **Stormwater: 4 HUE credits** (800 m^2 ISA x 0.5 HUEs per 100 m^2)

Review rights

5.54 Developers are entitled to request a reconsideration or lodge a formal objection if they believe a mistake has been made in assessing the level of development contributions for their development.

Reconsideration

5.55 Reconsideration requests are a process that formally requires Tiaki Wai to reconsider the assessment of development contributions for a development. Reconsideration requests can be made where the developer has grounds to believe that:

- the development contribution levied was incorrectly calculated or assessed under the Policy; or
- the Policy has incorrectly applied; or
- the information used to assess the development against the Policy, or the way that information was recorded or used when requiring a development contribution, was incomplete or contained errors.

5.56 To seek a reconsideration, the developer must:

- Lodge the reconsideration request within 10 working days of receiving the development contribution notice by emailing it to askus@uhcc.govt.nz.
- Use the reconsideration form (found on www.upperhuttcity.com) and supply any supporting information with the form.
- Pay the reconsideration fee at the time of application.

5.57 Applications with insufficient information or without payment of fee will be returned to the applicant, with a request for additional information or payment.

5.58 Once Tiaki Wai has received all required information and the reconsideration fee, the request will be considered by a panel of a minimum of two, and a maximum of three, staff. The panel will comprise staff that were not involved in the original assessment. Before reaching a decision, the panel will consider all of the information supplied by the applicant and will consider and apply the requirements of the Policy, along with any other information that the panel considers is relevant to the reconsideration request. The result of a reconsideration decision may confirm the original assessment or increase or decrease the amount required.

5.59 Tiaki Wai will notify the applicant of its decision within 15 working days from the date on which Tiaki Wai receives all required relevant information relating to the request (including additional information sought by Tiaki Wai).

5.60 No reconsideration request will be accepted by Tiaki Wai if it is received after the 10-working day period above, or if an objection has already been lodged. The applicant will receive written notice if the request for reconsideration cannot be made for one of these reasons. Tiaki Wai reserves the right to reconsider an assessment if it believes an error has been made.

Objections

5.61 Objections are a more formal process that allow developers to seek a review of certain decisions. An application for reconsideration does not prevent the applicant from also filing an objection.

5.62 A panel of up to three independent commissioners will consider the objection. The decision of the commissioners is binding on the developer and Tiaki Wai, although either party may seek a judicial review of the decision.

5.63 Objections may only be made on the grounds that an assessment for development contributions has:

- failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for water services infrastructure in the district or parts of the district; or
- required a development contribution for water services infrastructure not required by, or related to, the development, whether on its own or cumulatively with other developments; or
- required a development contribution in breach of section 116 of the LGWSA25; or
- incorrectly applied the Policy to the development.

5.64 Schedule 13A of the LGA sets out the objection process. To pursue an objection, the developer must:

- lodge the request for an objection within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for a reconsideration; and
- use the objection form (found on www.upperhuttcity.com) and supply any supporting information with the form; and
- pay a deposit.

5.65 Objectors are liable for all costs incurred in the objection process including staff arranging and administering the process, commissioner's time, and other costs incurred by Tiaki Wai or Upper Hutt City Council associated with any hearings such as room hire and associated expenses. However, objectors are not liable for the fees and allowances costs associated with any Upper Hutt City Council or Tiaki Wai witnesses.

Other operational matters

Refunds

5.66 Tiaki Wai will refund development contributions paid if:

- the resource consent:
  - lapses under section 125 of the RMA; or
  - is surrendered under section 138 of the RMA; or
- the building consent lapses under section 52 of the Building Act 2004; or
- the development or building in respect of which the resource consent or building consent was granted does not proceed; or
- Tiaki Wai does not provide the water services infrastructure for which the development contributions were required.

5.67 Refunds will also be made provide where overpayment has been made (for whatever reason).

5.68 Where Tiaki Wai refunds a development contribution, it may retain a portion of the contribution equivalent to the costs incurred in assessing, requiring and refunding the charges.

