

## **South East Water Price Manual**

2017–18 Tariffs and Charges

## 2017–18 Tariffs and Charges

	2017–18 \$
<b>Water Service charge (per annum)</b>	
<i>See Clauses 3.1, 3.2, 3.4, 3.5, and 3.6 of 'Application of Prices' for details as to which properties are charged a water service charge.</i>	
<ul style="list-style-type: none"> <li>• Residential properties</li> <li>• Non residential properties</li> <li>• Properties supplied under the Maintained Private Extensions scheme (and which prior to that scheme were supplied from the Bunyip Main Race)</li> </ul>	\$121.08 \$121.08 \$114.04
<b>Water Usage charges</b>	
<i>See Clauses 3.3, 3.4, 3.5, 3.6, 3.7 and 3.8 of 'Application of Prices' for details of the basis for determining the charge.</i>	
<b>Residential properties</b>	
<ul style="list-style-type: none"> <li>• Usage charge block 1 (0 to 440 litres/day) (per kL)</li> <li>• Usage charge block 2 (&gt;440 to 880 litres/day) (per kL)</li> <li>• Usage charge block 3 (&gt;880 litres/day) (per kL)</li> </ul>	\$2.6651 \$3.2366 \$3.8615
<b>Non residential properties (per kL)</b>	\$3.2366
<b>Bunyip Main Race – non potable (per kL)</b>	\$1.4800
<b>Sewerage Service charge (per annum)</b>	
<i>See Clauses 3.3, 3.4, 3.5, 3.6, 3.7 and 3.8 of 'Application of Prices' for details of the basis for determining the charge.</i>	
<ul style="list-style-type: none"> <li>• Residential properties</li> <li>• Non residential properties</li> </ul>	\$384.48 \$456.60
<b>Sewage Disposal charge</b>	
<i>See clauses 3.4, 3.5, 3.9, 3.10, 3.11 and 3 of 'Application of Prices' for explanation of the methodologies used to determine the charge.</i>	
<ul style="list-style-type: none"> <li>• Residential properties (per kL)</li> <li>• Non residential properties (per kL)</li> </ul>	\$1.8803 \$1.8803
<b>Recycled Water Service charge (per annum)</b>	
<i>See Clauses 3.1, 3.2, 3.3, 3.4, 3.5, 3.6 and 4.1 of 'Application of Prices' for details as to which properties are charged a recycled water service charge.</i>	
<ul style="list-style-type: none"> <li>• Residential properties</li> <li>• Non residential properties</li> </ul>	\$24.04 Various

2017–18 \$

**Recycled water usage charge**

*See clause 4.1 of 'Pricing Principles' for recycled water pricing principles.*

- Residential properties (per kL) \$2.3169
- Non residential properties (per kL) Various

**Backlog sewerage surcharge** (levied over 5 years)

*See Clause 3.10 of 'Application of Prices' for details of charge*

\$1,500

**Fire Services charge** (per annum)

\$121.08

*See Clauses 3.1 and 3.2 of 'Application of Prices' for details of the charge.*

**Fire Service Usage Charge** (where metered)

*See Clauses 3.3, of 'Application of Prices' for details of the charge.*

- all metered properties (per kL) \$3.2366

All Trade Waste Applications

\$55.30

**Agreement Charges** (per annum)

*Annual fee paid by customers who have entered into a Trade Waste Agreement.*

*Fee recovers part of both the costs of ensuring dischargers comply with their agreements and maintaining the data base of discharges to ensure South East Water complies with its agreement regarding discharges to Melbourne water's sewerage system.*

- Risk Rank 1 \$14,268.72
- Risk Rank 2 \$7,134.36
- Risk Rank 3 \$4,756.20
- Risk Rank 4 \$2,378.08
- Risk Rank 5 \$414.76

**Volume and Load Charges**

- Category 3 volume charge (per kL) \$0.9307
- Category 3 BOD charge (per kg) \$0.9199
- Category 3 suspended solids charge (per kg) \$0.5158
- Nitrogen charge (>50mg/L) (per kg) \$2.0207

**Food Waste**

Hospitals or institutions (annual charge per bed) \$49.36

**New Customer Contributions<sup>1</sup>**

*See clause 4.3 of 'Pricing Principles' for explanation of Developer Charges.*

2017–18 \$

**Cardinia Area<sup>2</sup>**

Water New Customer Contribution per lot	\$1,525.80
Sewer New Customer Contribution per lot	\$1,092.06
Recycled Water New Customer Contribution per lot	\$1,696.98

**Casey Area<sup>2</sup>**

Water New Customer Contribution per lot	\$1,083.14
Sewer New Customer Contribution per lot	\$691.28
Recycled Water New Customer Contribution per lot	\$1,560.82

**Other Areas**

Water New Customer Contribution per lot	\$691.28
Sewer New Customer Contribution per lot	\$691.28
Recycled Water New Customer Contribution per lot	\$691.28

1. In recognition of the amount of capacity required to service each connection where a new non-residential lot is created, that is 50mm water connection or greater, the NCC's (water, sewer and recycled water) payable will be the multiple of the applicable NCC and the number of equivalent 20mm connections.
2. Lots less than 300 m<sup>2</sup> in size will be charged the Other Areas applicable New Customer Contributions

