

ATTACHMENT O: DRAFT DEVELOPER CHARGES
PRICING POLICY

DEVELOPER CHARGES PRICING POLICY

Aim

The aim of this policy is to outline the application of developer fees and charges to new developments.

Legislation

Water and Sewerage Industry Act 2008

Water and Sewerage Industry (Pricing and Related Matters) Regulations 2011

Definitions

Asset Management Plan (AMP) means the approved 10 year plan for managing TasWater's infrastructure and other assets to deliver an agreed standard of service.

Developer charges are charges imposed on any new development and consist of charges for the following:

- **Works Internal** – works associated with reticulation assets within the development; and
- **Works External** – works associated with the installation of water and sewerage assets (eg pump station, reservoir, connecting main) to enable connection to TasWater's network; and
- **Out of Sequence Development** – development that requires TasWater to bring forward planned infrastructure works to service a development ahead of the scheduled timing under the AMP; and
- **Isolated Development** – development which is not within serviced land and not part of the AMP.

In Sequence Development is development within TasWater's serviced land where there is available network capacity to service the development or which is fully aligned with the AMP.

Net Present Value (NPV) means the sum of the present values of cash amounts paid or received over a period of time. The discount rate is the weighted average cost of capital approved by the Regulator.

Serviced land means a description of the land, whether identified by individual title or locality, that TasWater will permit to be connected to its water infrastructure or sewerage infrastructure.

Policy

Developer charges apply to all new developments involving the provision of water and sewerage services by TasWater.

Where development occurs, all water and sewerage assets associated with Works Internal are to be constructed by the developer, at the developer's cost, and transferred to TasWater.

All water and sewerage assets associated with Works External are to be funded by the developer and transferred at no cost to TasWater, but may be constructed either by:

- the developer (to TasWater's standards); or

- by TasWater, subject to a capital contribution from the developer equivalent to the full cost of the works.

Where the proposed development is In Sequence Development no charge will be imposed on the developer for taking up the available network capacity.

Other Charges to be levied will be dependent on the proposed development's alignment to TasWater's AMP, being an Out of Sequence Charge or an Isolated Development Charge.

Where the proposed development is an Out of Sequence Development, additional charges (being the funding cost on NPV basis for undertaking the works earlier than otherwise scheduled) will apply and be payable by the developer. The amount of the charge is the difference between the NPV of undertaking the works as originally planned and the NPV of undertaking the works at the time required by the developer.

Where the proposed development is an Isolated Development all TasWater infrastructure costs relating to the development will be payable in full by the developer.

Application of Development Fees & Charges

The following fees and charges apply in relation to assessments, approvals and provision of service capacity for developments. Invoices will be issued when the fees and charges are payable.

- Certificate of Certifiable Work (CCW) fee: payable when TasWater issues a CCW for either building or plumbing works.
- Certificate of Compliance fee: payable when TasWater issues its Certificate of Compliance approving the specified works.
- Developer Charges: payable in full prior to TasWater commencing final design for the water and sewerage infrastructure works to be undertaken in order to service a development.
- Development Application fee: payable when a planning authority (i.e. Council or Tasmanian Planning Commission) issues a Planning Permit.
- Engineering Design Approval fee: payable when TasWater issues its approval of an engineering design for a development.
- Final Plan Sealing fee: payable when TasWater issues its Register of Legal Dealings (RLD) for a subdivision development.
- Incomplete Works Bond Assessment fee: applies when TasWater accepts a bond for incomplete subdivision works and is payable when TasWater issues its Register of Legal Dealings (RLD) for that subdivision.
- Permit to Construct fee: payable when TasWater issues its Permit to Construct for assets to be constructed by a developer (asset creation) and transferred to TasWater.
- Rezoning Application fee: payable when the Tasmanian Planning Commission approves a Planning Scheme Amendment.
- Section 56W "Build-over" Consent fee: payable upon application to TasWater for build-over consent to be issued.

Other TasWater fees and charges approved by the Economic Regulator may also apply.

Responsibilities

The Chief Executive Officer of TasWater is responsible for implementing this policy.

Associated Documents / References

- TasWater's Customer Connection Policy
- TasWater's Service Extension Policy
- TasWater's Service Introduction Policy
- Tasmanian Economic Regulator – 2015 Water and Sewerage Price Determination

Approved by the Board at its meeting on 20....

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Chairman