Limitations on imposing development contributions

5.69 Development contributions cannot be required in certain circumstances, if, and to the extent that:

- the developer will fund or otherwise provide for the same water services infrastructure; or
- a third party has funded or provided, or undertaken to fund or provide, the same water services infrastructure.
- Tiaki Wai or Upper Hutt City Council has already required and received a development contribution for the same purpose in respect of the same work, whether on the granting of a building consent or a certificate of acceptance. However, another development contribution may be required to reflect an increase in the scale or intensity of the development since the original contribution was required.

5.70 In addition, development contributions will not be required in any of the following circumstances:

- Non-residential building work for which a building consent is required and is either less than $20,000 exclusive of GST in value, or less than 10m^2 of gross floor area, unless the building consent is for a change of use.
- In relation to any dwelling, replacement, repair or renovation work which generates no additional demand for the relevant services.
- The conversion of an existing unit development into unit titles where no additional HUEs of demand are created. This does not apply to any building consents required as

part of any changes to the existing units, which will still be assessed to determine if development contributions are applicable.

- A building consent is for a bridge, dam (confined to the dam structure and any tail race) or other public utility infrastructure. For clarity, offices and other occupied buildings operated by utility providers are subject to development contributions.
- The application for a resource or building consent, authorisation or certificate of acceptance is made by the Crown.

Postponement

5.71 Postponement of development contribution payment will only be permitted at the discretion of Tiaki Wai and only where a bond or guarantee equal in value to the payment owed is provided.

5.72 The request for postponement must be made at the time a resource consent or building consent is granted. Bond or guarantees:

- will only be accepted from a New Zealand registered trading bank.
- 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 Tiaki Wai.
- sill 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 document is prepared. The bonded sum will include interest, calculated using the maximum term set out in the bond document. If Tiaki Wai agrees to an extension of the term of the guarantee beyond 24 months, the applicable interest rate will be reassessed from the date of the Tiaki Wai decision, and the guaranteed sum will be amended accordingly.
- shall be based on the GST inclusive amount of the contribution.

5.73 At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately.

5.74 If the discretion to allow a bond is exercised, all costs for preparation of the bond documents will be met by the applicant.

Development agreements

5.75 Tiaki Wai may enter into specific arrangements with a developer for the provision and funding of infrastructure under a development agreement, including the development contributions payable. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under the Policy.

Remissions

5.76 Tiaki Wai may remit all or part of a development contribution at its complete discretion. Tiaki Wai will only consider exercising its discretion in exceptional circumstances. Applications made under this part will be considered on their own merits and, subject to general legal principles of equity and administrative fairness, any previous decisions of Upper Hutt City Council or Tiaki Wai will not be regarded as binding precedent.

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

- within 15 working days following issue of a notice for the development contribution payable; and
- before the development contribution payment is made.

Tiaki Wai will not allow retrospective remissions of development contributions.

5.78 When considering a request for remission, Tiaki Wai will take into account:

- The purpose of development contributions, financial modelling for development contributions, and the Tiaki Wai funding and financial policies.
- The extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Tiaki Wai in its capital works programme.
- Any other matter(s) that Tiaki Wai considers relevant.

Supporting development of Māori land

5.79 Development contributions shall not apply to developments to Marae, urupa, and wāhi tapu sites or to Māori freehold land or Māori customary land, as defined by the Te Ture Whenua Māori Act 1993, for:

- Not for profit social, culture, ora, or educational centre developments.
- Kāinga kāumatua or papakāinga.

5.80 For the avoidance of doubt, this remission does not apply to such land for commercial, industrial or retail developments or to residential developments that do not qualify as papakāinga or kāinga kāumatua.

Definitions

5.81 In chapter 5, unless the context otherwise requires, the following applies:

Accommodation unit has the meaning given in section 197 of the LGA.