**Miscellaneous fees and charges**

2017–18 \$

**Charge out rate for Trade Waste field staff**

*Customers may request that a Trade Waste officer visits their site to provide a specific service such as authorising the discharge of certain wastes into a sewer, to provide technical information or advice regarding onsite treatment of waste, to discuss options, etc.*

*The Trade Waste officer's time is charged out at the following hourly rates:*

Hourly charge out rate for work undertaken by field staff during business hours.	\$99.54
Hourly charge applicable for work undertaken by field staff outside business hours.	\$132.72

**Wastelog program fees**

*Some trade waste agreements stipulate that food and oil interceptor units have to be pumped out regularly. In instances where the customer fails to comply with their agreement, South East Water will arrange such a pump out and recover the costs from the customer.*

Arranging pump out of a food and oil interceptor

Actual cost  
(GST may  
apply)

**Septic sludge disposal fee (per kL)**

*Fee charged for the acceptance of septic tank sludge and its treatment at a sewerage treatment plant.*

\$40.90

**Resealing fire service/hydrant**

*If it appears that a fire service is being used for purposes other than fire fighting, a seal may be placed on that fire service. If on a subsequent visit the seal is found to have been broken and the property occupier cannot provide evidence that the service was used for fire fighting the service may be resealed and the resealing fee charged.*

\$171.42

**Application fee for connection of single residential property to Water and/or Sewer (Also referred to as Sewerage Application fee)**

\$55.30

*The application fee needs to be lodged when applying:*

- For a 20mm water supply and standard sewer connection for a residential property,
- Demolishing and rebuilding where the water meter is retained on the land.
- Undertaking house extensions or alterations such as installing an additional toilet,
- Converting from a septic system to a sewer connection,
- A 20mm non residential connection that does not warrant the preparation of conditions of connection (e.g. could apply to a milk bar, doctor's consulting rooms located in a residential subdivision).

**Miscellaneous fees and charges**

2017–18 \$

*The fee covers the costs of verifying that the services being applied for are available, and the capacity exists to service the property.*

*The customer receives approval (letter of consent) to connect, and if applicable an indication as to whether the water supply connection is to require a tapping of the main or the installation of a meter assembly, and a copy of a plan showing the location of sewer pipes and the sewer connection point.*

**Application Fee for connection to services (other than single residential properties) - Non works**

\$202.40

*This fee must accompany all applications lodged for:*

- *Connection of new buildings/properties/developments to water and sewerage services, other than the connection of a single residential property to water or sewer,*
- *Supply of services to redevelopments of existing properties, which result in an increase in demand for the service,*
- *Alterations or relocations of sewer connection points,*
- *Relocation or upsizing/downsizing of existing water service connections,*
- *Subdivisions, where a letter of consent needs to be issued by South East Water for the Council to issue a Statement of Compliance, where no extension, upsizing, alteration of an existing asset (water main or sewer) or no new works are required to be constructed to service the new development.*

*The fee recovers part of the cost of:*

- *All discussions with the applicant regarding the application, including discussions prior to lodgement of application and after the receipt of their conditions,*
- *Site visits undertaken to clarify any matters necessary to determine the conditions to be placed on a development,*
- *Engineering investigations undertaken to determine that the existing services are adequate to meet the demands placed on them by the applicant's development,*
- *Preparation of a letter detailing all the conditions placed on the application, and the fees that need to be lodged by the applicant before connections can be obtained, eg tapping fees, meter fees, creation of easement fee, etc.*
- *Where required, issuing the letter of consent for the Council to issue a Statement of Compliance.*

**Application Fee for connection to services (other than single residential properties) – Works required**

\$982.20

*This fee must accompany an application for connection to water and/or sewer, in instances where new assets need to be constructed, or upsizing of existing assets is going to be necessary to provide water or sewerage services to the development.*

*The fee recovers part of the cost of:*

- *All discussions with the applicant regarding the application, including discussions prior to lodgement of application and after the receipt of their conditions,*

**Miscellaneous fees and charges**

2017–18 \$

- Site visits undertaken to clarify any matters necessary to determine the conditions to be placed on a development,
- Engineering investigations undertaken to determine what works need to be carried out by the developer to provide services to the development,
- Preparation of a letter detailing all the conditions placed on the application, and the fees that need to be lodged by the applicant, eg upsizing of existing services, construction of new reticulation systems, tapping fees, meter fees, etc.,
- Verifying that all conditions had been met and issuing the letter of consent for the Council to issue a Statement of Compliance.

**Easement Creation fee**

\$206.82

Where an easement is required for the services within the customer's proposed development, the customer may engage surveyors and solicitors to create the easement. South East Water undertakes the processing and execution of the documentation.

**Refund administration fee**

\$154.84

Fee recovers the costs associated with refunding part of the fees that had already been paid by the developer.

**Early release fee**

\$206.82

Where a developer requires a Statement of Compliance to be issued for their development even though all works have not yet been completed, South East Water will upon receipt of this fee, prepare new documents needed to guarantee completion of works by the developer, and issue the required statement.

**Charge out rate for processing applications outside normal hours when requested to do so by developer (per hr)**

\$77.42  
(including  
GST)

Where a developer offers to pay the hourly charge indicated, and South East Water has staff prepared to work outside normal hours, the developer's application may be processed out of sequence.

