

## **Proposed 2024 Development and Financial Contributions Policy Engagement Material**

### **Introduction**

The council is consulting on its proposed 2024 Development and Financial Contributions Policy. This Policy is a key part of the Council's funding toolkit, helping to provide funding for growth related infrastructure of around \$1.8B<sup>1</sup> in accordance with our principle of "growth pays for growth".

The proposed 2024 Policy has two key changes compared to the current Policy.

1. Updated development contribution charges (summarised in table 2 below) which reflects the capital programme included in the Draft Long-Term Plan 2024-34. The charges have increased, especially for the Wainuiomata and Valley Floor catchments, which reflects the significant increase in investment Hutt City is proposing to make in the city's growth-related infrastructure.
2. New category for residential development with four or more bedrooms. These will be charged 25% more than a standard dwelling.

Other changes we are proposing are:

- a partial or full remission of development contributions for development of specified types of Māori community owned land if certain criteria are met, to help meet the requirements of section 102(3A) of the Local Government Act 2002.
- the Council intends to recover growth costs related to providing community infrastructure in future development contribution policies. Charges associated with these are not included in the draft 2024 Development and Financial Contributions Policy but could be in future editions (following consultation at that time).

Council is proposing to fund approximately \$365M (20%) of the growth-related capital expenditure of \$1.8B over the life of the projects through development contributions. In the ten-year period of the draft LTP 2024-2034 this equates to projected revenue of around \$146M.

### **Proposal and reasons for the proposal**

Lower Hutt is growing rapidly and is expected to continue growing for the next 10 years. Council must provide for this growth to meet our obligations under the National Policy Statement on Urban Development. More importantly, we must provide for this growth so that all our families have a place to call home.

Growth creates the need for new subdivisions and developments, and these place increasing demands on the assets and services provided by Council. As a result, significant investment in new or upgraded assets and services is required. For example, the following projects are included in the proposed capital programme to help cater for growth (all figures are inflation adjusted, GST exclusive) and individually have a material impact on the proposed development contribution charges.

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<sup>1</sup> Includes growth project costs over their life (i.e. outside of 2024-2034)

- The Cross Valley Connector programme – approximately \$221M of which 16.5% is attributable to growth. Overall, approximately 8% of the programme’s cost is funded by development contributions as part of the growth costs are expected to be funded by subsidies by Waka Kotahi/ New Zealand Transport Agency.
- Transport related subdivision improvements – approximately \$40M of which 75% is attributable to growth and 37% is funded from development contributions (after subsidies by Waka Kotahi/ New Zealand Transport Agency).
- Eastern Hills (previously Naenae) Reservoir and outlet main – approximately \$28M and \$59M, of which 50% and 80% is attributable to growth respectively and funded by development contributions.
- Manor Park Water Storage Reservoir – approximately \$19M of which 60% is funded from development contributions.
- Infrastructure Acceleration Fund projects for wastewater (\$40.6M) and stormwater (\$144M), which are 100% and 27% funded from development contributions respectively.
- Wainuiomata Water Supply Storage and network upgrade – approximately \$50M of which 50% is funded by development contributions.
- Black Creek Improvements – approximately \$30M of which 30% is funded by development contributions.

There are several other projects and ongoing programmes that collectively provide capacity for growth. These are listed in Schedule 1 of the proposed 2024 Policy.

**Table 1 – Total cost of capital expenditure for growth and funding sources (\$M, inflation included, GST exclusive)**

	<u><b>Water</b></u>	<u><b>Wastewater</b></u>	<u><b>Stormwater</b></u>	<u><b>Transport</b></u>	<u><b>Total</b></u>
Gross capex (\$M)	\$340.0	\$670.0	\$336.7	\$497.9	\$1,844.5
Growth capex (\$M)	\$109.7	\$153.8	\$58.1	\$88.1	\$409.8
DC funded capex (\$M)	\$109.7	\$153.8	\$58.1	\$43.2	\$364.8
Capex % funded from development contributions	32%	23%	17%	9%	20%
Capex % funded from other sources	68%	77%	83%	91%	80%

**Development versus Financial Contributions** Council has the ability to impose both development and financial contributions to help fund growth related infrastructure, but these must not both be imposed on a development for the same purpose.

Councils can require financial contributions to be made under s108 (2)(a) of the RMA through setting conditions requiring a contribution of money or land or can be a combination of the two (s108(9)). Financial contributions can assist with the costs of providing infrastructure for developments and providing for the recreational needs of the community. Funds can also be

used to provide upgraded or additional servicing or to acquire or enhance land or assets for recreation and community purposes. Councils must specifically use these monies collected for the purposes they are intended.

Development contributions are another funding tool available to the Council and can be used to help fund the costs of growth-related capital expenditure. Development contributions are levied on development and are established in a Development and Financial Contributions Policy, which the Council must review every three years.

The purpose of the Policy is to ensure that a fair, equitable, and proportionate share of the cost of that infrastructure is funded by development.

The charges proposed in the 2024 Development and Financial Contributions Policy, and how they compare to the 2021 Development and Financial Contributions Policy, are summarised below (GST inclusive). The increases are a direct consequence of increased planned investment in growth related water, wastewater and stormwater infrastructure, especially in the Valley Floor catchment.

**Table 2 – Comparison of proposed charges (applicable 1 July 2024) to previous policy**

		Catchment						
		Eastbourne	Stokes Valley	Valley Floor	Wainuiomata	Western Hills	Rural*	Districtwide
Activity		Development contribution per EHU (GST inclusive)						
Transport	Current	\$0	\$0	\$0	\$0	\$0	\$0	\$2,497
	Proposed	\$0	\$0	\$0	\$0	\$0	\$0	\$5,275
Water Supply	Current	\$0	\$0	\$7,680	\$12,383	\$1,231	\$0	\$342
	Proposed	\$0	\$0	\$13,937	\$12,855	\$695	\$0	\$1,784
Wastewater	Current	\$667	\$667	\$667	\$5,525	\$667	\$0	\$3,188
	Proposed	\$0	\$1,857	\$11,695	\$7,336	\$1,751	\$0	\$8,706
Stormwater	Current	\$864	\$15	\$160	\$1,821	\$88	\$0	\$244
	Proposed	\$3,053	\$68	\$10,689	\$5,082	\$105	\$0	\$918
Total	Current	\$1,530	\$682	\$8,507	\$19,729	\$1,986	\$0	\$6,272
	Proposed	\$3,053	\$1,925	\$36,320	\$25,273	\$2,550	\$0	\$16,683
DC per EHU (\$) a development will pay in each catchment	Current	\$7,802	\$6,954	\$14,779	\$26,000	\$8,257	\$2,497	\$6,272
	Proposed	\$19,736	\$18,608	\$53,003	\$41,955	\$19,233	\$5,275	\$16,683
	Change	\$11,934	\$11,654	\$38,224	\$15,955	\$10,976	\$2,778	\$10,411

\*The rural catchment is subject to only the district wide transport development contributions unless it connects to any of the three water services. In all other catchments, the district wide transport development contribution applies as well as catchment specific contributions for other activities.

### What are the options for funding growth infrastructure?

Council is obliged to meet the housing needs of its community under the National Policy Statement for Urban Development. The Council's infrastructure programme has been developed to enable this. The main question that the Council and our community must confront is how to pay for this infrastructure?

At a high level, the main options available to the Council are summarised below, along with pros and cons.

**Table 3 – Options**

Option		Pro	Cons / risks
1	<b>(Proposed)</b> Retain a policy of meeting 100%* of the Council's growth-related capital expenditure from new developments through development and financial contributions.	<ul style="list-style-type: none"> <li>• Consistent with growth pays for growth principle</li> <li>• Growth creates need for and benefits from the infrastructure funded by development contributions</li> <li>• Development contributions allow growth costs to be shared between developments, now and in the future</li> <li>• Expected scale of growth-related costs sufficient to justify dedicated funding stream. Highest charge equates to under 7% of the average house price (Sep 2023 Infometrics).</li> </ul>	<ul style="list-style-type: none"> <li>• Major charge difference between Wainuiomata and the Valley Floor, and the other catchments</li> <li>• May increase cost of developing new housing, decreasing its affordability</li> <li>• Risk the charges may deter development in some or all areas</li> </ul>
2.	Fund part of the Council's growth-related capital expenditure through development contributions and financial contributions, and the remainder from another funding source, such as rates.	<ul style="list-style-type: none"> <li>• Lowers cost of developing new housing, potentially improving affordability</li> <li>• Ability to target just high-cost catchments (Wainuiomata and Valley Floor)</li> <li>• Growth creates need for and benefits from the infrastructure part-funded by development contributions</li> <li>• Development contributions allow growth costs to be shared between</li> </ul>	<ul style="list-style-type: none"> <li>• Erosion of growth pays for growth principle</li> <li>• Rates increases to pay for growth costs</li> <li>• Unclear it will lower new house prices</li> </ul>

Option		Pro	Cons / risks
		developments, now and in the future <ul style="list-style-type: none"> <li>Expected scale of growth-related costs sufficient to justify dedicated funding stream</li> </ul>	
3.	Fund 100% of the Council's growth-related capital expenditure from a funding source other than development contributions and financial contributions, such as rates	<ul style="list-style-type: none"> <li>Lowers cost of developing new housing across whole city, potentially improving affordability</li> <li>Council avoids additional costs incurred to develop or administer policy</li> </ul>	<ul style="list-style-type: none"> <li>Opposite of growth pays for growth principle</li> <li>Pushes most of the burden of funding growth costs onto existing residents and businesses who don't create the need for the infrastructure, rather, than growth</li> <li>Rates increases to pay for growth costs</li> <li>Unclear if it will lower new house prices</li> </ul>

\* Elements of the transport programme are expected to be subsidised by Waka Kotahi (New Zealand Transport Agency), lowering the portion funded by development contributions for that activity to 49%.

The Council must also consider the matters listed in sections 101(3) and 197AB of the Local Government Act 2002 when making its decisions on how to fund growth related infrastructure. Council's assessment of these matters for activities funded by development contributions is listed in Part 2 of the proposed 2024 Policy.