Activity means the provision of water, wastewater or stormwater infrastructure services for which a development contribution charge exists under this Policy.

Actual increased demand means the demand created by the most intensive non-residential use(s) likely to become established in the development within 10 years from the date of application.

Aged care room means any dwelling unit in a “rest home” or “hospital care institution” 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 Resource Management Act 1991.

Asset management plan means the Tiaki Wai (or previous Upper Hutt City Council’s) 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 kitchen or pantry;

- bathroom or toilet;
- laundry or clothes-drying room;
- walk-in wardrobe;
- corridor, hallway, or lobby;
- garage; and
- any other room smaller than $6m^2$.

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 associated with (but not limited to): communication services, financial services, insurance, services to finance and investment, real estate, business services, central government administration, public order and safety services, tertiary education provision, local government administration services and civil defence, and commercial offices.

Council means Upper Hutt City Council.

Development has the same meaning as in section 109 of the LGWSA25.

District means the district of Upper Hutt City Council.

Household unit equivalent (HUE) means demand for water services, equivalent to that produced by a nominal household in a standard residential unit.

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, lift wells or stairwells) measured:

- where there are exterior walls, from the exterior faces of those exterior walls;
- where there are walls separating two buildings, from the centre lines of the walls separating the two buildings;
- 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 National Planning Standards 2019.

https://www.mfe.govt.nz/sites/default/files/media/RMA/national-planning-standards-november2019.pdf

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.

LGA means the Local Government Act 2002.

LGWSA25 means the Local Government (Water Services) Act 2025.

Network utility operator has the meaning given to it by section 166 of the Resource Management Act 1991.

Non-residential development means any development that falls outside the definition of residential development in this chapter.

Papakāinga means housing and ancillary communal activities (including social, cultural, educational, and recreational activities) for tangata whenua of the land being developed.

Policy means this Development Contributions Policy.

Residential development means the development of land and buildings for any domestic/living purposes for use by people living on the land or in the buildings. Rural residential development is considered residential development for the purposes of this Policy.

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 National Planning Standards 2019.

https://www.mfe.govt.nz/sites/default/files/media/RMA/national-planning-standards-november2019.pdf

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

Retirement unit means any dwelling unit in a retirement village but does not include aged care rooms in a hospital or similar facility.

Retirement village has the meaning given in section 6 of the Retirement Villages Act 2003.

RMA means the Resource Management Act 1991.

Service connection has the same meaning *water services connection* in section 109 of the LGWSA25.

Part 5.2: Upper Hutt City Policy Details

Funding summary

5.82 Tiaki Wai plans to incur $290.8m (before interest costs) on infrastructure partially or wholly needed to meet the increased demand for water services infrastructure resulting from growth in Upper Hutt City. This includes works undertaken in anticipation of growth by Upper Hutt City Council, and future planned works. Of this cost, approximately 17 percent will be funded from development contributions. Including interest costs, the total amount to be funded is $77.2m.

5.83 Table 5.9 provides a summary of the total costs of growth-related capital expenditure and the funding sought by development contributions for each activity. A breakdown by activities and catchment is available in Schedule 5.1.

Table 5.9. Total cost of capital expenditure for growth and funding sources (GST exclusive)

	Wastewater	Stormwater	Water	Total
Total capex	$232,435,258	$219,940	$58,127,640	$290,782,838
Growth capex	$43,469,414	$219,940	$5,929,639	$49,618,993
DC funded capex	$43,469,414	$219,940	$5,929,639	$49,618,993
Total capex proportion funded by development contributions	19%	100%	10%	17%
Capex proportion funded from other sources*	81%	0%	90%	93%
Total amount to be funded by development contributions (inc interest)	$65,198,651	$5,990,690	$5,990,690	$77,180,031

Growth infrastructure

5.84 Upper Hutt City Council's growth forecasts (see the section projecting growth) are used to derive a programme of infrastructure works. Future elements of this programme (and associated costs) were identified in Upper Hutt City Council's Long-Term Plan (LTP) 2024, and in Schedule 5.1 of this chapter. In some cases, Upper Hutt City Council has undertaken past works to support forecast growth and these are also listed in schedule 5.1. All or part of the costs of these projects can be funded from development contributions.