**Hourly charge out rate for staff providing services to the development industry, e.g. works quality audits, design advice, etc.**

\$105.06  
(including  
GST)

In some instances it is more efficient for staff to carry out some minor parts of the development process, rather than require the developer to seek the services of a consultant. The service is only provided when the customer requests it.

**Intensive Audit Fees (per metre)**

Fee is payable if the developer is using a consultant or contractor whose work is of unknown quality or of such quality that additional inspection needs to be carried out overseeing the work.

<b>Miscellaneous fees and charges</b>	<b>2017–18 \$</b>
Design Overview	\$2.01 (including GST)
Construction Inspection	\$51.89 (including GST)
Survey	\$8.27 (including GST)
<b>Connection of new subdivision to existing water mains</b>	
<i>Fee is payable by a developer to cover part of the costs of shutting down services and connecting their new development to existing services.</i>	
Residential developments	\$583.99
Non residential developments	\$976.66
<b>Operations and maintenance of temporary pumping stations that are required to be installed by developer (annual charge)</b>	
<i>Charge recoups the costs of operating temporary pump stations that have been installed by the developer.</i>	
Water pumping station	\$8,744.84
Sewer pumping station	\$20,622.21
<b>Connection to the sewer using a grinder pump and pressurised sewer connection, and alterations/relocations of these systems</b>	Actual cost
<i>South East Water will indicate to the customer that this form of connection is required and the fee payable for their connection.</i>	
<i>The fee is based on the costs of supplying and installing the pump, the installation costs of the electrical wiring from the fuse box and control box, length of the property service pressure pipe that needs to be installed to connect into South East Water's sewer, whether open trench or boring is required, whether road reinstatement costs are charged by the council, etc.</i>	
<i>The costs of connecting their existing plumbing to the grinder pump are borne by the property owner and are not included in the fee.</i>	
<b>Grinder pump inspection fee to vacant land in backlog area.</b>	Actual Cost
<i>Fee applies inspections of vacant land located within backlog areas. The fee covers costs of staff visiting the building site to brief builders and their tradesman on pump location, plumbing, electrical and landscaping requirements for the pressure pump system, and provision of information/training on unit's operation to the property occupier.</i>	



**Miscellaneous fees and charges**

2017–18 \$

**Meter fees**

*Properties connecting to the water supply system are required to pay for the provision of a meter(s) to be supplied and installed by South East Water at the property.*

*Fee covers:*

- *Provision of information on metering policy covering the size and type required for the customers property (i.e. whether 'remote read' meter is required, location of meters within unit developments, sizing to achieve required flow rates, etc.)*
- *the supply of the meter, and its delivery to a South East Water approved contractor,*
- *its installation by the contractor, or the supervision of its installation by the contractor, and*
- *the creation or updating of the customer's record to indicate the size, type serial number and location of the meter has been installed at the customers property, whether it is part of a meter network within the development, and its inclusion of the meter reading data base.*

20mm meter	\$101.73
20mm meter with integrated 'remote read' device	\$233.36
25mm meter	\$163.68
25mm meter with integrated remote read device	\$413.67
32mm meter	\$415.86
32mm meter with integrated remote read device	\$560.77
40mm meter	\$551.92
40mm meter with integrated remote read device	\$690.18
50mm meter (standard)	\$977.77
Meters larger than 50mm	Actual cost
High Rise Remote Reading System (HRRRS)	Actual cost

**Meter assembly installation for a dry tapping**

*Fee covers the cost of providing a water supply to a property by installing a meter assembly for those properties that have a service pipe already located within the property boundary (dry tapping).*

Where Pressure Reducing Valve is required	\$522.06
Where Pressure Reducing Valve is not required	\$405.92

**Water Service connections (Tappings, Tee Insertions)**

*The connection points (tapping saddles) required to connect water service pipes to water mains were not installed in residential subdivisions constructed prior to 1992, and have never been installed in mains serving non residential subdivisions.*

*Therefore whenever an owner of a property requires to connect to a water supply main where connection points do not exist, a tapping saddle needs to be bolted on to the main and the main tapped, or in some instances a tee inserted.*

**Miscellaneous fees and charges**

2017–18 \$

*Connections can only be carried out by South East Water's contractors and a fee applies.*

*This fee covers:*

- *Administration costs of staff who determine that a connection can be installed in the main, arrange the connection date and time with the customer (or their plumber) and South East Water's contractor, and update the records indicating the type and size of connection, and*
- *Contractor's fees, which cover the contractor's labour, materials, travelling and other costs. The customer or their plumber is responsible for the excavation, backfilling, site reinstatement and traffic management costs.*