After weighing all of these matters, Hutt City Council proposes that it should continue to use:

- Development contributions under the Local Government Act 2002 (LGA) to fund 100% of the Council's planned growth-related capital expenditure on water, wastewater, stormwater, and transport\* in the city (option 1); and
- The current catchment development contribution boundaries.
- Financial contributions under the Resource Management Act 1991 (RMA) to help fund 100% of growth-related reserve provision, and any infrastructure impacts caused directly by a development that are not addressed and funded by development contributions.

## Your feedback

Of course, there are the other changes proposed, such as the higher assessment rate (and therefore charges) for dwellings with four or more bedrooms, and the new provisions related Te Ture Whenua Māori Act 1993. The Council could choose not to proceed with the higher assessment rate or change the proposed Te Ture Whenua Māori Act 1993. Council welcomes submissions on these, or any other aspects of the proposed 2024 policy. We want to hear what you have to say about the new Policy and associated charges.

Refer to the consultation document [<link>](#) for details on how to provide your feedback.

DRAFT

# DRAFT DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY 2024 – 2034

Date created May 2021

Publication date June 2021

Review period May 2024

Owner Finance

Approved by Council

Version	Author	Date	Description
V 1.0	Dwayne Fletcher (consultant)	May 2021	Approved by Council.
V 2.0	Dwayne Fletcher (consultant) Deepu Nunnian	Feb 2024	Draft



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# INTRODUCTION

- This Development and Financial Contributions Policy was adopted by Hutt City Council on **TBC**. It will apply to all resource consents, building consents, certificates of acceptance and service connections applied for from 1 July 2024. The previous policies shall continue to apply for all complete resource or building consents and authorisations for service connections submitted to the Council before 1 July 2024.
- Council will review the policy on a three-yearly basis and may update it at shorter intervals if necessary. See the Council website [www.huttcity.govt.nz](http://www.huttcity.govt.nz) for further information.

## PURPOSE OF THE POLICY

1. Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services Council provides. As a result, we need significant investment in new or upgraded assets and services.
2. The purpose of this policy is to ensure that a fair, equitable and proportionate share of the cost of new infrastructure is funded by development. Hutt City Council intends to achieve this by using:
  - development contributions under the Local Government Act 2002 (LGA) to help fund growth- related capital expenditure on water, wastewater, stormwater and transport in the city.
  - financial contributions established under the Resource Management Act 1991 (RMA) to help fund growth- related and/or reserve improvement provision and any infrastructure impacts caused directly by a development that are not addressed and funded by development contributions.

## NAVIGATING THIS DOCUMENT

3. The policy outlines the Council's approach to funding development infrastructure via development contributions and financial contributions. The policy has three main parts:
  - Part 1: Policy operation
  - Part 2: Background and supporting information
  - Part 3: Catchment maps.

## PART 1: POLICY OPERATION

4. Part 1 provides information on if, when and how development contributions and financial contributions will apply to developments. It also explains people's rights, and proper operation of the policy.
5. The key sections of Part 1 are:
  - The charges
  - Liability for development contributions
  - When development contributions are levied
  - Determining infrastructure impact
  - Review rights
  - Other operational matters
  - Summary of financial contributions under the District Plan
  - Definitions.
  - PART 2: BACKGROUND AND SUPPORTING INFORMATION
6. Part 2 aims to meet the accountability and transparency requirements of the LGA. It explains Council's policy decisions, calculation of the development contribution charges, and the assets Council will use the development contributions for.
7. The key sections of Part 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 1: Growth-related assets and development contribution calculations summary.

## PART 3: CATCHMENT MAPS

8. Part 3 provides catchment maps that show where the development contribution charges in the policy apply.

# PART 1: POLICY OPERATION

## DEVELOPMENT CONTRIBUTIONS

### THE CHARGES

9. There are six local catchments, plus one district-wide catchment, within Hutt City for development contributions. Part 3 maps these.
10. Table 1 sets out the related development contribution charges per equivalent household unit (EHU) for each activity. The Determining infrastructure impact section below explains the concept of an EHU.
11. For each infrastructure activity and catchment for which development contributions are required, the development contribution payable is calculated by multiplying the number of EHUs generated through the development by the charge for that activity. This is then aggregated for all activities to give the total charge. For example, a development on the Valley Floor that creates three additional residential lots will pay three times the water, wastewater, stormwater and transport charges for that catchment (see Charge per EHU in Table 1). The total development contributions payable in this case would be \$159,008 (inclusive of GST).
12. These charges may be adjusted for inflation annually in line with the Producers Price Index outputs for construction, as permitted by sections 106(2B) and (2C) of the LGA. The Council will publish the latest charges on its website: [www.huttcity.govt.nz](http://www.huttcity.govt.nz).

Table 1: Development contribution charge per EHU as at 1 July 2024 (GST-inclusive)<sup>1</sup>

	Eastbourne	Stokes Valley	Valley Floor	Wainuiomata	Western Hills	Rural*	District - wide*
<b>Transport</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$5,275
<b>Water</b>	\$0	\$0	\$13,937	\$12,855	\$695	\$0	\$1,784
<b>Wastewater</b>	\$0	\$1,857	\$11,695	\$7,336	\$1,751	\$0	\$8,706
<b>Stormwater</b>	\$3,053	\$68	\$10,689	\$5,082	\$105	\$0	\$918
<b>Total</b>	\$3,053	\$1,925	\$36,320	\$25,273	\$2,550	\$0	\$16,683
<b>Charge per EHU (including the district- wide charge)</b>	\$19,736	\$18,608	\$53,003	\$41,955	\$19,233	\$5,275	\$16,683

<sup>1</sup> GST has been applied at the rate of GST as at 1 July 2024 (15 per cent). Should the rate of GST change, the Council will adjust the charges accordingly. The GST-exclusive charge per activity can be found in Schedule 1.

\*The rural catchment is subject to only the district-wide transport development contributions. In all other

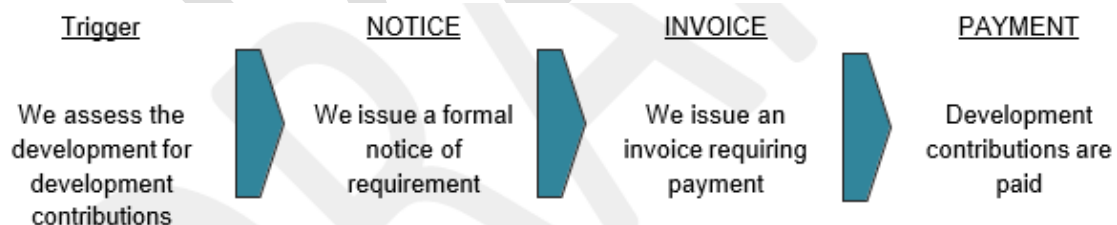
catchments, the district-wide transport development contribution applies as well as catchment-specific contributions for other activities.

## LIABILITY FOR DEVELOPMENT CONTRIBUTIONS

13. Developers who are subdividing, building, connecting to Council's services or otherwise undertaking development in Hutt City may need to pay development contributions.
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.
15. Financial contributions may also be required in some cases. This is discussed later in the policy.
16. 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.
17. Council officers will be available to help resolve any uncertainty about development contribution liabilities.

## WHEN DEVELOPMENT CONTRIBUTIONS ARE LEVIED

18. 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.



19. These steps are explained in more detail below.

### Trigger for requiring development contributions

20. Council can require development contributions for a development 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.
21. Council will generally require development contributions 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 the Council assessing contributions on a subsequent consent, certificate or authorisation for the same development. This approach is the same for all charges in all catchments.

22. Council will assess development contributions 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**

23. On receiving an application for resource consent, building consent, certificate of acceptance or service connection, Council will check that:
- a) the development (subdivision, building, land use or work) generates a demand for network 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 network infrastructure; and
  - c) Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Council in anticipation of development.
24. Council has identified the assets and areas that are likely to meet the requirements of (b) and (c); these are outlined in Schedule 1 (Growth-related assets development contribution calculations summary) and Part 3 (Catchment map). In general, if a development is within one of the areas covered by the catchment maps it is likely that the Council will require development contributions.
25. The Council may waive or reduce development contributions if:
- a) a resource consent or building consent does not generate additional demand for any community facilities (such as a minor boundary adjustment); or
  - b) one of the circumstances outlined in the section Limitations on imposing development contributions apply; or
  - c) credits apply as outlined in the Credits section.
26. 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, Council may undertake a new assessment using the policy in force at that time. Any increase or decrease in the number of EHUs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.

27. This means Council will require additional development contributions where additional units of demand are created and development contributions for those additional units of demand have not already been required.
28. Examples of where these would be needed include the following situations:
  - a) 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.
  - b) 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.
  - c) The nature of use has changed; for example, from a low-infrastructure-demand commercial use to a high-infrastructure-demand commercial use.

## Notice

29. Council will normally issue a development contribution notice when a resource consent, building consent, certificate of acceptance or service connection authorisation 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 EHUs 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).
30. If Council is issuing multiple consents or authorisations for a development, it may issue a notice of requirement for each. However, where payments are made in relation to one of the notices, actual credits will be recognised for the remaining notices.
31. Development contributions notices do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985. Council will issue a tax invoice at the time of supply, being the earlier of Council issuing an invoice to the applicant or payment of the development contributions.

## Invoice

32. Council will issue an invoice for development contribution charges 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).

Table 2: Invoice timing

<b>Building consent</b>	At the time of application for a code compliance certificate
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<b>Certificate of acceptance</b>	At issue of a certificate of acceptance
<b>Resource consent for subdivision</b>	At the time of application for a certificate under section 224(c) of the RMA. Council will issue an invoice for each stage of a development for which section 224(c) certificates are sought, even where separate stages are part of the same consent
<b>Resource consent (other)</b>	At granting of the resource consent
<b>Service connection</b>	At granting of the service connection for water, wastewater or stormwater services

33. 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 on the part of Council, the invoice will be issued when the error or omission is identified. The development contributions remain payable.