5.85 When determining whether a project or programme is growth related and therefore should be included in this Policy, it is determined whether growth:

- is an important driver for the works. This is usually the case for projects that have been specifically designed for growth capacity upgrade purposes.

- influences the scope or capacity of the proposed work. This is often the case for improvements, upgrade and renewal works that also increase infrastructure capacity and takes account of the impact on infrastructure of continuing growth within the City.

5.86 the proportion of the costs of these projects or programmes that are attributable to growth is determined in line with the approach outline in the *cost allocation* section of this chapter.

Funding Policy summary

5.87 Tiaki Wai is required under section 122(c) of the Local Government (Water Services) Act 2025 (LGWSA) to explain within the Policy why development contributions are used to fund capital expenditure relating to the cost of growth for each activity. The explanation for this chapter is below and is derived from Upper Hutt City's Council's position as recorded in its 2024 DCP.

Funding growth expenditure

5.88 Population and business growth create the need for new subdivisions and development, and these place increasing demands on the assets and services provided by Tiaki Wai. Accordingly, significant investment in new or upgraded assets and services are required to meet the demands of growth – as noted in the previous section.

5.89 Tiaki Wai funds these costs from development contributions for planned expenditure on water, wastewater and stormwater.

5.90 In forming this view, the matters set out in section 101(3) of the LGA were considered.

5.91 There are no material differences for this assessment for different activities funded by development contributions, so this assessment applies equally to each activity.

Community outcomes (section 101(3)(a)(i))

5.92 Whether development contributions are an appropriate source of funding has been considered for each activity, against the outcomes sought, and their links to growth infrastructure. Upper Hutt City Council has developed four outcomes to help achieve their vision - we have an outstanding natural environment, leisure, and recreational opportunities, and we are a great place for families to live, work, and play.

- Environment - We're immersed in natural beauty. We care for and protect our river, our stunning parks and our natural environment.
- Social and Cultural - We celebrate our whānau, heritage, and culture. We're a caring, safe, and healthy community.
- Economy - We're a city of opportunity. We attract new investment and offer opportunities for people and businesses to prosper. Our city centre is alive, attractive, and vibrant.
- Infrastructure - We have reliable and efficient networks and infrastructure that support our city.

5.93 To enable these outcomes, infrastructure must be provided and maintained to a high level of service, and investment is made to ensure growth is catered for. This growth is much better able to be accommodated if additional funding through development contribution is possible, rather than levelling all cost on existing customers. As a dedicated growth funding source, development contributions also offer funding through which Tiaki Wai can help deliver on Upper Hutt City Council's vision and outcomes for new communities.

Other funding decision factors (sections 101(3)(a)(ii) – (v))

5.94 The funding of growth-related water services infrastructure has been considered against the following matters:

- 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.
- The period in or over which those benefits are expected to occur.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

5.95 A summary of this assessment is below.

Table 5.10: Other funding decision factors

Who Benefits / whose act creates the need	A significant portion of the Tiaki Wai work programme 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 as well as how much it serves and benefits existing customers is determined for each asset or programme. Tiaki Wai 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 benefit principally from new assets and additional capacity. Where and to the extent that works benefit existing residents and businesses, those costs are recovered through other charges. The *Catchment determination* section below outlines how the catchments for development contributions in this chapter were determined.
Period of benefit	The assets constructed for development will last for a very long time and provide benefits and capacity for developments now and developments in the future. In many cases, the "capacity life" of such assets spans decades. Development contributions allow development related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future. This helps ensure that growth now and later contributes a fair share to those assets.
Funding sources & rationale including rationale for	The cost of supporting development in Upper Hutt is significant, whereas the cost of establishing a development contributions system is relative low cost. Development contributions are transparent and send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth.

separate funding	Allocating the full cost of growth to development is fairer to existing customers and helps ensure economic efficiency. By not imposing the burden of growth costs on existing customers, income from existing customers is also able to be used to advance other Tiaki Wai activities. These activities contribute in a wide range of ways to improving current and future community outcomes. Consequently, Tiaki Wai considers that the benefits to the community are significantly greater than the cost of Policy making, calculations, collection, accounting and distribution of funding for development.

