

## New Customer Contributions

### Industry Proposal – Revised May 2008

The water industry proposes the following amendments as the approach to be followed in the preparation of the May/June 2007 draft Water Plans, which are to be released for public comment prior to being formally submitted to the Commission in September 2007.

1. A standard schedule of charges, detailed below, scaled according to the water-sensitivity of particular developments and the demand for future infrastructure.

Many of the features of Water Sensitive Urban Design are implemented by individual property owners in the building construction phase of developments, i.e. water tanks and grey water recycling systems. At the planning permit stage for lot development there can be little guarantee with regard to the full take up of these features, however lot size and location are known, which also impact on water consumption, and the amount of infrastructure required for individual lots are known. For example; large rural residential lots generally use significantly more water than unit developments, and the amount of infrastructure required per lot is much higher. For urban dual pipe developments that supply Class A recycled water for uses including toilet flushing and outdoor garden watering, and that are able to demonstrate savings in drinking water use of up to 50%, a reduction in the scheduled water NCC is provided to recognise the lower volumes of drinking water required. The Water Industry position, as detailed below, incorporates consideration of the impact of future water resource demand, particularly in relation to lot size when assessing New Customer Contributions (NCC's).

Where a NCC is to be applied:

- a) a charge of \$550.00 per lot per new service for water, sewerage and recycled water (maximum total for the three services is \$1,375.00 per lot, including above discount on potable water) for developments which are designed in a manner that will have minimal impact on future water resource demands, and can be catered for without additional investment within the medium-term distribution capacity.

These developments are typically:

- ◆ A lot with an area less than 450 square metres (sqm) per lot with a small demand on the system.
- ◆ Unit developments, even where there are not separate titles – i.e. \$550.00 per unit, per service.
- ◆ Apartment lots with separate titles – i.e. \$550.00 per apartment, per service.
- ◆ 2-lot sub-divisions with each lot less than 450sqm.
- ◆ The charge is for each new lot created of a sub-division (i.e. a two lot subdivision only creates one new lot).

- b) A charge of \$1,100.00 per lot per service for water and sewerage and recycled water (maximum total \$2,750.00 per lot, including above discount on potable water) applies to urban developments which will require further investment in infrastructure to serve these developments.

These developments are typically:

- ◆ Traditional Greenfield urban developments with lot sizes between 450sqm and 1350sqm.

- c) A charge of \$2,200.00 per lot per service for water, sewerage and recycled water (total \$5,500.00 per lot, including above discount on potable water) for developments designed in such a way that properties will create demand for water resources over and above high-density developments and will require further investment in infrastructure to service these developments.

These developments are typically:

- ◆ Greenfield developments with lots sizes exceeding 1,350sqm e.g. lots with potentially large outside water-use, and which will influence near term investment in infrastructure decisions.

Note:

- A. Where shared assets must be constructed ahead of schedule to service a new property or development, and the calculated 'bring-forward' costs are greater than fees outlined in 1a) 1b) and 1c) (per lot for water, sewerage and recycled water), the calculated charge shall apply.
2. The reference to \$550, \$1,100 and \$2,200 are the recommended amounts for 2008/2009. It is expected that all NCC's will be increased by CPI each year and rounded appropriately.
3. In order to clarify the application of NCC to standard developments, the following tables can be used as a guide:

Table 1. Typical standard greenfield urban development or subdivision.

Lot size	Water NCC	Sewer NCC	Total NCC
Less than 450sqm	\$550	\$550	\$1,100
450 – 1350sqm	\$1,100	\$1,100	\$2,200
Above 1350sqm	\$2,200	\$2,200	\$4,400

Table 2. Typical dual pipe development or subdivision

Lot size	Water NCC**	Recycled Water NCC	Sewer NCC	Total NCC
Less than 450sqm	\$275	\$550	\$550	\$1,375
450 - 1350sqm	\$550	\$1,100	\$1,100	\$2,750
Above 1350sqm	\$1,100	\$2,200	\$2,200	\$5,500

\*\* Water NCC 50% reduction to standard scheduled charge applied.

*Prepared By VicWater*

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