

Funding Growth Policy

1. Purpose

The Waimakariri District Council's (the Council) *Funding Growth Policy* has been developed to meet the information disclosure obligations as a regulated supplier of water services, in accordance with the *Water Services Information Disclosure Determination 2026*.

2. Scope

This Policy applies to the ways in which the Council funds growth, where it relates to the provision of water supply and wastewater services in the Waimakariri District.

3. Background

3.1. Background

- 3.1.1. In July 2025, the Council, in consultation with the Waimakariri Community, opted to establish an internal business unit to manage the supply of water services to the district. This was prompted by the *Local Water Done Well* legislative reform programme.
- 3.1.2. In February 2026, the Commerce Commission made the *Water Services Information Disclosure Determination 2026*, enacted under section 52P of the *Commerce Act 1986*. This determination arose in response to the above legislative changes and is applicable to regulated suppliers of water supply services and wastewater services.
- 3.1.3. As a regulated supplier, the Waimakariri District Council operates:
 - 3.1.3.1. Six urban drinking water schemes and five rural drinking water schemes, servicing a total of approximately 21,500 urban residential, urban commercial and rural properties to approximately 80% of the population
 - 3.1.3.2. Two separate wastewater schemes servicing approximately 18,000 properties.
- 3.1.4. Over the last 20 years Council has invested over \$100m in water infrastructure to ensure it is of the highest quality and standard and has a 150-year infrastructure strategy to fund these assets.
- 3.1.5. As outlined in its *Water Services Delivery Plan 2025*, the Council notes that the timing of growth development may not always align with the delivery of growth-related water services capital works. This misalignment can result in increased debt servicing costs. This risk is managed, in part, through Council's approach to funding growth by maintaining close working relationships with developers to ensure that investment in growth is timed to be coordinated with the rate of development.
- 3.1.6. Through its in-house model approach, the Council is committed to delivering best value water services for Waimakariri ratepayers and the wider community, now and into the future.
- 3.1.7. In accordance with the *Water Services Information Disclosure Determination 2026*, the

Funding Growth Policy sets out the ways Council will fund growth in relation to delivery of water services, to ensure this best value is achieved in practice.

4. Responsibilities

- 4.1. This policy is the responsibility of the Finance and Business Support Department of Council.

5. Definitions

Capital Expenditure - Spending on new council assets or replacement of existing Council assets, as identified in the Long Term Plan

Development contributions – Money required from developers to recover the cost of providing infrastructure that caters for future growth

Long Term Plan – A plan, adopted every three years, that sets the strategic direction for the Council over the next 10 years and outlines Council's contribution towards achieving the community outcomes.

Non-residential - in relation to a charge, means a charge payable for a service other than a charge payable for a service supplied in respect of residential property

Regulated service - means one of the following services provided by a regulated supplier: (a) water supply service: (b) wastewater service

Regulated supplier - has the same meaning as in clause 2(1) of Schedule 7 of the Commerce Act

Residential - in relation to a charge, means a charge payable for a service supplied in respect of residential property

Resource consent – Permission to use resources such as land, water and air, granted under the Resource Management Act 1991

Vested asset - means an asset received in exchange for nominal or no consideration

Wastewater service - has the same meaning as in section 57A(1) of the Commerce Act

Water supply service - has the same meaning as in section 57A(1) of the Commerce Act

6. Approach to funding growth

- 6.1. The Council's approach to funding growth in water service provision recognises that development can create additional demand for existing water infrastructure, necessitating new or upgraded capital works.
- 6.2. To ensure these costs are appropriately allocated, the Council applies Development Contributions in accordance with its Development Contributions Policy. This approach is intended to achieve cost recovery from those developments that generate the need for additional infrastructure, rather than placing the financial burden on existing ratepayers.
- 6.3. Development Contributions will be required where a development, or the cumulative impact of multiple developments, creates or contributes to the demand for new or expanded water infrastructure and associated physical works.
- 6.4. The Council seeks to achieve a fair, equitable, and proportionate recovery of growth costs through its ability to levy development contributions, alongside financial contributions, and the vesting of assets. The use of these mechanisms allow the Council to ensure that its approach to growth is self-funding, with growth-related costs allocated to growth funding sources.
- 6.5. Projects that are attributed to growth as well as renewal or level of service improvement will have development contributions applied to the portion of the costs that relate to growth.

6.6. Mixed-purpose projects that also include a non-growth portion are funded by:

6.6.1. Renewals funds for renewals

6.6.2. Loans/borrowing for level of service improvements

6.6.3. Any other sources of funds available at the time.

7. Charges related to new connections or other types of growth

7.1. Water Supply Service

7.1.1. Development Contributions

Council will levy development contributions where the effect of a development, or the cumulative effect of developments, generates demand for new or expanded physical works or Council services, and where the associated capital expenditure has been provided for in the Long Term Plan.

Development contributions will be used to fund the provision of additional infrastructure, including water supply, required to meet the increased demand arising from new residential and non-residential development.

Development contributions are used to cater for the growth in demand for infrastructure that comes from new properties or activities, for example, when new connections are required which would increase demand on existing water service infrastructure.