Overall impact of liability on the community (section 101(3)(b))

5.96 The impact of the overall allocation of liability on the community has also been considered. In this case, the liability for revenue falls directly with the development community. The level of development contributions is affordable and not considered out of step with those required in other areas. The development contributions that most residential developments will face represents around 3% of the median house price in Upper Hutt City. Consequently, Tiaki Wai does not consider it likely that there will be an undue or unreasonable impact on the social, economic and cultural wellbeing of this section of the community. Nor are the charges expected to divert private sector investment from Upper Hutt on any significant scale.

5.97 Ensuring adequate sources of funding is also central to meeting the current and future needs of the community for good-quality local infrastructure. Funding the cost of providing increased capacity in Tiaki Wai infrastructure through development contributions ensures equity between existing residents and those responsible for the Tiaki Wai incurring these additional costs (and who benefit from that expenditure).

5.98 Moreover, shifting development costs onto existing customers is likely to be perceived as unfair and would significantly impact the revenue required from existing residents - who do not cause the need, or benefit directly from the growth infrastructure, needed to service new developments.

5.99 Overall, Tiaki Wai considers it fair and reasonable, and that the social, economic and cultural interests of the district's communities are best advanced through using development contributions to fund the costs of growth-related capital expenditure for eater services infrastructure.

Catchment determination

5.100 When setting development contributions, catchments for grouping charges by geographic areas must be determined. The LGWSA25 gives Tiaki Wai wide scope to determine these catchments.

5.101 All of the projects and programmes funded from development contributions for water, wastewater and stormwater catchments serve all of the city where these services are provided. Consequently, a single charge has been set for anyone that connects to these services and also for stormwater, any developments within the catchment map.

Significant assumptions of the Policy

Methodology

5.102 In developing a methodology for the development contributions in the Policy, an approach to ensure that the cumulative effect of development is considered across each catchment has been taken.

Planning horizons

5.103 A 30-year timeframe has been used as a basis for forecasting growth and growth-related assets and programmes.

Projecting growth

5.104 Upper Hutt City has experienced high population and steady economic growth in recent years, and this growth is forecast to continue. The Wellington Regional Housing and Business Development Capacity Assessment figures indicate steady population growth in the district.

5.105 Using forecasts adapted from the HBA as a base, the key assumptions on future growth are: [4]

- Years 2024-2034:
  - Population growth in the district of around 14%, or around 6,800 people.
  - Residential unit growth in the district of around 13%, or just over 2,500 residential units.
  - Development of non-residential GFA of around 1,500 m^2 per annum rising to around 10,200 m^2 per annum.
- Years 2034-2054:
  - Population growth in the district of around 11,200 people from 2033.
  - Residential unit growth in the district of around 4,400 residential units from 2033.
  - Consistent development of non-residential GFA of around 10,200 m^2 per annum.

5.106 This information is summarised in table 5.11.

Table 5.11: Household forecasts by area [6]

	2024-2034	2034-2044	2044-2054	Total
Residential increase (dwellings)	2,552	2,305	2,083	6,940
Non-residential increase (gross floor area m^2)	47,655	102,260	102,260	252,175

[6] This includes the required competitiveness margin under the National Policy on Urban Development.

Best available knowledge

5.107 Development contributions are based on projects and programmes previously undertaken and future works proposed in Upper Hutt City Council's Long-Term Plan 2024, and projected estimates of future growth. These are all based on the best available knowledge at the time of preparation. As better information becomes available the Policy will be updated.

