

8 Planning for growth

8.1 Growth in Wellington City

- 8.1.1 City growth assumptions underpin the Council’s asset management plans and capital expenditure budgets in the LTCCP for the period 2008/09 to 2018/19.
- 8.1.2 Statistics New Zealand estimates prepared for the Council in November 2008 indicate the resident population of Wellington City will increase from 193,400 to 212,200 (9.7 percent) over the period of the LTCCP (2009 - 2019). This equates to 7,230 EHUs, based on current average household occupancy of 2.6 persons per dwelling.
- 8.1.3 Forecasts based on the Wellington Regional Council’s MERA² projection modelling, updated in 2008 to incorporate 2006 Census data, indicate that projected full time equivalent jobs in Wellington City will increase from 124,149 to 137,871 (11.1 percent) over the period of the LTCCP (2009 to 2019). This equates to 5,278 EHUs.
- 8.1.4 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.
- 8.1.5 Informed by the above estimates and recognising potential forecasting errors, for calculation purposes **a 10-year EHU growth assumption of 10 percent population growth has been used for the residential sector** and a **10-year EHU growth assumption of 11 percent full time equivalent employment growth** has been used for the commercial sector for the period 2009/19. Previous assumptions of 9175 EHUs for both sectors over ten years (ten percent growth) continue to be applied to previous years to calculate EHUs over the total budget timeframes considered in this Policy.
- 8.1.6 The increase in capital expenditure resulting from growth is not necessarily proportional to the increase in population and employment, ie actual costs to provide for growth will depend upon the particular capital works required. However for citywide catchments in water, stormwater, roading and reserves, the Council has assumed such a proportional relationship as there is little spare capacity and capital works have been designed with an ongoing 10 percent 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 this Policy. Non-residential development is likewise defined, and essentially means all development not falling within the definition of residential development.

² Monitoring and Evaluation Research Associates 2008, WTSM Demographic Projections Report 2006 Base Run

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, the Council has assumed that an employee requires approximately 21m² of gross floor area (gfa) and that 2.6 employees, being the equivalent average household occupancy, would require 55m².

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

- The 55m² 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 [1.82] 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	<ul style="list-style-type: none"> ▪ 1 EHU per household unit ▪ 0.7 EHU per one-bedroom household unit
Fee simple subdivision	<ul style="list-style-type: none"> ▪ 1 EHU per allotment
Non residential development	<ul style="list-style-type: none"> ▪ 1 EHU for every 55m² of gfa unless changed following an assessment under the process in 2.5.5