## Payment

34. Development contributions must be paid by the due dates in

Table 3: Payment due date

<b>Building consent</b>	Prior to issue of the code compliance certificate
<b>Certificate of acceptance</b>	At issue of the certificate of acceptance
<b>Resource consent for subdivision</b>	Prior to release of the certificate under section 224(c) of the RMA for each stage
<b>Resource consent (other)</b>	20th of the following month (after the issue of the invoice) unless Council agree to different payment timing for large scale multi-stage developments
<b>Service connection</b>	At issue of the connection approval

35. On-time payment is important because, until the development contributions have been paid in full, Council 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.

36. Where invoices remain unpaid beyond the payment terms set out in the policy, Council will start debt collection proceedings, which may involve the use of a credit recovery agent. Council 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

37. To apply a consistent method of charging for development contributions, the policy is centered around the concept of an EHU: an average household in a standard residential unit (RU) and the demands it typically places on community facilities. Table 4 summarises the demand characteristics of an EHU.

Table 4: EHU demand measures

Activity	Unit of measurement	Demand per EHU
Water	Litres per day	567 litres per day
Wastewater	Litres per day	510 litres per day
Stormwater	Impervious surface area	200m <sup>2</sup>
Transport	Trips per day	8 trips per day

### Residential development

38. In general, the number of EHUs charged for residential subdivision is one per new allotment, although lower or higher assessments can apply in some cases (see below).
39. When calculating the number of EHUs for a residential subdivision, Council will adjust the assessment to account for any:
- credits relating to the site (refer to the Credits section below)
  - allotment which, by agreement, is to be vested in Council for a public purpose
  - allotment required as a condition of consent to be amalgamated with another allotment.
40. Visitor accommodation units will be assessed as 0.5 EHUs for each service.
41. Aged care units (per bed) and retirement units (per unit) will be assessed as:
- 0.5 EHUs for water, wastewater and stormwater and
  - 0.3 EHUs for transport.

### Bedroom based assessments

42. Council will assess residential development 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 Council. Council 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 the Council has information indicating that a large RU is intended to be constructed or connected.

43. Where Council agrees to apply minor or small RU assessment to a subdivision, Council will assess each allotment as one EHU, and may agree to postpone payment by the person undertaking the subdivision until a building consent is issued for an allotment. At that time, Council will adjust the assessment and the payment required accordingly. See the section Postponement.

44. Such assessments are guided by the parameters outlined in

Table 5: Bedroom based RU assessments

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

\* The Definitions section defines 'bedroom'.

45. 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, Council will require additional development contributions in line with Table 6 (subject to any credits recognised, for example for allotments that existed before 1 July 2006. See section on Credits).

Table 6: RU extension assessment guidance (EHUs)

Type of extension	Top of proportion required	Total EHUs 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

46. Non-residential subdivisions, land uses or building developments are more complicated, as they do not usually conform with typical household demands for each service.
47. In these cases, Council makes a household 'equivalent' assessment 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 4 have been converted for assessing non-residential developments based on gross floor area (Table 7). Council will use these rates for determining EHUs for non-residential developments unless it seeks or accepts a special assessment.

Table 7: EHU per 100m<sup>2</sup> gross floor area (except stormwater, which is based on total impervious surface area)

Development type	Water	Wastewater	Stormwater	Transport
Industrial	0.4	0.4	0.5	4
Commercial	0.4	0.4	0.5	3
Retail	0.4	0.4	0.5	6.0
Other non-residential	Special assessment	Special assessment	0.5	Special assessment

48. If no proper assessment of the likely demand for activities is able to be carried out at the subdivision consent stage, Council will charge a development contribution based on one EHU for each new allotment created and will require an assessment to be carried out at the building consent stage. This later assessment will credit any development contributions paid at the subdivision consent stage.

## Special assessments

49. Developments sometimes require a special level of service or are of a type or scale that is not readily assessed in terms of EHUs – such as large-scale primary sector processors or service stations. In these cases, Council may decide to make a special assessment of the EHUs applicable to the development. Council 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.
50. In general, Council 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 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 7 or
  - d) a non-residential development may use more than 5m<sup>3</sup> of water per day.
51. Council will use the demand measures in Table 4 to help guide special assessments.
  52. 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.
  53. Any application for a special assessment must be accompanied by the fee payable to recover the Council's actual and reasonable costs of determining the application. The fee will be assessed at the time of application. Council may levy additional fees to meet Council's actual costs, should the actual costs be materially higher than the initial assessment.
  54. If a special assessment is undertaken, Council may require the developer to provide information on the demand for community facilities generated by the development. Council may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

## **Credits**

55. 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 Council 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.
56. Council gives a credit for the number of EHUs 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.
57. Council will calculate the number of EHU credits available 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 EHU.
58. Table 8 illustrates situations where credits will arise.

Table 8: Credit examples

Re-development of six pre 2006 residential units into a commercial office block	6 EHU credits (i.e., one for each of the existing residential allotments)
Infill residential subdivision of existing pre-2006 allotment into two allotments	1 EHU credit (i.e., one for the original allotment). Development contributions payable on 1 EHU
Residential development of existing central business district site with 400m <sup>2</sup> gross floor area (GFA) commercial building (200m <sup>2</sup> footprint) into eight unit title apartments – no additional impervious area	Roading and traffic: 12 EHU credits (400m <sup>2</sup> GFA x 3 EHUs per 100m <sup>2</sup> )
	Water supply: 1.6 EHU credits (400m <sup>2</sup> GFA x 0.4 EHUs per 100 m <sup>2</sup> )
	Wastewater: 1.6 EHU credits (400m <sup>2</sup> GFA x 0.4 EHUs per 100 m <sup>2</sup> )
	Stormwater: 1 EHU credit (200m <sup>2</sup> impervious surface x 0.5 EHUs per 100m <sup>2</sup> )

## REVIEW RIGHTS

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

### Reconsideration

60. Using the reconsideration request process, developers can formally require Council to reconsider its assessment of development contributions for a development. Developers can make reconsideration requests where they have grounds to believe that:
- a) the Council incorrectly calculated or assessed the development contribution levied under the policy; or
  - b) Council has incorrectly applied the policy; or
  - c) the information Council used to assess the development against the policy, or the way that Council recorded or used that information when requiring a development contribution, was incomplete or contained errors.
61. 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](http://www.huttcity.govt.nz)) and supply any supporting information with the form

- c) pay the reconsideration fee at the time of application, as set out in Council's Schedule of Fees and Charges.
- 62. Council will return applications with insufficient information or without payment of fee to the applicant, with a request for additional information or payment.
  - 63. Once Council 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 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.
  - 64. Council will notify the applicant of its decision within 15 working days from the date on which Council receives all required relevant information relating to the request (including additional information Council has sought).
  - 65. Council will not accept any reconsideration request received after the 10-working-day period, or where an objection has already been lodged under section 199C of the LGA. The applicant will receive written notice if the request for reconsideration cannot be made for one of these reasons. Council reserves the right to reconsider an assessment if it believes an error has been made.

## **Objections**

- 66. The objections process is more formal; it allows developers to seek a review of the Council's decision. An application for reconsideration does not prevent the applicant from also filing an objection under section 199C of the LGA.
- 67. A panel of up to three independent commissioners will consider the objection. The decision of the commissioners is binding on the developer and the Council, although either party may seek a judicial review of the decision.
- 68. Objections may only be made on the grounds that Council 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 community facilities in the district or parts of the district; or
  - b) required a development contribution for community facilities 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 200 of the LGA; or

- d) incorrectly applied the policy to the development.
69. 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](http://www.huttcity.govt.nz)) and supply any supporting information with the form; and
  - c) pay a deposit.
70. 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 Council associated with any hearings, such as room hire and associated expenses, as provided by section 150A of the LGA. However, objectors are not liable for the fees and allowances costs associated with any Council witnesses.

## **OTHER OPERATIONAL MATTERS**

### **Refunds**

71. Sections 209 of the LGA states the circumstances in which development contributions must be refunded, or land returned. In summary, Council 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) Council does not provide the network infrastructure for which the development contributions were required.
72. Council will also provide refunds where overpayment has been made (for whatever reason).
73. Where the Council refunds a development contribution, it may retain a portion of the contribution equivalent to the costs incurred by the Council in assessing, requiring and refunding the charges.

## Limitations on imposing development contributions

74. Council is unable to require a development contribution in certain circumstances, as outlined in section 200 of the LGA, if, and to the extent that:
- a) it has, under section 108(2)(a) of the RMA, imposed a condition on a resource consent in relation to the same development for the same purpose; or
  - b) the developer will fund or otherwise provide for the same network infrastructure; or
  - c) a third party has funded or provided, or undertaken to fund or provide, the same network infrastructure; or
  - d) the Council 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. However, the Council 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.
75. In addition, Council will not require a development contribution 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<sup>2</sup>, 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 reserve or network infrastructure
  - c) the conversion of an existing unit developments into unit titles. This does not apply to any building consents required as part of any changes to existing units, which the Council will still assess to determine if 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 Council. This exemption does not apply to developments undertaken by or on behalf of Council organisations, Council-controlled organisations or Council-controlled trading organisations,

as defined in section 6 of the LGA

- g) in rural areas for stormwater development contributions, where no Council stormwater systems are provided
- h) for water and/or wastewater development contributions if a development does not connect to Council's water supply and/or wastewater reticulation systems.

### **Postponement**

- 76. Council 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.
- 77. 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 Council
  - 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 Council 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 Council's decision and the guaranteed sum will be amended accordingly
  - d) shall be based on the GST-inclusive amount of the contribution.
- 78. At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately to Council.
- 79. If Council exercises the discretion to allow a bond, the applicant will meet all costs for preparation of the bond documents.

### **Development agreements**

- 80. Council 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 sections 207A–207F of the LGA. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under the policy.



## **Remissions**

81. Council may remit all or part of a development contribution at its complete discretion. Council 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 Council will not be regarded as binding precedent.
82. Any request for remission must be made in writing and set out the reasons for the request. The request must be made:
  - a) within 15 working days after Council has issued a notice for the development contribution payable; and
  - b) before the development contribution payment is made to Council.
83. Council will not allow retrospective remissions of development contributions.
84. Council delegates to the chief executive officer, in conjunction with the Chair of the Finance and Audit Committee, with authority to delegate to officers, the authority to make a decision on a request for remission.
85. When considering a request for remission, Council will take into account:
  - a) the purpose of development contributions, Council's financial modelling and Council's funding and financial policies
  - b) the extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Council in its capital works programme
  - c) any other matters that Council considers relevant.