Capacity lives

5.108 The capacity lives for projects and programme within the Policy are approximated to the closet decade that they provide for growth, being 10 years, 20 years or 30 years. Projects that do not provide capacity for development within the period 2024-2034 are not included in this Policy.

Cost of infrastructure

5.109 Future capital expenditure costs used in this Policy are based on the forecast costs in the LTP. Past project costs are actual costs incurred and will be updated at least every three years.

5.110 Interest costs are added to the above to account of the costs of borrowing (see *Funding Model* section below) and third part funding is deducted.

Key risks/effects

5.111 There are two key risks associated with administering development contributions, and the resulting effects are:

- that the growth predictions do not eventuate, resulting in a change to the assumed rate of development. In that event, Tiaki Wai will continue to monitor the rate of growth and will update assumptions in the growth and funding predictions, as required.
- that the time lag between expenditure incurred by Tiaki Wai and development contributions received from those undertaking developments is different from that assumed in the funding model, and that the costs of capital are greater than expected. This would result in an increase in debt servicing costs. To guard against that occurrence, Tiaki Wai will continue to monitor the rate of growth and will update assumptions in the growth and funding models, as required.

Service assumptions

5.112 That methods of service delivery, and levels of service, will remain substantially unchanged.

Funding model

5.113 A funding model has been developed to calculate development contribution charges 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:

- all capital expenditure estimates are inflation adjusted and GST exclusive.

- the levels of service (LOS) / backlog and renewal portions of each asset or programme will not be funded by development contributions. See the Cost allocation section below.
- the growth costs associated with an asset are spread over the capacity life of the asset and any debt incurred in relation to that asset will be fully repaid by the end of that capacity life.
- interest expenses incurred for growth-related water, wastewater, and stormwater debt accrued will be recovered via development contributions and shared equally over the capacity life of each asset.

Cost allocation

5.114 The cost of each asset or programme must be allocated between three principal drivers – growth, level of service /backlog and renewal.

5.115 The general approach to cost allocation in this chapter is summarised as:

- where a project provides for and benefits only growth, 100% of a project's cost is attributed to growth. To qualify for this, there would have to be no renewal element or material level of service benefit or capacity provided for existing residents and businesses.
- if a project provides for growth and LOS or renewal, capacity share will be used wherever possible. Failing that, an estimate/proxy of this based on a future beneficiary split approach.

5.116 For particularly large and expensive projects, a specific cost apportionment assessment may be undertaken, that differs from the general approach outlined above if better information is available.

Calculating the development contribution charges

5.117 This section outlines how the development contribution charges were calculated.

Process

5.118 The steps needed to determine growth, growth projects, cost allocations, and to calculate the development contributions charges are summarised in Table 5.12.

Table 5.12: Summary of development contribution charge calculation methodology

Step	Description / comment
1. Forecast growth	Council estimates potential land supply and likely take-up of that land. The estimates help provide household and business growth forecasts up to 2054 years. See the Projecting Growth section above for further information.
2. Identify projects required to facilitate growth	Develop the works programme needed to facilitate growth. In some cases, Upper Hutt City Council may have already undertaken the work prior to the establishment of Tiaki Wai. The programme in the Policy relates to projects within the period 2021-2034.

Step	Description / comment
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 of the Policy. Schedule 5.1 of the Policy outlines the amount required to fund growth from development contributions for each of these assets or programmes.
4. Determine growth costs to be funded by development contributions	Tiaki Wai determines whether to recover all of the growth costs identified in step 3 from development contributions, or whether some of the growth costs will be funded from other sources.
5. Adjust for inflation and interest costs	The growth costs from step 4 are inflation adjusted if they are future works. Interest cost* (or interest accrued) is estimated for the programme for each catchment over the period that the programme provides for growth and is paid off (called capacity life).
6. Divide DC funded growth costs by capacity lives	The growth costs from step 4 are divided by the estimated capacity life (defined in HUEs) to provide an HUE charge for each future and past asset, and for interest.
7.Sum all per asset charges	For each catchment and activity, add up the per HUE asset, programme, or interest charges to provide a total development contribution charge. For each activity and catchment, development contributions fund the programme on an aggregated basis.