Information on development contributions is located in the Waimakariri District Council's Development Contributions Policy, which can be found at:

<https://www.waimakariri.govt.nz/council/documents-bylaws-plans/policies>

7.1.2. Financial Contributions

Financial contributions are levied under the *Resource Management Act 1991 (RMA)*. Section 108(10) of the *RMA* sets out the circumstances in which financial contributions may be imposed as conditions on resource consents.

Financial contributions may be required to avoid, remedy, or mitigate the adverse environmental effects of activities, regardless of whether those effects arise from growth. This includes, for example, contributing to the cost of infrastructure related to water supply services where these are necessary to address identified environmental effects.

Council will require financial contributions where the effects of a development create a need for physical works or services, and those effects have not been anticipated or provided for in the Long Term Plan. These apply when required as a condition of resource consent under the District Plan, enabled by the *RMA*.

Council's ability to levy financial contributions is established through the District Plan, with contributions based on actual expenditure.

7.1.3. Vesting of assets

Vesting of assets refers to infrastructure constructed or provided by a developer as part of a subdivision or development, which are subsequently transferred into Council ownership.

Upon completion of the subdivision, ownership of the assets are vested in Council. At this point, Council assumes responsibility for the ongoing operation, maintenance, and eventual renewal of the infrastructure.

The vesting of assets is a key mechanism by which Council facilitates and funds growth for water supply, ensuring that the upfront capital costs associated with growth are borne by those creating the demand, rather than existing ratepayers.

7.1.4. Other sources of funding

Where additional sources of funding become available, such as government subsidies or grants, the Council may utilise these sources, where appropriate, to support the provision of water supply services.

7.2. Wastewater Service

7.2.1. Development Contributions

Council will levy development contributions where the effect of a development, or the cumulative effect of developments, generates demand for new or expanded physical works or Council services, and where the associated capital expenditure has been provided for in the Long Term Plan.

Development contributions will be used to fund the provision of additional infrastructure, including wastewater service provision, required to meet the increased demand arising from new residential and non-residential development.

Development contributions are used to cater for the growth in demand for infrastructure that comes from new properties or activities, for example, when new connections are required which would increase demand on existing wastewater service infrastructure.

Information on development contributions is located in the Waimakariri District Council's Development Contributions Policy, which can be found at:

<https://www.waimakariri.govt.nz/council/documents-bylaws-plans/policies>

7.2.2. Financial Contributions

Financial contributions are levied under the *Resource Management Act 1991 (RMA)*. Section 108(10) of the *RMA* sets out the circumstances in which financial contributions may be imposed as conditions on resource consents.

Financial contributions may be required to avoid, remedy, or mitigate the adverse environmental effects of activities, regardless of whether those effects arise from growth. This includes, for example, contributing to the cost of infrastructure related to wastewater service provision, where these are necessary to address identified environmental effects.

Council will require financial contributions where the effects of a development create a need for physical works or services, and those effects have not been anticipated or provided for in the Long Term Plan. These apply when required as a condition of resource consent under the District Plan, enabled by the *RMA*.

Council's ability to levy financial contributions is established through the District Plan, with contributions based on actual expenditure.

7.2.3. Vesting of assets

Vesting of assets refers to infrastructure constructed or provided by a developer as part of a subdivision or development, which are subsequently transferred into Council ownership.

Upon completion of the subdivision, ownership of the assets are vested in Council. At this point, Council assumes responsibility for the ongoing operation, maintenance, and eventual renewal of the infrastructure.

The vesting of assets is a key mechanism by which Council facilitates and funds growth for wastewater service provision, ensuring that the upfront capital costs associated with growth are borne by those creating the demand, rather than existing ratepayers.

7.2.4. Other sources of funding

Where additional sources of funding become available, such as government subsidies or grants, the Council may utilise these sources, where appropriate, to support the provision of wastewater services.

8. Questions

Any questions regarding this policy should be directed to the General Manager Finance and Business Support in the first instance.

9. Relevant documents and legislation

- Annual Plan 2026/2027
- Commerce Act 1986
- Development Contributions Policy 2025/26
- Local Government Act 2002
- Local Government (Water Services) Act 2025
- Local Government (Water Services) (Repeals and Amendments) Act 2025
- Local Government (Water Services Preliminary Arrangements) Act 2024
- Local Water Done Well legislative package
- Long Term Plan 2024-2034
- Operative District Plan 2005
- Partially Operative District Plan 2025
- Resource Management Act 1991
- Water Services Act 2021
- Water Services Authority – Taumata Arowai Act 2020
- Water Services Delivery Plan 2025
- Water Services Disclosure Determination 2026

10. Effective date

Date of Council adoption – 16 June 2026

11. Review

This Policy is due for review by 16 June 2027.

This Policy may be subject to review where there are material changes to the Council's approach to funding growth.

Such changes may include, but are not limited to, amendments to development contributions, changes in service delivery models, or significant revisions to growth projections.

12. Policy owned by

General Manager, Finance and Business Support.

13. Approval

Adopted by Waimakariri District Council on 16 June 2026.