## **Te Ture Whenua Māori Act 1993**

86. 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.
87. To support these principles, Council 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, the Council will apply the same framework and criteria as the 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.

## FINANCIAL CONTRIBUTIONS

### RELATIONSHIP BETWEEN FINANCIAL CONTRIBUTIONS AND DEVELOPMENT CONTRIBUTIONS

88. The financial contributions and development contributions in this policy are separate charges, and Council uses them to fund separate categories of expenditure. This ensures there is no 'double dipping' and is consistent with the intention of section 200 of the LGA.
89. Development contributions can be required under the LGA and are used to help fund planned and budgeted capital expenditure related to growth for the activities and assets listed in the development contributions schedule of assets in this policy (Schedule 1).
90. Financial contributions can be required under the RMA in line with the provisions in the District Plan. Financial contributions are required for reserves and where individual developments give rise to capital expenditure that is not planned and recovered via development contributions. In these cases, Council may impose a financial contribution as a condition of resource consent, specifically:
- financial contributions for reserves (12.2.2.8 and 12.2.1.9)
  - financial contributions to which District Plan Rules 12.2.1–12.2.1.7 apply.
91. A brief summary of these is provided below. Further information on financial contributions can be found in the [District Plan](#).

### SUMMARY OF FINANCIAL CONTRIBUTIONS UNDER THE DISTRICT PLAN

#### Reserve contributions – subdivision of land

92. There is a long history of local authorities requiring subdividers of land to provide land or money for the purpose of providing public open space as reserves. Reserves are generally required as part of the subdivision process, as they provide open space and recreation facilities and opportunities to cater for additional demand generated; they also protect and enhance amenity values. As communities continue to grow in size and population, the extent of public open space they require increases.
93. As part of its evaluation under section 32 of the RMA, Council assessed a number of options and undertook considerable consultation with the public, developers and other special interest groups. Council decided that reserve contributions should be set

at a maximum contribution in cash or land to an equivalent value equal to 7.5% of the value of each new allotment, to provide a maximum dollar contribution of \$10,000 per allotment created in residential activity areas or \$5,000 per allotment created in rural activity areas. It recognised that the maximum reserve contribution is not appropriate in all cases, and this can be adjusted taking into account criteria specified in Rule 12.2.1.8 (c) of the District Plan.

### **Reserve contributions – development of land**

94. The District Plan also recognises that the development of land for business/commercial purposes can increase the number of people employed at a particular location, and consequently there may be an increase in demand for open space and recreation areas. After considerable consultation with the public, property owners, developers and other special interest groups, and after evaluating various options, Council decided that where commercial or industrial development will result in an increase or intensification of use of land, a reserve contribution in the form of money equivalent to 0.5 per cent of the value of the development in excess of \$200,000 is appropriate. It recognised that the maximum reserve contribution is not appropriate in every case, and the maximum could be adjusted based on criteria specified in Rule 12.2.1.9(b) of the District Plan.

### **Financial contributions – services**

95. Under the District Plan the developer of a subdivision or development is responsible for funding all work within its boundaries relating to services directly required for the subdivision or development. This approach has been in practice for a very long time. Council has adopted two main methods for imposing financial contributions in the District Plan: the recoupment impact fee (sometimes called the recognised equity method) and the capital improvements programme fee.
96. In summary, the District Plan requires financial contributions as follows:
- a) In the context of subdivision or development of land the rules specify that the developer is responsible for all work within its boundaries relating to services directly required.
  - b) The rules specify that where, as a result of subdivision or development of land, services in adjoining land that were previously adequate become inadequate, the subdivider or developer should pay for the full and actual costs of upgrading services.
  - c) Where subdivision or development takes place and the services in the adjoining land are already inadequate, the rules specify that the subdivider or developer should pay a proportion of the costs of upgrading services.
  - d) In cases where Council has upgraded services in advance of land being

subdivided, the subdivider or developer should pay the full and actual costs of upgrading, taking into account the time value of money, when the land is subsequently subdivided or developed.

**Financial contributions – traffic impact fee for retail activities and places of assembly in all residential and rural activity areas**

97. The District Plan recognises that large-scale retail activities exceeding 3,000m<sup>2</sup> in floor area and all places of assembly in residential and rural activity areas may have adverse effects on the surrounding roading network and on pedestrian circulation. In such circumstances the District Plan requires that the developer contribute to the upgrading and modification of the surrounding roads, intersections and footpaths.

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## DEFINITIONS

98. In the policy, 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 facilities and amenities within the meaning of network infrastructure for which a development contribution charge exists under the 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 Council plan for the management of assets within an activity that applies technical and financial management techniques to ensure that specified levels of service are provided in the most cost-effective manner over the life-cycle of the asset.

**Bedroom** means any habitable space within 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<sup>2</sup>.

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 EHUs.

**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.

**Community facilities** means reserves, network infrastructure or community infrastructure as defined by the LGA, for which development contributions may be required.

**Community infrastructure** means land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities, and includes land that the Council will acquire for that purpose.

**Council** means Hutt City Council.

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

**District** means the Lower Hutt.

**Equivalent household unit (EHU)** means demand for Council 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, liftwells 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](http://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.

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

**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 and Financial Contributions Policy.

**Reserves** means land for public open space and improvements to that land needed for it

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

**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](http://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** means a physical connection to an activity provided by, or on behalf of, Council (such as water, wastewater or stormwater services).

# PART 2: POLICY DETAILS

## REQUIREMENT TO HAVE A POLICY

99. Council is required to have a policy on development contributions and financial contributions as a component of its funding and financial policies under section 102(2)(d) of the LGA. The policy meets that requirement.

## FUNDING SUMMARY

100. Council has incurred or plans to incur over \$1.8B on infrastructure partially or wholly needed to meet the increased demand for community facilities resulting from growth. This includes works undertaken in anticipation of growth, and future planned works. Of this cost, approximately 20 per cent will be funded from development contributions.
101. Table 9 provides a summary of the total costs of growth-related capital expenditure and the funding the Council will seek by development contributions for each activity. Schedule 1 presents a breakdown by activities and catchment.

Table 9: Total cost of capital expenditure for growth and funding sources  
(\$M, inflation included, GST-exclusive)

	Water	Wastewater	Stormwater	Transport	Total
Total capital expenditure	\$340.0	\$670.0	\$336.7	\$497.9	\$1,844.5
Growth capital expenditure	\$109.7	\$153.8	\$58.1	\$88.1	\$409.8
Development contributions-funded capital expenditure	\$109.7	\$153.8	\$58.1	\$43.2	\$364.8
Total capital expenditure proportion funded by development contributions	32%	23%	17%	9%	20%
Capital expenditure proportion funded from other sources*	68%	77%	83%	91%	80%

\* No growth expenditure for water, wastewater, stormwater and transport is forecast to be funded by financial contributions under the RMA.

## GROWTH INFRASTRUCTURE

102. 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) are identified in the Council's Long Term Plan and in Schedule 1 of this policy. In some cases, Council has undertaken works to support forecast growth; these are also listed in Schedule 1. All of or part of the costs of these projects can be funded from development contributions.

103. When determining whether a project or programme is growth related and therefore should be included in this policy, Council asks 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 smaller improvements, upgrade and renewal works that also increase infrastructure capacity, and takes account of the impact on infrastructure of continuing growth within the city.
104. Council determines the proportion of the costs of these projects or programmes that are attributable to growth in line with the approach outlined in the Cost allocation section.

## **FUNDING POLICY SUMMARY**

### **Funding growth expenditure**

105. Population and business growth create the need for new subdivisions and development, and these place increasing demands on the assets and services Council 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.
106. The Council has decided to fund these costs from:
- development contributions under the LGA for planned expenditure on water, wastewater, stormwater and transport
  - financial contributions under the RMA for reserves and where individual developments give rise to capital expenditure that is not planned and recovered via development contributions.
107. In forming this view, Council has considered the matters set out in section 101(3) of the LGA within its Revenue and Financing Policy, and within the policy for each activity.
108. The Revenue and Financing Policy is Council's primary and over-arching statement on its approach to funding its activities. It outlines how Council will fund all activities, and the rationale for Council's preferred funding approach.
109. In addition, Council is required under section 106(2)(c) of the LGA to explain within the policy why it has decided to use development contributions and financial contributions to fund capital expenditure relating to the cost of growth for each

activity. This explanation is below. There are no material differences for the purposes of this assessment for different activities funded by development contributions, so this assessment applies equally to each activity. However, growth costs for some transport-related projects and programmes may be subsidised by Waka Kotahi NZ Transport Agency, reducing the proportion of growth costs funded by development contributions to 49 per cent.

110. Council uses financial contributions to fund the cost of growth-related reserves infrastructure. Reserve financial contributions achieve many of the same benefits and outcomes as development contributions but are simpler to administer.
111. The Council also intends to recover growth costs related to providing community infrastructure in future development contribution policies. Charges associated with these are not included in the draft 2024 Development and Financial Contributions Policy but will be in a future edition (following consultation at that time).

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

112. Council has considered whether development contributions and financial contributions are an appropriate source of funding considering each activity, the outcomes sought and their links to growth infrastructure. 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.
113. 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, we 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 ratepayers. As a dedicated growth funding source, development contributions also offer funding through which we can deliver on our vision and outcomes for new communities.

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

114. Council has considered the funding of growth-related community facilities 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.