20mm service connection to mains of up to 300mm.	\$359.46
25mm service connection to mains of up to 300mm.	\$359.46
32mm service connection to mains of up to 300mm.	\$575.15
40mm service connection to mains of up to 300mm.	\$635.97
50mm service connection to mains of up to 300mm.	\$812.98
80mm, 100mm or 150mm service connection to main of 150mm or less where tapping saddle is used.	\$1,908.01
80mm, 100mm, 150mm, service connection to a main size >150mm (between 225mm and 300mm) where tapping saddle is used.	\$2,886.90
>150mm connection (i.e. 225 mm, or 300mm) into main >150mm and up to 300mm where tapping saddle is used.	Actual cost
80mm, 100mm or 150mm service connection to main of 150mm or less where tee is installed.	\$3,456.56
80mm, 100mm, 150mm, 225 mm, or 300mm service connection to a main size between 225mm and 300mm where tee is installed.	Actual cost
All connections to mains sizes greater than 300mm.	Actual cost
Multiple connections to the same property e.g. Two tees and divide valve, tee and divide valve, etc	Actual cost
Fee for rebooking tappings and tee insertions	\$165.90
Divide valve insertion	Actual cost
Drinking water and recycled water plug and retap (S) – Relocation of 20mm drinking and recycled water services – short side	\$2,096.76
Drinking water and recycled water plug and retap (L) – Relocation of 20mm drinking and recycled water services – long side	\$2,870.46
Drinking Water Meter Deviation – Deviation of 20mm drinking water service	\$399.43
Drinking water and recycled water Meter Deviation – deviation of drinking and recycled water services	\$461.28
<b>Removal and testing of meter (20 mm, 25 mm, 32 mm, 40 mm)</b>	\$127.19
<i>Applied on request by customer for a meter accuracy test to be conducted either on site at the customer's property using a calibrated mobile test tank or offsite at an Australian Government National</i>	

<b>Miscellaneous fees and charges</b>	<b>2017–18 \$</b>
<i>Measurement Institute accredited laboratory. The fee covers the cost of cost of visiting property to perform the test and/or removal of the meter and installation and cost of a new meter in its place, freight costs, laboratory charges, and administrative costs. If the test indicates that the meter was registering outside the National Measurement Act parameters, the fee is refunded to the customer. If the meter is registering accurately the fee is not refunded.</i>	
<b>Removal and testing of meters above 40mm</b>	Actual cost
<b>Disconnection of water services</b>	
Capping of water service 50mm or less - on all size mains when performed as a separate job	\$143.78
Capping of water service 50mm or less - on all size mains when performed with new tapping/tee insertion	\$77.42
Tee removals	Actual cost
Blank end service	Actual cost
<b>Build over (easement or sewer) application fee</b>	<b>\$66.36</b>
<i>Property owners who want to erect a structure over or abutting a sewer, water main or within a South East Water easement can only do so if approval is obtained from South East Water.</i>	
<i>Their application must be accompanied by the fee which recovers part of the costs of the investigations that need to be undertaken to determine whether:</i>	
<ul style="list-style-type: none"> <li>• <i>Their request can be granted as requested ,</i></li> <li>• <i>Be granted subject to conditions, or</i></li> <li>• <i>An additional fee needs to be lodged to cover the cost of investigating the condition of the asset/sewer, before a decision can be made.</i></li> </ul>	
<b>Plan showing sewer location within a property (PSP)</b>	<b>\$27.64</b>
<i>The fee covers the costs of:</i>	
<ul style="list-style-type: none"> <li>• <i>Maintaining the records of the location of sewer pipes within properties, and</i></li> <li>• <i>Extracting and providing a copy of a plan showing the location of sewer pipes for the property indicated in the application.</i></li> </ul>	
<b>Asset information plan (includes Sewer size, depth, offset plans)</b>	<b>\$19.90</b>
<i>Fee covers the cost of maintaining data and issuing these plans.</i>	
<b>Information Statements</b>	<b>\$31.02</b>
<i>The fee needs to be lodged to obtain an Information Statement that shows :</i>	

**Miscellaneous fees and charges**

2017–18 \$

- *The Drainage charge levied on the property during the current financial year and the amount outstanding,*
- *The Parks charge levied on the property during the current financial year and the amount currently outstanding,*
- *Details of any Encumbrances placed on the property by South East Water on the property,*
- *Details of Melbourne Water’s Encumbrances placed on the property.*

*The fee covers:*

- *The cost issuing the statement and the cost of an update of the amount outstanding if such an update is requested within 6 months of the issue date of the statement.*
- *Melbourne Water’s costs of providing encumbrance information for inclusion on the statement.*

**Pressure and Flow information**

*The Building Code of Australia, the Building Regulations 1994 and / or the Building (Amendments) Regulations 1995 (as applicable) require fire services to be designed to a ‘design pressure’ nominated in writing by the relevant water supply authority. The information is used by Fire consultants, councils, occupiers and insurance firms.*

Normal “Single Source” statement- 5 day processing	\$244.42
Urgent “Single Source” statement – next working day processing	\$346.18
“Dual/Alternative” supply statement – 5 day processing	\$275.39
“Dual/Alternative” supply statement – next working day processing	\$391.54
Additional work at consultancy rates (per hour)	\$120.53

**Permit to draw water from hydrant**

\$321.84

*Water carters, road contractors, etc. upon payment of this fee may obtain permission to draw water subject to certain conditions from fire hydrants. The fee recovers the costs of operating the permit system and of monitoring compliance with the permit conditions. All water drawn from the hydrants is charged at the non residential usage charge.*

**Withdrawal and restoration of water supply (for non payment of bills but fee also applies when supply is restricted for contravening water supply regulations)**

*South East Water offers a range of assistance schemes and payment plans to customers experiencing difficulty paying their bills.*

*Customers who do not pay their bills, and after being contacted by South East Water do not enter into an agreement or a payment plan, may have their water supply restricted.*

*The fee recovers part of the costs of visiting the property to attempt to again*

