3 Waters opening remarks on provision of infrastructure for Hearing 3

Infrastructure provision is generally provided in the following ways when subdivision or development is undertaken:

- On-site infrastructure is installed by the developer and may be vested in DCC or retained in private ownership.
- Off-site infrastructure extensions or upgrades will be undertaken by DCC where projects are planned and included in the 10-Year Plan.
- In other situations, off-site infrastructure extensions or upgrades may be undertaken by developers, or cost sharing may occur.

Figure 1 below provides a simplified representation of this.

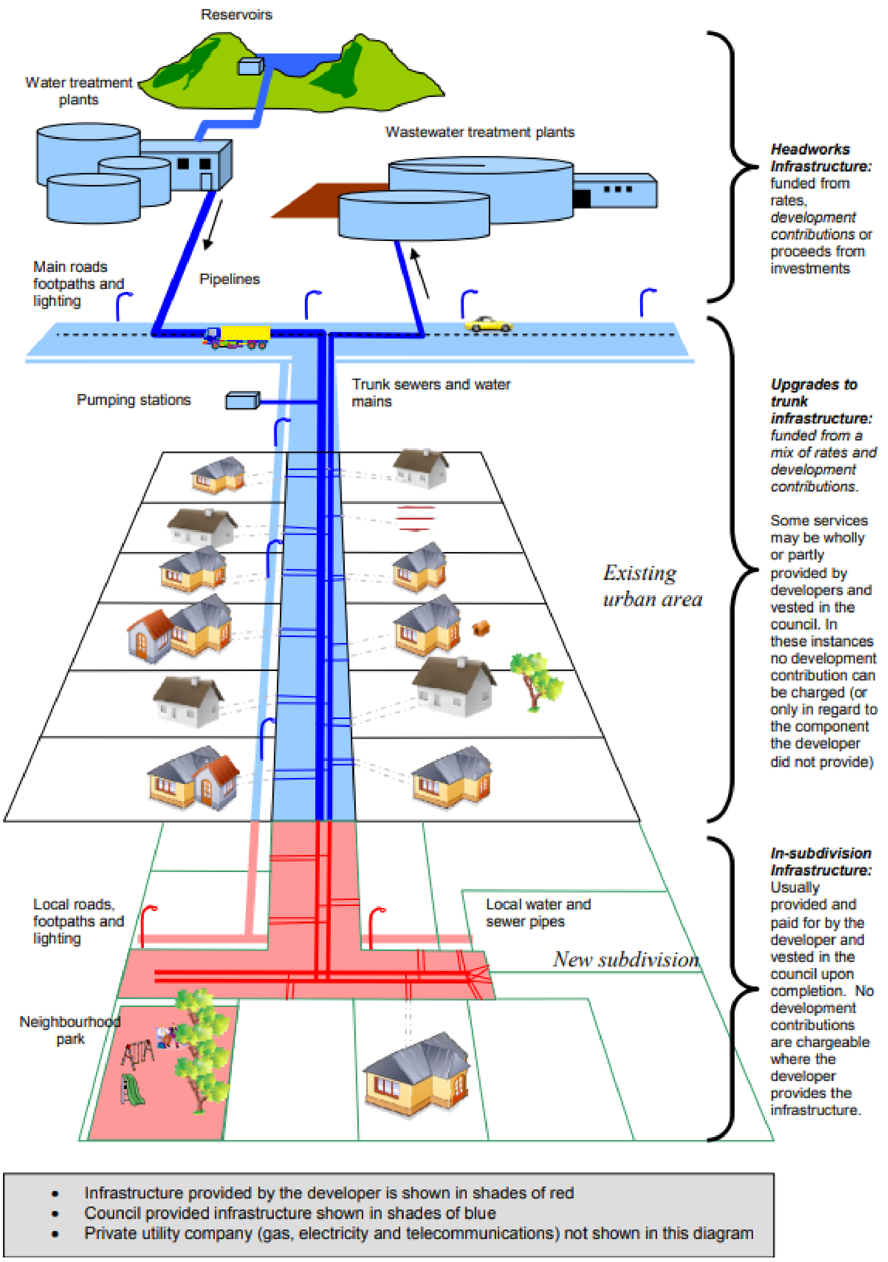

Figure 1. Simplified Representation of who provides infrastructure (Appendix 1, Pg 43 of Regulatory Impact Statement –Development Contributions Review, Department of Internal Affairs, NZ Government, 2013)

Onsite infrastructure

On-site infrastructure is installed by the developer. Where infrastructure is designed to DCC standards and services the community it is likely to be vested in DCC as public infrastructure. Public infrastructure is generally located in road corridors; however, some may be located through private roads or properties.

Infrastructure that services individual properties, such as wastewater laterals, individual rainwater tanks or infrastructure that services multiple properties but is not built to DCC standards, is retained in private ownership and not vested in DCC. Developers may choose to design infrastructure to be retained in private ownership where it is located through private properties or private roads. DCC will decide, through the consenting process whether private infrastructure is acceptable or not.

On-site infrastructure includes piping to extend the network and service the community and may include pumps or storage/retention tanks/ponds, if needed.

Off-site infrastructure

Extensions to infrastructure networks are often required for new developments or subdivisions. Where very minor extension is required to reach the boundary of the property, this will generally be undertaken by the developer, as until the 2021-31 10-Year Plan, these are unlikely to have been planned and included in the 10-Year Plan. Where more significant extension is required, DCC undertake the extension if the project has been planned and included in the 10-Year Plan.

Over $77 million has been budgeted in the 10-Year Plan 2021-2031, to plan and provide for the 3 Waters infrastructure required to support growth. The majority of this is recouped through development contributions.

For all 3 waters, the types of projects that this funding covers include:

- Extensions to existing networks to connect to new growth areas
- Upgrades to areas within existing networks to provide capacity for new growth
- Where 3 Waters infrastructure is being renewed, allowing for increased capacity for growth as well as renewal
- Where new 3 Waters infrastructure is being created due to other drivers, allowing for increased capacity for growth as well as the other drivers

In the last two examples, funding for off-site infrastructure often comes from a mix of development contributions (growth), and rates (renewals and Level of Service) funding sources.

Where projects have not been planned and included in the 10-Year Plan, provisions of the works or funding of the works will be required from the developer, or cost sharing between DCC and the developer may occur. In these situations, the developer may not be required to pay development contributions or the amount of development contributions to be paid may be reduced.

Where unplanned expenditure is spent to facilitate growth, these costs would then be included in the Development Contributions Policy and recovered through this process.