115. A summary of this assessment is presented in Table 10 below.

**Table 10: Other funding decision factors**

<b>Who Benefits / whose act creates the need</b>	A significant portion of Council's 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 ratepayers, is determined for each asset or programme in line with the requirements of section 197AB(c) of the LGA.
<b>Period of benefit</b>	<p>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.</p> <p>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.</p> <p>Financial contributions for reserves have a similar effect by distributing the cost of providing for growth over time so that current and future developments that benefit contribute.</p>
<b>Funding sources and rationale, including rationale for separate funding</b>	<p>The cost of supporting development in Lower Hutt is significant. Development contributions and financial contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth.</p> <p>Council also considers that allocating the full cost of growth to development is fairer to existing ratepayers, and helps ensure</p>

	<p>economic efficiency. By not imposing the burden of growth costs on existing ratepayers, Council can use rates income to advance its other activities. These activities contribute in a wide range of ways to improving current and future community outcomes.</p> <p>Consequently, Council 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.</p>
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### **Overall impact of liability on the community (section 101(3)(b))**

116. Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. Council considers that the level of development and financial contributions are affordable and are not out of step with those required by other councils. The highest charges represent less than 5 percent of the median house price in Hutt City. Consequently, Council 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 Lower Hutt on any significant scale.
117. Moreover, shifting development costs onto ratepayers is likely to be perceived as unfair, and would significantly impact the rates revenue required from existing residents – who do not cause the need or benefit directly from the growth infrastructure needed to service new developments.
118. Overall, Council considers it fair and reasonable to use development contributions and financial contributions to fund the costs of growth-related capital expenditure for community facilities, and it considers that the social, economic and cultural interests of the district's communities are best advanced in this way.

### **CATCHMENT DETERMINATION**

119. When setting development contributions, Council must consider how it sets catchments for grouping charges by geographic areas. The LGA gives Council wide scope to determine these catchments, provided that the Council considers the factors listed in section 101(3) of the LGA, and provided under section 197AB(g) 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.
120. Council has determined that there will be seven catchments. These catchments are:

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

121. 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.

122. The boundaries of these catchments, excluding the rural catchment, are defined by the aggregated suburb boundaries and the urban zoning in the District Plan. The catchments are shown on the map in Part 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.

123. 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.

124. The district-wide 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 or Cross Valley Transport Connections benefit 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 the Council 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 district-wide catchment is a practical way of addressing this, and ensures fairness.

## SIGNIFICANT ASSUMPTIONS OF THE POLICY

### Methodology

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

### Planning horizons

126. Council has used a 30-year timeframe as a basis for forecasting growth and growth-related assets and programmes. This is set out in Council's asset management plans.

### Projecting growth

127. Hutt City has experienced high population growth and steady economic growth in recent years, and this growth is forecast to continue.
128. 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.
129. Table 11 shows a five-yearly breakdown of the population and household forecast.

Table 11: Five-yearly breakdown of dwelling forecasts

	2024	2029	2034	2039	2044	2049	2054
<b>WESTERN HILLS</b>	6,308	6,679	7,156	7,632	8,109	8,584	9,061
<b>WAINUIOMATA</b>	8,130	8,340	8,571	8,814	9,058	9,301	9,545
<b>EASTBOURNE</b>	2,433	2,477	2,518	2,560	2,602	2,644	2,685
<b>STOKES VALLEY</b>	4,350	4,659	4,860	5,026	5,192	5,357	5,523
<b>VALLEY FLOOR</b>	26,224	27,167	28,213	29,431	30,648	31,865	33,083
<b>HUTT CITY TOTAL</b>	47,445	49,322	51,318	53,463	55,609	57,751	59,897

### Best available knowledge

130. Development contributions are based on projects and programmes previously undertaken, future works proposed in Council's Long Term Plan 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, generally alongside the Annual Plan process.

### **Capacity lives**

131. 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**

132. Future capital expenditure costs used in this policy are based on the forecast costs in the Long Term Plan and/or Hutt City Council and Wellington Water Asset Management Plans. Past project costs (see Schedule 1) are derived from annual reports and will be updated at least every three years.
133. 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 (such as Waka Kotahi NZ Transport Agency subsidies).
134. As better information becomes available, Council will update the policy.

### **Key risks**

135. 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, Council 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 Council 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, Council will continue to monitor the rate of growth, and will update assumptions in the growth and funding models, as required.

### **Service assumptions**

136. Council assumes that methods of service delivery, and levels of service, will remain substantially unchanged and in accordance with Council's Long Term Plan and asset management plans.

### **Funding model**

137. Council has developed a funding model 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**

138. Council must consider how to allocate the cost of each asset or programme between three principal drivers – growth, level of service /backlog and renewal. Council’s 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 stand-alone 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, Council will split the cost 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 EHUs) will make up of the future community (in EHUs)
  - growth will be based on the proportion that the growth (in EHUs) will make up of the future community (in EHUs).

139. 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.

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

## **CALCULATING THE DEVELOPMENT CONTRIBUTION CHARGES**

141. This section outlines how Council calculated the development contribution charges in



accordance with section 203 and schedule 13 of the LGA.

## Process

142. Table 12 summarises the steps Council took to determine growth, growth projects and cost allocations, and to calculate the development contributions charges.

Table 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 <i>Projecting growth</i> section above for further information.	Valley floor has growth 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	Council identifies and develops the works programme needed to facilitate growth. In some cases, Council may have already undertaken the work. The programme in the policy is for 30 years.	Wellington Water has identified a need for additional water storage for existing residents and growth. Eastern Hills reservoir is planned as a result, alongside an outlet main. The inflation-adjusted estimated cost of these projects is \$87M.
3. Determine the cost allocation for projects	Council apportions the cost of each asset or programme between renewal, growth and level of service/backlog in accordance with the approach outlined in the <i>Cost allocation</i> section of this policy.  Schedule 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 outlet main 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	Council 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, Council 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	Council adjusts the growth costs from step 4 for inflation if they are future works. It then estimates the interest cost (or interest accrued) for	The inflation-adjusted growth-related cost of the Eastern Hills Reservoir and outlet main is \$87M and expected <u>net</u> interest will lower this to a total sum of \$81M that must be

Step	Description/comment	Example (cost exclusive of GST)
	each project over the period it will be paid off (called capacity life).	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 EHUs), to provide an EHU charge for each future and past asset and programme.	\$81M is divided by the number of EHUs in the development contributions catchment (Valley Floor) for the capacity life estimates of the reservoir (30 years starting in 2020, 8,476 EHUs), to produce a combined charge of \$9,528 for these projects (2,407 + 7,120).
7. Sum all per asset charges	For each catchment and activity, Council adds up the per-EHU asset or programme charges, to obtain a total development contribution charge.  For each activity and catchment, development contributions fund the programme on an aggregated basis.	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 charges for the Valley Floor for each service (Water, wastewater etc.).  GST is added to these charges.

### Summary of calculations

143. Schedule 1 provides information on each asset or programme and summarises the calculation of the development contribution charge for each activity/catchment.

SCHEDULE 1: 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 201A of the LGA and provide a summary of the development contribution calculations. All figures exclude GST and future costs are inflation adjusted.

Water

Asset or programme name	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	Year1 2024/ 2025 \$M	Year1 2025/ 2026 \$M	Year3 2026/ 2027 \$M	Year4 2027/ 2028 \$M	Year5 2028/ 2029 \$M	Year6 2029/ 2030 \$M	Year7 2030/ 2031 \$M	Year8 2031/ 2032 \$M	Year9 2032/ 2033 \$M	Year10 2033/ 2034 \$M	Years 11–30 2034/2 035–2054/2 055 \$M	Recover able growth / capacity life (EHUs)	Development contribution charge \$
Valley Floor																			
Eastern Hills (previously Naenae) reservoir	28.11	50%	50%	14.05	20.40	-	-	-	0.22	16.59	11.30	-	-	-	-	-	-	8,476	2,407
Eastern Hills (previously Naenae) reservoir outlet main	58.48	80%	20%	46.78	60.35	-	-	-	19.46	24.33	14.69	-	-	-	-	-	-	8,476	7,120
Manor Park Water Storage Reservoir	18.87	60%	40%	11.32	17.59	-	-	-	0.54	2.19	8.95	7.20	-	-	-	-	-	6,787	2,591
Total	105.46	68%	32%	72.16	98.34														12,119
Wainuiomata																			
Wainuiomata Water Supply Storage and Network Upgrades	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	2.20	25%	75%	0.55	0.69	2.20	-	-	-	-	-	-	-	-	-	-	-	1,148	604
Total	2.20	25%	75%	0.55	0.69														604
District-wide																			
Network renewals	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	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

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DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY 2024-2034																			
Wastewater																			
Asset or programme name	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	Year1 2024/2025 \$M	Year1 2025/2026 \$M	Year3 2026/2027 \$M	Year4 2027/2028 \$M	Year5 2028/2029 \$M	Year6 2029/2030 \$M	Year7 2030/2031 \$M	Year8 2031/2032 \$M	Year9 2032/2033 \$M	Year10 2033/2034 \$M	Years 11–30 2034/2035–2054/2055 \$M	Recoverable growth / capacity life (EHUs)	Development contribution charge \$
Valley Floor, Western Hills, Stokes Valley																			
Joint Venture trunk reticulation DBO network cyclic replacement	60.27	6%	94%	3.62	5.68	-	3.62	14.80	8.32	1.55	15.82	16.16	-	-	-	-	-	10,718	530
Silverstream Wastewater storage JV project	2.93	80%	20%	2.34	3.00	-	-	-	-	-	-	-	-	-	-	2.93	-	10,718	280
Total	63.19	9%	91%	5.96	8.69														810
Wainuiomata																			
Wainuiomata North Wastewater Trunk Network Upgrade	6.73	50%	50%	3.37	6.17	-	6.72	-	0.01	-	-	-	-	-	-	-	-	1,330	4,638
Wastewater storage Fraser Street and Main Road	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	3.83	10%	90%	0.38	0.62	-	-	-	0.54	2.74	0.56	-	-	-	-	-	-	6,787	92
Boulcott Wastewater Pipe Upgrade	1.85	10%	90%	0.19	0.29	-	-	-	0.09	0.55	0.57	0.65	-	-	-	-	-	6,787	43
Hutt Central Wastewater Network Improvements	1.05	100%	0%	1.05	1.90	-	0.52	0.32	0.22	-	-	-	-	-	-	-	-	6,787	280
IAF valley Floor Infrastructure growth	40.58	100%	0%	40.58	66.97	3.13	10.21	23.48	3.76	-	-	-	-	-	-	-	-	7,594	8,819
Naenae Wastewater Storage Improvements – Seddon St WW Storage	4.50	10%	90%	0.45	0.69	-	-	-	-	0.43	0.89	3.17	-	-	-	-	-	6,787	101