	2017–18 \$
<p><b>Miscellaneous fees and charges</b></p> <p><i>negotiate a payment plan prior to restricting the property, then again visiting the property to remove the restriction device when a payment plan is agreed</i></p> <p>Withdrawal at or near the meter</p> <p>Withdrawal at or near the main</p>	<p>\$94.00</p> <p>\$298.62</p>
<p><b>Dishonoured cheque, direct debit, etc. Fees</b></p> <p><i>Fees charged by banks for dishonoured cheques/payments are recouped from customers.</i></p>	<p>Actual amounts charged by bank</p>
<p><b>Fees for processing Freedom of Information requests</b></p> <p><i>Fees charged are those are prescribed in the FOI regulations.</i></p>	<p>Prescribed fee</p>
<p><b>Legal costs</b></p> <p><i>Charge recoups costs incurred in taking legal action against a customer most commonly for debt recovery.</i></p>	<p>Recovery of actual costs incurred</p>
<p><b>Minor sewer alterations/extensions</b></p> <p><i>Charge recovers costs of arranging and carrying out the work requested by the customer.</i></p>	<p>Actual cost</p>
<p><b>Deviation of meters</b></p> <p><i>Fee covers the cost of deviating a meter up to 600mm.</i></p>	<p>Actual cost</p>
<p><b>Fee for installing a water service where developer has omitted to install the service</b></p> <p><i>Where a developer has failed to lay a service pipe to a newly created lot they can choose to engage a plumber to lay the missing service, or can request South East Water to perform the work.</i></p> <p><i>The fee covers the cost of tapping the main and laying the required service pipe. The cost will vary with the length of pipe that needs to be laid, the extent of boring required under the road and or footpath, and the surface reinstatement costs.</i></p>	<p>Actual cost</p>
<p><b>Data Request and Processing fee (per hour)</b></p> <p><i>To recover the costs of undertaking and processing data requests for non-individual customer data, when requested by third parties. This can include the recovery of costs of extracting, formatting and undertaking processing and analysis of data requested.</i></p>	<p>\$165.90 per hour (including GST)</p>
<p><b>Hydrant installation/relocation (when required by customers)</b></p>	<p>Actual cost</p>

**Miscellaneous fees and charges**

2017–18 \$

*Hydrant relocations may be requested by public authorities or individuals for any number of reasons, and South East Water will carry out the works on the basis that the person requesting the work will pay the costs incurred.*

**Replacement of council owned hydrant when main is being replaced (per hydrant)**

\$1,435.71  
(including  
GST)

*Councils reimburse South East Water for the cost of replacing their hydrants.*

**Recycled Water Locking Device Replacement Fee**

\$167.03

*A fee to recover the costs of South East Water needing to replace a Recycled Water isolating valve Locking Device on a recycled water connection that has been tampered with or illegally removed.*

**Recycled Water Disconnection Fee**

*To disconnect a property from recycled, water reconnect the potable water network to the properties former recycled water pipework and ensure no contamination from the former recycled water piping will occur.*

Actual Cost  
(GST may  
apply)

**Trade Waste Non Compliance Fee**

*To recover any direct costs associated with a trade waste customer, becoming non-compliant with their trade waste agreement, including but not limited to; sampling, renegotiation of trade waste agreement, legal fees.*

Actual Cost

**Any other prescribed services requested by customers but not appearing on the above schedule. (Chargeable works)**

Actual Cost

*Charges for 'one off' services or for new services are determined in accordance with 'Actual cost' principles as described in Clause 4.5 of 'Pricing Principles'.*

**Meter assembly deviations after installation (for customers with both water and recycled water connections only)**

\$328.35

*Excavate existing drinking and recycled assemblies and deviate up to 600mm left or right. In cases where the construction of paving, fencing, etc. impacts the location of the water meters the meters must be relocated. A maximum deviation of 600mm left or right is permitted. Where the location of the meters requires greater than 600mm deviation a 'plug & retap' is required. In residential areas supplied by recycled water these works will be carried out by SEW contractors on a 'at cost' basis as the cost can vary considerably.*

**Plumbing Inspection Fees**

**Miscellaneous fees and charges**

2017–18 \$

*South East Water requires verification that its 'Conditions of Connection' are complied with where non compliance has the potential to compromise the drinking water quality. The verification includes compliance with EPA Health Environment Management Plans prior to connection to connection of Class A Recycled water customers and other water supply conditions provided under section 145 of the Water Act 1989. This verification minimises the risk of cross connections to the Potable water supply.*

Single residential recycled water plumbing inspection fee per property.

\$334.59  
(including  
GST)

Plumbing inspection fee per inspection.