Summary of calculations

5.119 Schedule 5.1 provides information on each asset or programme including the information and summarises the calculation of the development contribution charge for each activity/catchment.

Schedule 5.1 – Upper Hutt City Growth related assets and development contribution calculation summary

5.120 Schedule 5.1 outlines capital expenditure on asset or programmes attributable to new growth and provides a summary of the development contribution calculations. All figures exclude GST and future costs are inflation adjusted.

Asset or programme name	Total cost $	Percentage funded by development contributions	Percentage funded from other sources	Development contributions funded cost $ (exclusive of interest)	Development contributions funded cost $ (inclusive of interest)	Recoverable growth / capacity life (HUEs)	Development contribution charge $ HUE
Wastewater - reticulated areas							
Wastewater mains renewal	$49,486,500	10%	90%	$4,879,369	$5,089,791	2,743	$1,856
W/water pump station renewal	$5,498,500	10%	90%	$542,152	$565,532	2,743	$206
Seaview Wastewater Treatment Plant storage	$2,086,299	25%	75%	$521,575	$1,032,453	6,624	$218
Silverstream Wastewater storage JV project	$1,253,665	80%	20%	$1,002,932	$1,268,709	7,949	$160
Seaview WWTP JV Sludge Handling Renewal and Capacity Upgrade	$1,949,115	10%	90%	$194,912	$251,515	7,949	$32

Asset or programme name	Total cost $	Percentage funded by development contributions	Percentage funded from other sources	Development contributions funded cost $ (exclusive of interest)	Development contributions funded cost $ (inclusive of interest)	Recoverable growth / capacity life (HUEs)	Development contribution charge $ HUE
Trunk Main Outfall Pipeline Overflow Mitigation	$4,642,146	10%	90%	$464,215	$655,027	7,949	$82
Trunk DBO asset replacement and upgrade	$134,770,086	25%	75%	$33,692,522	$52,901,083	7,949	$6,655
Trunk DBO network cyclic replacement	$32,527,554	6%	94%	$1,951,653	$3,204,855	7,949	$403
Development Projects - Reactive	$219,940	100%	0%	$219,940	$229,425	2,743	$84
Total	$232,435,258	19%	81%	$43,469,414	$65,198,651		$9,696
Water - reticulated areas							
Watermain renewals	$52,409,200	10%	90%	$5,167,547	$5,195,733	2,743	$1,894
Improving environment	$0	0%	0%	$0	$0	0	$0

Asset or programme name	Total cost $	Percentage funded by development contributions	Percentage funded from other sources	Development contributions funded cost $ (exclusive of interest)	Development contributions funded cost $ (inclusive of interest)	Recoverable growth / capacity life (HUEs)	Development contribution charge $ HUE
Critical Water Renewals	$5,498,500	10%	90%	$542,152	$565,532	2,743	$206
Development projects reactive	$219,940	100%	0%	$219,940	$229,425	2,743	$84
Total	$58,127,640	10%	90%	$5,929,639	$5,990,690		$2,184
Stormwater - reticulated areas and within catchment map							
Development projects reactive	$219,940	100%	0%	$219,940	$229,425	2,909	$79
Total	$219,940	100%	0%	$219,940	$229,425	0	$79

Part 5.3: Upper Hutt City Catchments Maps

5.121 District-wide charges apply to all developments in the district.

5.122 Water, wastewater and stormwater charges apply to all developments connecting to these networks.

5.123 Stormwater development contribution catchment.

5.124 The below map outlines the boundaries of the stormwater catchment within which stormwater development contributions will also apply (regardless of direct connection or not).