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY 2024-2034																			
Asset or programme name	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	Year1 2024/2025 \$M	Year1 2025/2026 \$M	Year3 2026/2027 \$M	Year4 2027/2028 \$M	Year5 2028/2029 \$M	Year6 2029/2030 \$M	Year7 2030/2031 \$M	Year8 2031/2032 \$M	Year9 2032/2033 \$M	Year10 2033/2034 \$M	Years 11–30 2034/2035–2054/2055 \$M	Recoverable growth / capacity life (EHUs)	Development contribution charge \$
Waiwhetū Wastewater Storage Improvements – Whites Line WW Storage	0.62	10%	90%	0.06	0.08	-	-	-	-	-	-	-	-	-	-	0.62	-	6,787	12
Waterloo Wastewater Pipes Upgrades	0.37	10%	90%	0.04	0.04	-	-	-	-	-	-	-	-	-	-	0.37	-	6,787	6
Woburn Wastewater Pump Station Improvements	0.32	10%	90%	0.03	0.04	-	-	-	-	-	-	-	-	-	-	0.32	-	6787	6
<b>Total</b>	<b>53.12</b>	<b>81%</b>	<b>19%</b>	<b>42.78</b>	<b>70.64</b>														<b>9,359</b>
<b>Western Hills</b>																			
Korokoro Wastewater Pipe Upgrades	1.47	10%	90%	0.15	0.18	-	-	-	-	-	-	-	-	-	-	0.20	1.27	2700	68
Maungaraki Wastewater Storage Improvements	11.57	10%	90%	1.16	1.74	-	-	-	-	1.11	2.27	4.05	4.14	-	-	-	-	2700	644
<b>Total</b>	<b>13.03</b>	<b>10%</b>	<b>90%</b>	<b>1.30</b>	<b>1.92</b>														<b>712</b>
<b>Stokes Valley</b>																			
Stokes Valley Wastewater Network Improvements – Hawthorn Cres Sewer Connection	1.32	10%	90%	0.13	0.18	-	-	-	-	-	0.18	1.14	-	-	-	-	-	1231	143
Stokes Valley Wastewater Pipe Improvements – Richard Gr Intersection Sewer	7.21	10%	90%	0.72	0.82	-	-	-	-	-	-	-	-	-	-	0.70	6.50	1231	662
<b>Total</b>	<b>8.53</b>	<b>10%</b>	<b>90%</b>	<b>0.85</b>	<b>0.99</b>														<b>805</b>

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY 2024-2034																			
Asset or programme name	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	Year1 2024/2025 \$M	Year1 2025/2026 \$M	Year3 2026/2027 \$M	Year4 2027/2028 \$M	Year5 2028/2029 \$M	Year6 2029/2030 \$M	Year7 2030/2031 \$M	Year8 2031/2032 \$M	Year9 2032/2033 \$M	Year10 2033/2034 \$M	Years 11–30 2034/2035–2054/2055 \$M	Recoverable growth / capacity life (EHUs)	Development contribution charge \$
Districtwide																			
Network renewals	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	328.34	25%	75%	82.08	99.63	-	19.90	38.41	36.50	17.95	17.68	15.77	39.97	49.06	89.06	4.01		16,863	5,908
Seaview WWTP JV Sludge Handling Renewal and Capacity Upgrade	4.55	10%	90%	0.45	0.54	-	-	-	-	-	-	-	-	0.29	1.20	3.06	-	10,173	53
Seaview Wastewater Treatment Plant storage	4.81	25%	75%	1.20	1.78	3.71	0.74	0.36	-	-	-	-	-	-	-	-	-	15,585	114
Trunk Main Outfall Pipeline Overflow Mitigation	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	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	514.03	19%	81%	96.13	117.77														7,570

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY 2024-2034																			
Stormwater																			
Asset or programme name	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	Year1 2024/2025 \$M	Year1 2025/2026 \$M	Year3 2026/2027 \$M	Year4 2027/2028 \$M	Year5 2028/2029 \$M	Year6 2029/2030 \$M	Year7 2030/2031 \$M	Year8 2031/2032 \$M	Year9 2032/2033 \$M	Year10 2033/2034 \$M	Years 11–30 2034/2035–2054/2055 \$M	Recoverable growth / capacity life (EHUs)	Development contribution charge \$
Eastbourne and Eastern Bays																			
Butterfly Creek Flooding	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
Hekatarā Street / Pukateā 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	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	29.89	30%	70%	8.97	9.55	-	-	-	0.27	0.53	5.31	5.77	5.89	6.01	6.12	-	-	2,246	4,252
Hair St Flooding	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	30.82	29%	71%	9.04	9.62														4,419
Western Hills																			
Cornish Street Flooding	0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	795	18
Dowse Drive stormwater improvement	0.68	15%	85%	0.10	0.16	0.68	0.01	-	-	-	-	-	-	-	-	-	-	2,867	55



DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY 2024-2034																			
Asset or programme name	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	Year1 2024/2025 \$M	Year1 2025/2026 \$M	Year3 2026/2027 \$M	Year4 2027/2028 \$M	Year5 2028/2029 \$M	Year6 2029/2030 \$M	Year7 2030/2031 \$M	Year8 2031/2032 \$M	Year9 2032/2033 \$M	Year10 2033/2034 \$M	Years 11–30 2034/2035–2054/2055 \$M	Recoverable growth/ capacity life (EHUs)	Development contribution charge \$
project																			
Western Hills Flooding	0.31	5%	95%	0.02	0.01	-	-	-	-	-	-	-	-	-	-	0.31	-	795	18
<b>Total</b>	<b>1.31</b>	<b>10%</b>	<b>90%</b>	<b>0.13</b>	<b>0.19</b>														<b>91</b>
<b>Valley Floor</b>																			
Hutt Central North Flooding	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	27%	73%	39.00	61.39	6.08	20.82	50.75	48.16	18.64	-	-	-	-	-	-	-	7,351	8,351
Melling Stormwater Pumpstation 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 SW 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
<b>Total</b>	<b>211.43</b>	<b>20%</b>	<b>80%</b>	<b>43.09</b>	<b>67.26</b>														<b>9,278</b>
<b>Eastbourne and Eastern Bays, Valley Floor</b>																			
Beach stormwater outlets	0.88	12%	88%	0.11	0.16	0.88	-	-	-	-	-	-	-	-	-	-	-	9,762	16

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS POLICY 2024-2034																			
Asset or programme name	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	Year1 2024/2025 \$M	Year1 2025/2026 \$M	Year3 2026/2027 \$M	Year4 2027/2028 \$M	Year5 2028/2029 \$M	Year6 2029/2030 \$M	Year7 2030/2031 \$M	Year8 2031/2032 \$M	Year9 2032/2033 \$M	Year10 2033/2034 \$M	Years 11–30 2034/2035–2054/2055 \$M	Recoverable growth / capacity life (EHUs)	Development contribution charge \$
Total	0.88	12%	88%	0.11	0.16														16
District Wide																			
Network renewal upgrade	82.52	5%	95%	4.13	6.16		4.18	10.60	2.04	3.82	5.14	11.90	10.98	9.13	13.56	11.17	-	12,376	498
Stormwater development projects - reactive	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	83.66	6%	94%	5.27	7.30														798

