



## Infrastructure Growth Charge FAQ's

### 1. Who does the charge apply to?

All property owners or developers applying for new connections to our networks are liable for the IGC.

Examples include:

- connecting a new property to our network
- connecting a new dwelling on an existing property

### 2. When is the IGC applied?

The IGC is applied whenever a property owner or developer adds extra demand on our networks. Typically, this occurs when:

- a new property connects to our network
- a new habitable dwelling on an existing property connects to our networks. If the dwelling is 65 sqm or less, you may be eligible for a reduced rate
- an existing non-domestic property increases (or expects to increase) its water use
- change in use (eg from domestic to non-domestic)

From 1 July 2018, this charge will be payable at the time a connection to the public water network is requested.

### 3. How much is the IGC?

Please refer to Veolia's Pricing Schedule, set by Watercare and the same as in the rest of Auckland.

### 4. How is the IGC calculated?

To calculate the charge, Watercare follow these steps:

1. Watercare consider the amount they will invest in growth-related infrastructure over a 15-year period (four years historical, current year, 10 years forward).
2. Watercare divide the amount they expect to invest in growth-related infrastructure by the number of properties expected to connect.
3. Watercare reduce the total cost of delivering growth-related infrastructure to a property by the net present value of future interest and depreciation payments, paid through ongoing water and wastewater charges. This ensures the developer is not charged twice for the same asset.



## **5. Who pays the IGC?**

The person or organisation that owns the property at the time the demand for services (new or additional) is required is responsible for paying the IGC.

If you employ someone to build your house, you are still responsible for paying the IGC as you own the land when it is being developed.

## **6. Do I have to pay an IGC if I've paid a development contribution?**

You will not be charged an IGC if you have paid a water and wastewater development contribution to the former Papakura District Council or United Water.

If you have previously paid a development contribution to the PDC or United Water, it may have provided for water and wastewater infrastructure. This means you may not have to pay an IGC unless the scale or intensity has increased since the original contribution was paid.

## **7. Is the IGC a connection charge?**

No. A connection charge covers the cost of Veolia's crew visiting your property and connecting your pipes to ours.

## **8. Is the IGC refundable?**

An IGC is not refundable but it doesn't disappear either. If you're redeveloping a site and demolish part or all of the existing buildings, any IGC or development contribution for water and wastewater paid previously (even by the previous land owner) will be used as a credit towards the redevelopment.

## **9. Once I've paid the IGC, do I have to pay it again?**

The IGC is a one-off charge, unless you intend to use more water or connect more dwellings to our network.

For example, if you have a factory and increase your water use, you will need to pay an IGC to cover the increased demand that your factory puts on our infrastructure (even if you don't need a new connection).

## **10. Will I pay less if I install a rainwater tank?**

If only wastewater services are available on your street and you have to install a rainwater tank, you will be charged half the IGC for connecting to our wastewater network.

If both water and wastewater services are available on your street, you will be charged the full IGC regardless of installing a rainwater tank. While you may think a rainwater tank would reduce demand on our network, unfortunately it does not reduce the money we must invest in infrastructure.



We have to provide the necessary infrastructure to accommodate peak demand. Typically, this occurs when rainwater tanks are empty and people rely on our supply – either through their own mains connection or through water tanker operators who source their water from us.

**11. Will I pay less if I only connect to one network (water or wastewater)?**

If both the water and wastewater networks are available in your street, you will be required to pay a full IGC.

If only the water or wastewater network is available in your street, you will be required to pay for the service that is available. In the metropolitan area this is half the standard IGC.

**12. Will I pay less if I build a residential unit?**

You may be eligible for a reduced rate if you are building a residential unit that is less than 65 square metres.

**13. Will I pay less if I build a 'green' building?**

If you are a non-domestic customer your IGC will be calculated on the volume of water you expect to use. [If you are a non-domestic customer your IGC will be calculated on the volume of water you expect to use.] Therefore, if you install water saving devices that will reduce your water demand, it will reduce your IGC.

**14. Will I be charged an IGC if I am building infrastructure to vest to Watercare?**

Yes, the IGC contributes towards the capital investment of bulk infrastructure. These are not the assets which are built to reticulate developments or to connect developments to Watercare's existing networks.

**15. When was the IGC introduced?**

In November 2010, the city and district councils across the Auckland region merged into one; Auckland Council. As part of this amalgamation, Watercare took on the management of water and wastewater services for Auckland. The IGC was introduced in 2011 to replace the charges and rates charged by the former councils or their water suppliers to cover the costs of bulk infrastructure investment.

**16. What is bulk infrastructure?**

Bulk infrastructure refers to treatment plants, large pump stations and transmission pipes.

**17. Can I ask for the IGC to be reconsidered?**

Please contact us for more information. Email: [papakura.developments@veolia.com](mailto:papakura.developments@veolia.com)