\$158.45  
(including  
GST)

**CCTV Inspection Fee**

*When a proposed development has potential to impact on South East Water's sewerage assets (e.g. by building or extending a structure over a sewer, or extending ground anchors to support adjacent foundation works), visual inspection of the sewer is required to record the current and post work structural condition of the asset. Insertion of a CCTV camera into the sewer via a maintenance hole and defect recording is the current best practice to achieve this.*

\$784.25

**Traffic Management (to enable CCTV Inspections for Buildovers)**

*When a proposed development has potential to impact on South East Water's sewerage assets visual inspection of the sewer is required to record the current and post work structural condition of the asset. Insertion of a CCTV camera into the sewer via a maintenance hole and defect recording is the current best practice to achieve this. Maintenance holes requiring access may be located in trafficable areas. In these instances, to adhere to policies (e.g. OH&S) traffic management is required for the duration of the inspection. The extent and timing (e.g. night) of traffic management is indicative of traffic conditions, road layout and sitting of maintenance holes in relation to other infrastructure.*

\$1,110.61

## APPLICATION OF PRICES

(From Essential Services Commission 2013 Water Price Review South East Water Determination  
1 July 2013 – 30 June 2018)

### 3.1 Imposition of service charges

- (a) Subject to clause 3.1(b), **South East Water** may only impose a service charge referred to in clause 3.2 under a tariff pursuant to sections 259(1)(a), 259(2)(a) and 260 of the Water Act on the owner of the property that either:
- (i) has been declared to be a serviced property under section 144 of the Water Act; or
  - (ii) is taken to be a serviced property by clause 11 of Schedule 17 of the Water Act,
- for the purpose of the relevant service to which service charge relates.
- (b) Despite clause 3.1(a), **South East Water** may impose a separate service charge on the owner of a serviced property in respect of each separate occupancy on that property pursuant to section 259(9) of the Water Act.
- (c) For the purposes of this Schedule:
- "property"** means either:
- (i) in the case of land subject to the *Transfer of Land Act 1958*, land for which there is a single folio in the register; or
  - (ii) in the case of general law land:
    - (A) land held in fee simple, whether by one person, tenants in common or joint tenants; or
    - (B) Crown Land, occupied by one or more persons.

**"separate occupancy"**, as required by section 259(10) of the Water Act, means a portion of a parcel of land on which a building is erected that is occupied separately, or is obviously adapted to being occupied separately, from other land in the parcel.

### 3.2 Service charges only to be imposed on connected properties

- (a) **South East Water** may only impose a service charge relating to:
- (i) water supply (including a supply of recycled water or for fire suppression); or



- (ii) sewerage,

under clause 3.1, if the relevant serviced property has previously been connected to **South East Water's** works that provide the service to which the service charge relates, pursuant to section 145 of the Water Act.

- (b) For the sake of clarity:

- (i) for the purposes of clause 3.2(a) and section 258(1A) of the Water Act, where a serviced property is connected to South East Water's works, each separate occupancy on that serviced property is also deemed to be connected to South East Water's works, whether or not the service to which a service charge relates is delivered to the portion of the parcel of land where the separate occupancy occurs;
- (ii) for the purposes of clause 3.2(a) and section 263(A) of the Water Act, each lot of land affected by an owner's corporation is deemed to be connected to South East Water's works.

### 3.3 Water usage charges

- (a) A water usage charge shall only be imposed where a meter or meters have been installed to measure the amount of water supplied to a property or to a property together with other properties. This includes metered water supplied through fire services when used for non-fire fighting purposes.
- (b) A water usage charge shall be calculated by reference to the volume, expressed in kilolitres, or part thereof, of water supplied during a meter-reading period to a property or properties.

### 3.4 Residential property

A 'residential property' means:

- a property used or intended to be used primarily as a residence or residences;
- in the case of vacant land, land zoned for residential purposes;

but does not include a property used or intended to be used as:

- a guest house, motel, hotel or caravan park;
- a farming enterprise; or
- a residence attached to a shop or professional suites.

### 3.5 Non-residential property

A non-residential property is a property which is not a residential property.

### 3.6 Dwellings and units/flats

A 'dwelling' means: a house, flat or unit used for residential purposes, or a vacant lot on which a residence is being erected, but not a 'movable unit' (granny flat) provided by the Director of Housing under Section 18 of the Housing Act 1983, caravan or similar temporary accommodation.

'unit/flat' (definition as contained in section 2 of Valuation of Land Act 1960) means:

- (a) A unit on a registered plan of strata subdivision subject to Schedule 2 to the Subdivision Act 1988; and
- (b) A stratum estate within the meaning of Transfer of Land Act 1958; and
- (c) A building or part of a building in the exclusive occupation of a person who is entitled to occupation by virtue of being a shareholder in a company which owns the building or a tenant of such a shareholder; and
- (d) A residential unit in respect of which a residence right in a retirement village under the Retirement Villages Act 1986 is in force.

### 3.7 Block tariff charges

A block tariff is applicable for residential customers with different price increments occurring at 440L/day and 880L/day. Where multiple dwellings are supplied from a single meter, the blocks are multiplied by the number of dwellings. For example, the steps for a 2 dwelling residential property would be 880L/day and 1760L/day.

### 3.8 Private Extension Fees

South East Water may, as a term of any agreement with the owner of a property for the supply of water from its works made under section 124(7) of the Water Act, require that owner to pay:

- a) an annual private extension supply fee equivalent to the Service charge (per annum); and
- b) a private extension usage fee equivalent to the Usage charge (per kL),

specified in item 1.1 of Schedule 2.

### 3.9 Sewage disposal charges

(a) A sewage disposal charge shall only be imposed where a meter has been installed:

- (i) To measure the amount of water supplied to a property or to a property together with other properties; or
- (ii) To measure the amount of sewage discharged from a property.