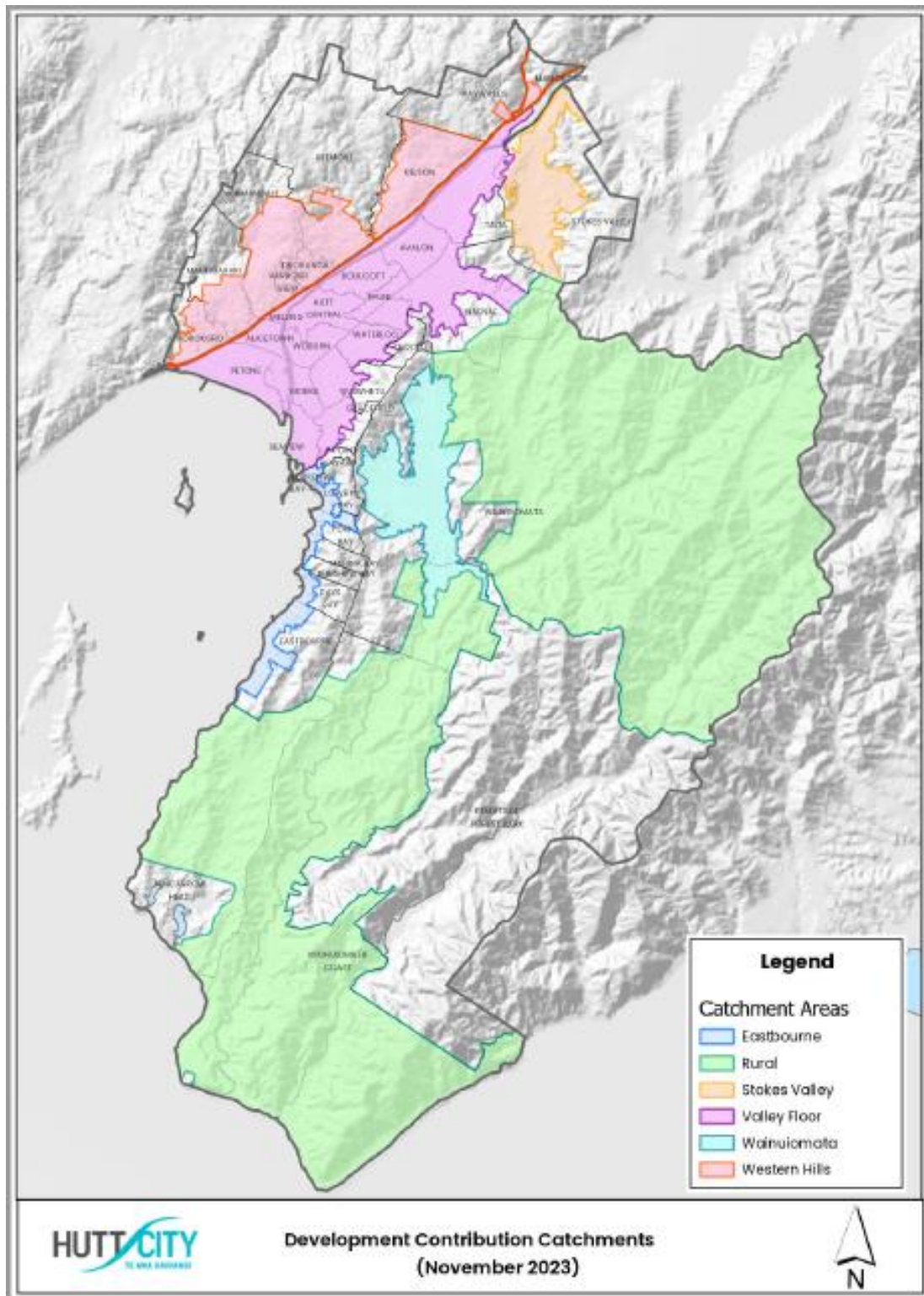
Transport

Asset or programme name	Total cost \$M	Percentage funded by development contributions	Percentage funded from other sources	Development contribution s-funded cost \$M (exclusive of interest)	Development contribution s-funded cost \$M (inclusive of interest)	Past Spend \$M	Year1 2024/ 2025 \$M	Year1 2025/ 2026 \$M	Year3 2026/ 2027 \$M	Year4 2027/ 2028 \$M	Year5 2028/ 2029 \$M	Year6 2029/ 2030 \$M	Year7 2030/ 2031 \$M	Year8 2031/ 2032 \$M	Year9 2032/ 2033 \$M	Year10 2033/ 2034 \$M	Years 11– 30 2034/2 035– 2054/2 055 \$M	Recoverable growth / capacity life (EHUs)	Development contribution charge \$
District-wide																			
Cross valley connector	221.28	8%	92%	17.89	21.32	1.71	3.40	2.14	0.79	50.46	59.46	34.53	40.12	28.67	-	-	-	15,680	1,360
Cycleways / Shared Paths	72.85	2%	98%	1.65	2.78	23.43	8.13	4.11	3.13	4.09	10.03	8.80	11.14	-	-	-	-	12,380	225
Cycling connections	52.12	5%	95%	2.55	3.58	18.37	16.04	17.72	-	-	-	-	-	-	-	-	-	15,680	228
East Access Route (Intersection improvements)	27.37	5%	95%	1.34	2.11	6.74	4.50	4.03	6.21	5.89	-	-	-	-	-	-	-	13,485	157
Subdivision Road Improvements	39.94	37%	63%	14.68	16.51	-	3.62	3.70	3.78	3.87	3.96	4.04	4.12	4.20	4.28	4.36	-	9,192	1,796
Local Area Traffic Management	1.94	2%	98%	0.04	0.05	0.70	0.11	0.12	0.12	0.12	0.12	0.13	0.13	0.13	0.13	0.14	-	3,798	13
Minor safety works	1.90	2%	98%	0.04	0.05	0.35	0.14	0.14	0.15	0.15	0.15	0.16	0.16	0.16	0.17	0.17	-	3,798	12
Pedestrian Crossings New	0.80	2%	98%	0.02	0.02	0.09	0.06	0.07	0.07	0.07	0.07	0.07	0.07	0.08	0.08	0.08	-	3,798	5
RiverLink Streetscapes	25.49	5%	95%	1.25	2.01	5.03	8.07	10.72	1.66	-	-	-	-	-	-	-	-	13,485	149
RiverLink bridge	25.60	5%	95%	1.25	2.08	9.40	9.70	6.07	0.43	-	-	-	-	-	-	-	-	13,485	154
Road network improvements	11.25	9%	91%	0.99	1.01	0.89	0.99	1.02	1.05	0.97	0.99	0.99	0.99	1.10	1.12	1.15	-	3,798	267
Traffic Safety Improvements	14.97	2%	98%	0.34	0.36	2.55	1.13	1.15	1.18	1.20	1.23	1.26	1.28	1.31	1.33	1.36	-	3,798	94
Wise Street extension (urban growth strategy)	2.33	49%	51%	1.14	2.00	2.33	-	-	-	-	-	-	-	-	-	-	-	15,680	128
Total	497.85	9%	91%	43.19	53.87														4,587

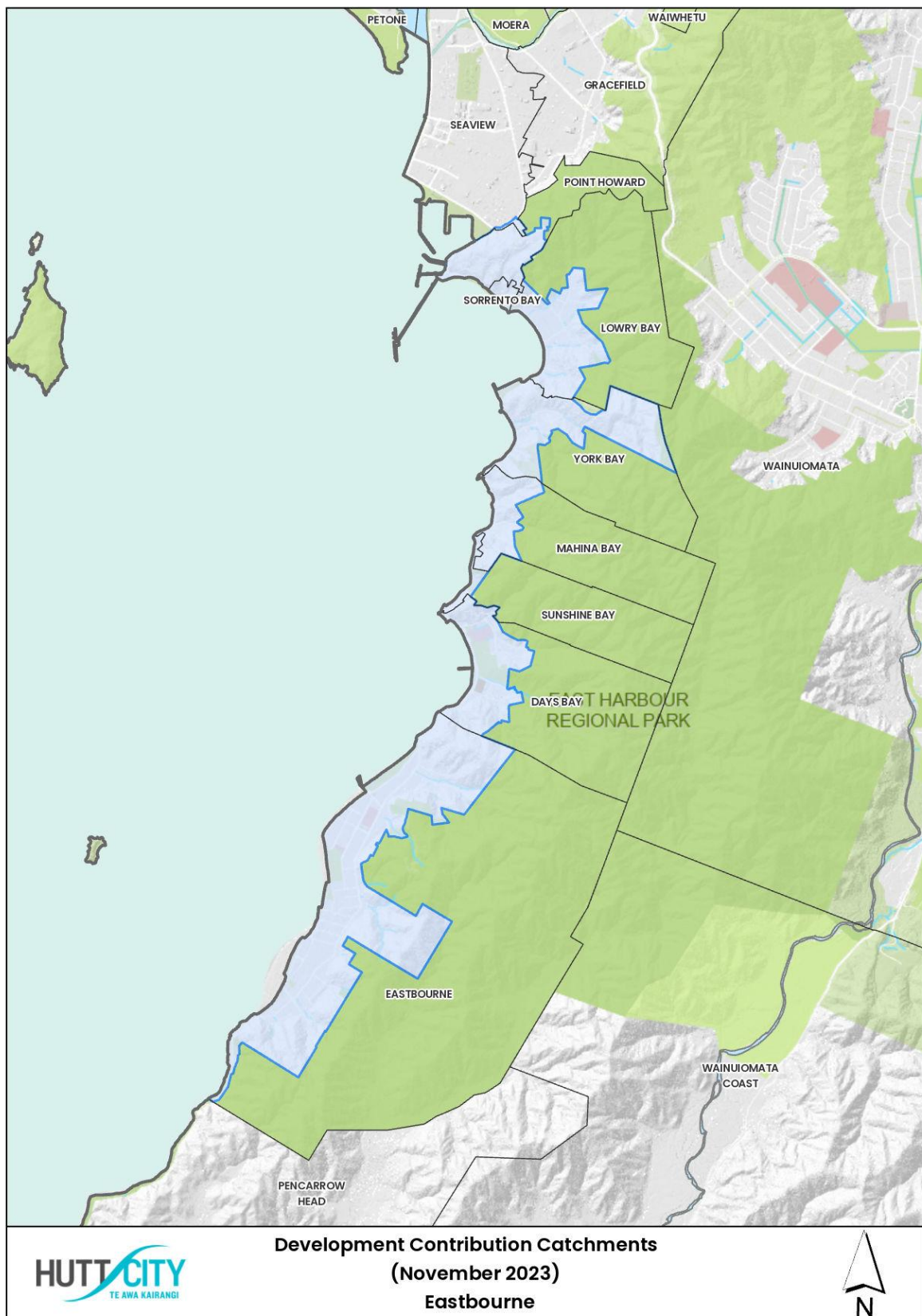
<sup>2</sup> Assumes Waka Kotahi NZ Transport Agency subsidies of 51 per cent are available for most of the programme, including the growth component. Consequently, the percentage of costs recovered from development contributions is generally only 49 per cent of the costs attributable to growth except where indicated (\*).

