

Service Introduction Charges Policy

Aim

The aim of this policy is to outline the circumstances and the terms and conditions under which TasWater will introduce water services and/or sewerage services and the charges that will apply.

Legislation

- *Land Use Planning and Approvals Act 1993*
- *Water and Sewerage Industry Act 2008*
- *Water and Sewerage Industry (Pricing and Related Matters) Regulations 2011*

Definitions

Connection charge means a charge calculated by reference to the costs that are associated with installing assets that are dedicated to the provision of water services and/or sewerage services to a particular customer. For the purposes of this policy, this applies to connection, relocation or adjustment.

Developed land means land upon which there is an existing development of a nature which would in the normal course of events be expected to require or receive reticulated water services and/or sewerage services, including but not limited to a residential dwelling or commercial premises.

Fixed charge means a charge, which is recurrent, for the provision of a regulated service to a customer, but does not include a variable charge.

Service charge means a charge levied under TasWater's *Service Charges Policy*.

Service introduction means the construction of water infrastructure and/or sewerage infrastructure by TasWater to provide reticulated water services and/or sewerage services to established communities/townships not previously receiving reticulated water services and/or sewerage services.

Service introduction charge means a charge, in respect of a property, that relates to the installation, alteration or utilisation of assets by TasWater so as to enable the provision by TasWater of a regulated service to the property but does not include:

- a connection charge; or
- a fixed charge; or
- a developer charge.

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

Information concerning the currently established Serviced Land boundaries for TasWater, including maps, is available on TasWater's website www.taswater.com.au and for inspection by customers at any of TasWater's offices. Customers may also contact TasWater during business hours on 13MYWATER (13 6992) should they require further information regarding TasWater's Serviced Land boundaries.

Serviced Land boundaries will change over time as the capacity of the system changes.

Policy

Introduction of service

TasWater will consider service introduction when a proposal is put forward for the introduction of water services and/or sewerage services, noting that in order to proceed:

- beyond preliminary design and community consultation the service introduction proposal must be commercially viable; or
- it must have been identified by the local Environmental Health Officer, the Environment Protection Authority or the Department of Health and Human Services, that the absence of water services and/or sewerage services is causing significant and/or wide scale environmental harm and/or public health issues.

Either of these scenarios may include external funding, e.g. a contribution from owner Councils, government grant(s), customer contributions, or a combination of any of these.

In the event that TasWater is directed by a Council, the EPA or the DHHS to progress service introduction to a community/township, no service introduction charge will be imposed on property owners in that area.

TasWater will consult with each relevant community on any service introduction proposal. High-level, preliminary design work will be made available to the community as part of the initial stages of consultation.

Prior to carrying out community consultation on any intended service extension that will be subject to service introduction charges, TasWater undertakes to calculate and publish proposed service introduction charges per property for each service.

Prior to the imposition of a service introduction charge, TasWater will provide to a person on whom that charge is proposed to be imposed, an estimate of the amount of the applicable service introduction charge and information as to how that amount has been determined.

TasWater requires broad community support of 80 per cent or more for a service introduction proposal before it will progress from initial consultation on that proposal to detailed design work and business case stage.

Should a service introduction proposal progress to the detailed design stage, for the proposal to progress further TasWater will then require 80 per cent of owners of developed land within the proposed service introduction area to enter into a contract committing to connect to the relevant system and to pay the service introduction charge before proceeding with service introduction. The service introduction charge set out in the contract would have been refined through the detailed design stage.

Service introduction charges

TasWater will calculate service introduction charges based on the net present value (NPV) of the cost of providing the assets specific to the service introduction and subtracting the present value of the amount that would be recovered from the threshold amount of customers (being 80 per cent) through ongoing annual water charges and/or sewerage charges (being fixed charges or service charges).

Where applicable, funding from third party contributions will also be subtracted from the NPV.

Service introduction charges will reflect variations in the costs of servicing different locations or regions.

Service introduction charges will be levied, on the owner of a property who has signed a contract committing to a property connection, from the date on which the property is able to connect to TasWater’s water infrastructure and/or sewerage infrastructure (from the date on which the water service and/or sewerage service becomes available).

The owner of a property subject to a service introduction charge may pay the charge:

- over a period of 12 months
- at the owner’s request, over a period of less than 12 months.

In addition, a connection charge for water services and/or sewerage services will be payable when the property is connected to TasWater’s water infrastructure and/or sewerage infrastructure in accordance with TasWater’s *Connection Policy*. In addition, recurrent fixed and variable charges will apply once the property is connected.

For any owner of a property who chooses not to sign a contract committing to a property connection, service charges will be payable from the date on which the property is able to connect to TasWater’s water infrastructure and/or sewerage infrastructure, in accordance with TasWater’s *Service Charges Policy*.

In the event that the owner of a property who had previously not signed a contract committing to a property connection subsequently requests connection to TasWater’s water infrastructure and/or sewerage infrastructure, a service introduction charge (calculated in current day dollars) will be levied on the property owner.

Responsibilities

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

Associated Documents/ References

- TasWater’s Customer Charter
- TasWater’s *Connection Policy*
- TasWater’s *Developer Charges Policy*
- TasWater’s *Service Charges Policy*
- Tasmanian Economic Regulator – 2015-18 Water and Sewerage Price Determination

Approved by the Board at its meeting on of 2015.

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Chairman