- (b) A sewage disposal charge shall be calculated by reference to the volume, expressed in kilolitres, or part thereof, of sewage discharged or estimated to have been discharged during a meter reading period from a property or properties.
- (c) Except as provided for in the next three paragraphs, the volume of sewage discharged to the sewerage system from a property or properties during a meter-reading period shall be calculated according to a formula specified below.
- (d) If South East Water is satisfied that the use of the formula is likely to systematically and substantially overestimate or underestimate the volume of sewage discharged from a property, South East Water may use another formula or method for estimating the volume.
- (e) South East Water may apply 'property specific' sewage disposal charge factors to customers that are served by a third pipe recycled water supply, or any other form of alternative water supply (eg. rainwater tanks). In those circumstances, South East Water would undertake a 'water balance' of potable water consumed as against expected discharges to sewer.
- (f) A customer may seek a customised discharge factor using the consumption history at the property to determine the assumed percentage of water discharged to the sewer annually. The formula used to calculate the volume of sewage may differ from that otherwise applied with the standard discharge factor replaced by a customised discharge factor.

### 3.10 Backlog sewerage surcharge tariff fee

- (a) Subject to paragraph (b), South East Water may impose a backlog sewerage tariff fee pursuant to section 259(1)(a) of the **Water Act**, as specified in Schedule 2 on the owner of any property that:
  - (i) has been identified in a sewerage management plan as requiring the provision of sewerage services to resolve problems relating to wastewater management on that property; and
  - (ii) has been declared to be a serviced property for the purposes of sewerage by South East Water, under section 144(1)(b) of the **Water Act**.
- (b) Paragraph (a) does not apply to the owner of any property in respect of which either:
  - (i) an accelerated backlog sewerage development tariff fee referred to in clause 4.6 of Schedule 4; or
  - (ii) a brought-forward backlog sewerage tariff fee referred to in paragraph (c),
 has previously been paid.

If South East Water, on the application of a property owner, agrees to bring forward a backlog sewerage connection to a date earlier than that which might otherwise apply, South East Water may impose on the relevant owner a brought-forward backlog sewerage tariff fee pursuant to section 259(1)(a) of the **Water Act**, calculated in the manner set out in Schedule 4.3, as if a reference in that clause to a "new customer contribution" were a reference to a "brought-forward backlog sewerage tariff fee".

### 3.11 Sewage disposal charge formula – residential

Where a volumetric sewage disposal charge is levied on residential customers in South East Water’s area, it will be based on the metered water consumption, and a set of assumptions made about their return rate, that is, the proportion of the water that they use which is deemed to be returned as wastewater. Thus the sewage disposal charge is calculated as:

$$\text{Sewage Disposal Charge} = \text{Price} \times \text{Actual Metered Volume of Water Supplied} \times \text{Return Rate}$$

The return rate is to be 75 per cent for houses, and 85 per cent for units/flats. Where customers receive recycled water services, the ‘Actual Metered Volume’ is the sum of metered potable water and metered recycled water.

Note: The calculation of the sewage disposal charge is subject to clauses 3.9 (c)-(f).

### 3.12 Sewage disposal charge formula – non-residential

For non-residential customers, the formula is:

Trade waste customers:

$$\text{Sewage Disposal Charge} = \text{Price} \times (\text{Metered volume} - \text{Process Volume} - \text{Trade waste volume}) \times 0.9$$

Other customers:

$$\text{Sewage Disposal Charge} = \text{Price} \times \text{Metered volume} \times \text{Discharge factor}$$

Note: In circumstances where a customer is supplied with recycled water that is discharged to sewer, metered volume includes both potable and recycled water.

Note: The calculation of the sewage disposal charge is subject to clauses 3.8 (c)-(f).

In the absence of meters to measure waste streams, the discharged volume is derived via estimation. For trade waste customers, this involves a detailed water audit, including whether there are any seasonal relationships with water use and sewage disposal. For non-trade waste customers, an alternative (more customer specific) factor is assigned. This factor essentially addresses the ‘process’ volume, for example watering ovals etc, and is primarily based on the industry in which the customer operates. See the following table for details:

per cent	Discharge factors
0	Farms, Fountain, Nature strip, Planter box, Round-a-bout, Vacant Land
10	Football oval, Golf course, Plant Nursery, Quarry, Racing tracks, Recreation reserve
25	Cemetery, Construction site, Bowling green, Tennis Club
50	Ambulance, Bus/tram depot, Car sales, Caravan Park, Caravan/Boat parking lot, Child care centre, Fire Brigade, Kennels, Kindergartens, Machinery storage, School, SES, Yacht club
75	Swimming centre

90	Laundrette, Library, Petrol station, Police station/courthouse, Post office, Printing works, Professional offices - , Public toilet block, Railway station, Reception centre, Repair workshop, Restaurant, RSL or other non-sporting club, Shopfront printing works, Shopping centre, Silo/Grain storage or flour mill , Single shop, Storage depot for gas or fuel, Supermarket, Telephone exchange, Tip, Travel agency
90	All other non-residential Customers

### 3.13 Assignment of Trade Waste Risk Rank

Trade waste risk rank is calculated as:

$$RR = L * (V + H + A)$$

Where:

**L = Location**

is the location of the discharge in relation to the treatment plant.