# PART 3: CATCHMENT MAPS

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

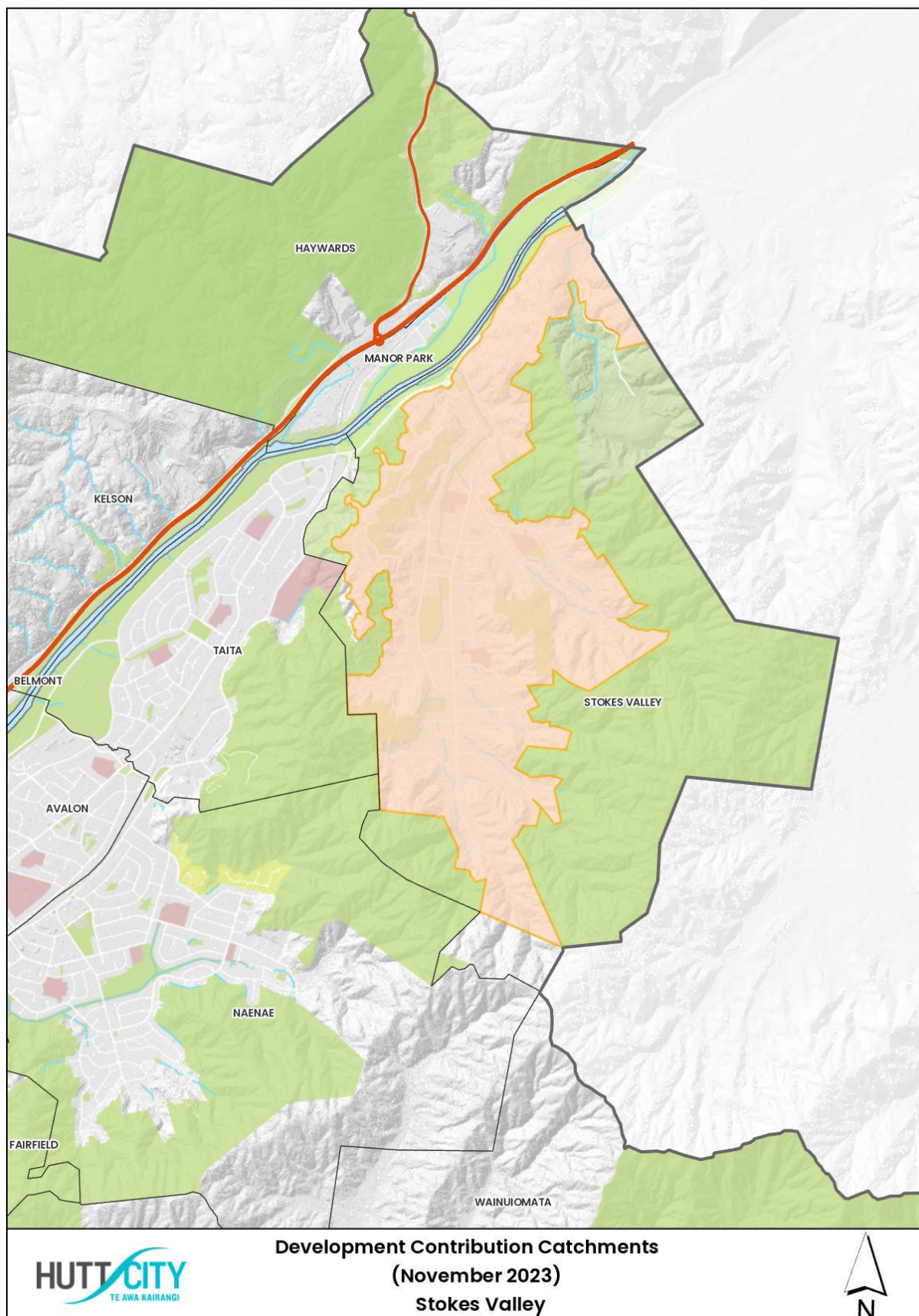


This map outlines the boundaries of the Eastbourne catchment within which development contributions will apply.

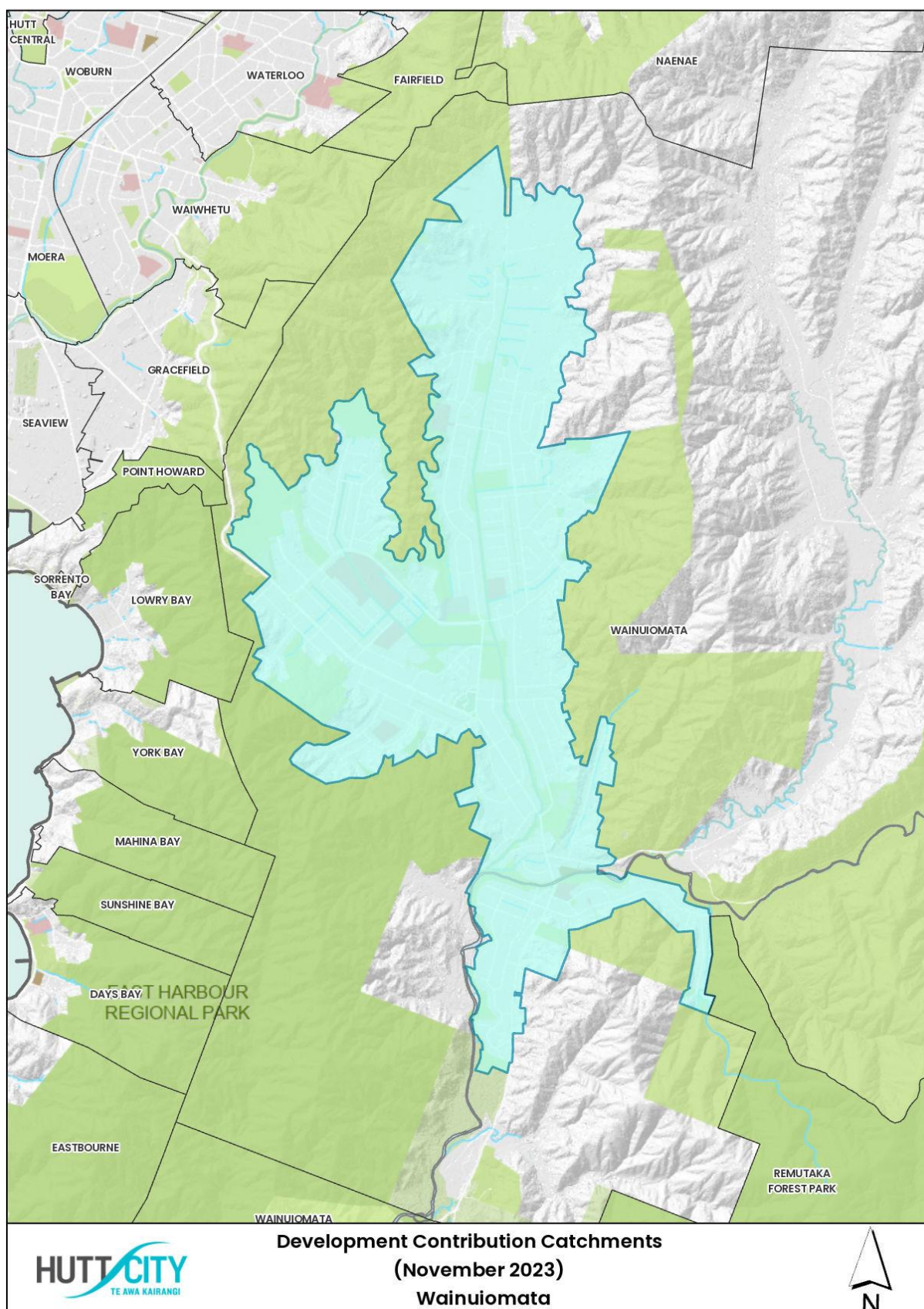




This map outlines the boundaries of the Stokes Valley catchment within which development contributions will apply.

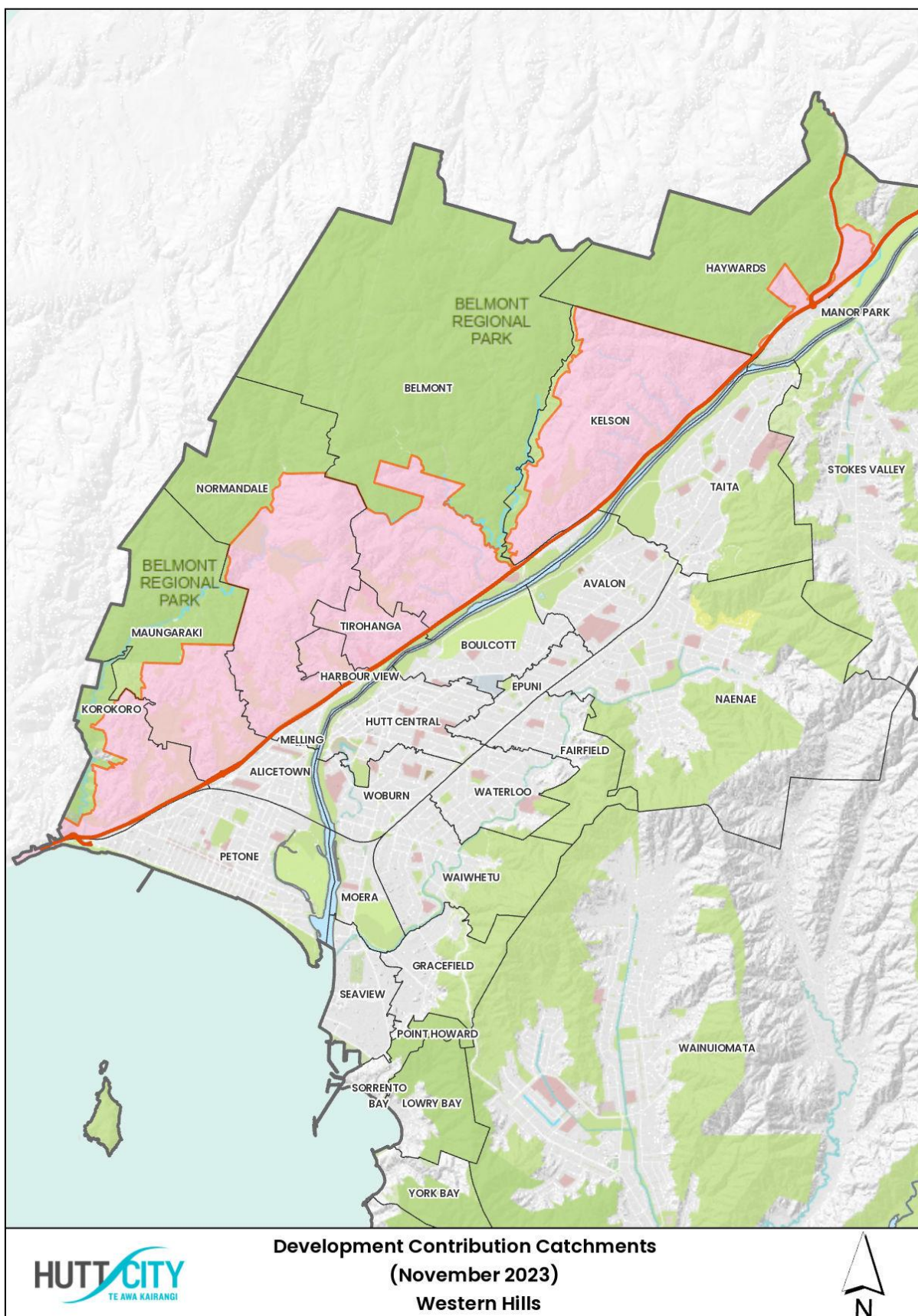


This map outlines the boundaries of the Wainuiomata catchment within which development contributions will apply.





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.

