

8 PLANNING FOR GROWTH

8.1 GROWTH IN WELLINGTON CITY

8.1.1 City growth assumptions underpin Council's Asset Management Plans and capital expenditure budgets in the LTCCP for the period 2006/07 to 2015/16. These assumptions are informed by forecasts based on Greater Wellington Regional Council's MERA projection modelling on population, dwellings and employment based on Statistics NZ census data for the periods 2001 to 2011 and 2021 as follows:

	2001 CENSUS	PROJECTION TO 2011	10-YEAR % INCREASE	PROJECTION TO 2021	20-YEAR % INCREASE
POPULATION	163,793	177,187	8.2%	185,773	13.4%
HOUSEHOLD	62,454	68,359	9.5%	74,443	19.2%
EMPLOYMENT					
- FULL TIME	74,741	81,655	9.3%	84,755	13.4%
- PART TIME	18,653	21,163	13.5%	21,849	17.1%

Source: Statistics NZ census data and projections as modelled by MERA (Monitoring and Evaluation Research Associates Ltd) for Greater Wellington Regional Council's projections.

8.1.2 These projections indicate that:

- Residential ten-year 2001 – 2011 growth assumptions are for an additional 5,905 (9.5% growth) equivalent household units ('EHU's')² spread across the city in greenfield, infill and central city conversion locations;
- Residential household twenty-year 2001 – 2021 growth assumptions are for an additional 11,989 EHUs (19.2% growth);
- Non residential ten-year 2001 – 2011 growth assumptions, based on full time employment increases of 6,914³ converted to EHUs (i.e. by dividing the total expected employment by the 2.6 average number of persons living in a Wellington household), are an additional 2,659 EHUs;
- Non residential twenty year 2001 – 2021 growth assumptions, based on full time employment increases of 10,014, are projected to be an additional 3,851 EHUs;
- These non residential projections are conservative as they do not account for the projected increase of 2510 persons in part time employment (i.e. approximately 500 EHUs assuming part-time is 0.5 FTE);
- Overall total projected ten-year (2001 – 2011) residential and non residential growth based on the 2001 census, excluding increases in part time employment, amount to 8,564 EHUs.

12.1.3 Growth projections are subject to significant uncertainties as to the quantum, timing and location of growth. Therefore the regular update and assessment of growth projections is a key component of planning future infrastructure requirements.

² Source: Greater Wellington Regional Council Population Projections, (MERA Base Census 2001 Wellington TLA modelling of Statistics New Zealand data for occupied private household projections by usual residents from the 2001 base year NZ census of population and dwellings counts).

³ Source: Greater Wellington Regional Council Population Projections, (MERA Base Census 2001 Wellington TLA modelling of Statistics New Zealand data for Usually Resident NZ Population aged 15 years or over engaged in full or part time work by usual residence, based on medium projection all ages total 2001–2011 with the base year based on custom NZ Census of Population and Dwellings Counts 2001).

8.1.4 Informed by the above 2001 – 2021 estimates, other forward planning projects⁴ and recognising potential forecasting errors, for calculation purposes a ten year EHU growth assumption of 10% has been used for both residential and commercial sectors over the period 2006/07 – 2015/16, conservatively assumed to be 9,175 EHUs⁵.

8.1.5 The increase in capital expenditure resulting from growth is not necessarily proportional to the increase in population and employment, i.e. actual costs to provide for growth will depend upon the particular capital works required. However for Citywide catchments in water, stormwater, roading and reserves, Council has assumed such a proportional relationship as there is little spare capacity and capital works have been designed with an ongoing 10% provision for growth.

8.2 APPLICATION OF EQUIVALENT HOUSEHOLD UNITS (EHUS) AS THE UNIT OF DEMAND

8.2.1 The most equitable way to apportion the cost of new infrastructure in response to growth demand is on the basis of the number of equivalent new households expected in Wellington as detailed in 8.1 above for both residential and non residential uses.

8.2.2 Residential development is defined in section 5 of the policy. Non-residential development is likewise defined, and essentially means all development not falling within the definition of residential development.

8.2.3 In a residential development, the unit of demand will be an additional household unit as defined in the District Plan. In a subdivision development, the identifiable unit of demand is an allotment.

8.2.4 For a non residential development, Council has assumed that an employee requires approximately 25m² of gross floor area ('gfa') and that 2.6 employees, being the equivalent average household occupancy, would require 65m².

8.2.5 When calculating the number of EHUs in a non-residential development:

- The 65m² of gfa will be applied on a pro-rata basis (rather than rounding to the nearest EHU). In other words, a non-residential development with a gfa of [100m²] will equate to [1.54] EHUs.
- Except that for development less than 10m² no contribution will be payable.

8.2.6 In summary:

TYPE OF DEVELOPMENT:	EHU ASSESSMENT BASED ON:
Residential development	1 EHU per Household unit
Free simple subdivision	1 EHU per allotment
Non residential development	1 EHU for every 65m ² of gfa unless changed following an assessment under the process in 2.5.5

⁴ To ensure the collection and analysis of robust data, Council is involved with two forward planning projects that have clear linkages with the development of a Development Contributions Policy – the Wellington Urban Development Strategy and the Wellington Regional Strategy.

⁵ Comprises residential and non residential household units based on Wellington city's 2001 census night population of 163,793 at 10% divided by an average household size of 2.6 people (6,300 EHUs) plus the total population in full time employment of 74,741 at 10% divided by an average household size of 2.6 people (2,875 EHUs)