If discharging to Eastern Treatment Plant or Western Treatment Plant and >5 km L = 1

If discharging to Eastern Treatment Plant or Western Treatment Plant and <5 km L = 1.2

If discharging to Somers, Boneo, Mt Martha or Pakenham Treatment Plants L= 1.2

If discharging to Other Local Treatment Plants L = 1.5

**V = Volume**

is the maximum daily discharge volume from recorded volumes . Volumes for new customers are supplied by the customer and verified during the application assessment stage.

Average daily volume (kL)	V
< 5	1
≥ 5 and < 25	10
≥ 25 and < 50	20
≥ 50 and < 75	30
≥ 75 and < 100	40
≥ 100 and < 500	50
≥ 500 and < 1000	75
≥ 1000 and < 2000	100
≥ 2000	150

**H = History**

is the compliance history taken over the last two years.

New work/change of occupier, H=0

Customers with non-compliance in the past two years for a parameter breach for an environmental concern will be assigned a History weight of 10

Customers with non-compliance in the past two years for a parameter breach for an Occupation Health & Safety concern will be assigned a History weight of 20

**A = Activity**

every customer has a list of activities assigned to its business. It is the activity with the highest value that is used i.e. activity and value with highest risk. The following are examples that can be expanded upon during discussions with new applicants:

food preparation	A = 1
dry cleaning	A = 30
abattoir	A = 100
liquid waste disposal	A = 120

Based on the calculation of **RR**, the risk rank is assigned as per the table below.

The risk rank determines:

- the inspection and sampling frequency
- the agreement terms and conditions
- requirements for customer self-monitoring
- requirements for a risk profile plan
- requirements for a waste management plan.

RR Calculation total	Risk rank	Inspection frequency
> 151	<b>1</b> (Extreme)	Monthly
121 – 150	<b>2</b> (High)	Bimonthly
91 – 120	<b>3</b> (Medium)	Quarterly
51 – 90	<b>4</b> (Low)	Half Yearly
< 50	<b>5</b> (Minimal)	Annually or as required

### 3.14 Trade waste volumetric and quality charges

In addition to the Trade Waste Agreement charges, customers whose trade waste exceeds any one of the following parameters will be charged the trade waste volumetric and quality charges included in Schedule 2:

- Volume greater than 1,000 kL per year; or

- Bio-chemical Oxygen Demand (BOD) greater than 600mg/L; or
- Suspended Solids (SS) greater than 600mg/L.

### 3.15 Miscellaneous fees and charges

The following table sets out the definitions of the miscellaneous charges contained in Schedule 2.

Miscellaneous service	Definition
<b>20mm meter plus delivery and installation</b>	<p>Properties connecting to the water supply system are required to pay for the provision of a meter(s) to be supplied and installed by South East Water at the property.</p> <p>Fee covers:</p> <ul style="list-style-type: none"> <li>• Provision of information on metering policy covering the size and type required for the customers property (i.e. whether 'remote read' meter is required, location of meters within unit developments, sizing to achieve required flow rates, etc.)</li> <li>• the supply of the meter, and its delivery to a South East Water approved contractor,</li> <li>• its installation by the contractor, or the supervision of its installation by the contractor, and</li> <li>• the creation or updating of the customer's record to indicate the size, type serial number and location of the meter has been installed at the customers property, whether it is part of a meter network within the development, and its inclusion of the meter reading data base.</li> </ul>

<p><b>20mm service connection to mains up to 300mm</b></p>	<p>Water Service connections (Tappings, Tee Insertions) The connection points (tapping saddles) required to connect water service pipes to water mains were not installed in residential subdivisions constructed prior to 1992, and have never been installed in mains serving non-residential subdivisions. Therefore whenever an owner of a property requires to connect to a water supply main where connection points do not exist, a tapping saddle needs to be bolted on to the main and the main tapped, or in some instances a tee inserted. Connections can only be carried out by South East Water’s contractors and a fee applies. This fee covers:</p> <ul style="list-style-type: none"> <li>• Administration costs of staff who determine that a connection can be installed in the main, arrange the connection date and time with the customer (or their plumber) and South East Water’s contractor, and update the records indicating the type and size of connection, and</li> <li>• Contractor’s fees, which cover the contractor’s labour, materials, travelling and other costs.</li> </ul> <p>The customer or their plumber is responsible for the excavation, backfilling, site reinstatement and traffic management costs.</p>
<p><b>Application fee for connection of single residential property to water and/or sewer</b></p>	<p>The application fee needs to be lodged when applying:</p> <ul style="list-style-type: none"> <li>• For a 20mm water supply and standard sewer connection for a residential property,</li> <li>• Demolishing and rebuilding where the water meter is retained on the land.</li> <li>• Undertaking house extensions or alterations such as installing an additional toilet,</li> <li>• Converting from a septic system to a sewer connection,</li> <li>• A 20mm non-residential connection that does not warrant the preparation of conditions of connection (e.g. could apply to a milk bar, doctor’s consulting rooms located in a residential subdivision).</li> </ul> <p>The fee covers the costs of verifying that the services</p>



	being applied for are available, and the capacity exists to service the property. The customer receives approval (letter of consent) to connect, and if applicable an indication as to whether the water supply connection is to require a tapping of the main or the installation of a meter assembly, and a copy of a plan showing the location of sewer pipes and the sewer connection point.
<b>Plan showing sewer location within a property</b>	Applied on request by customer for a meter accuracy test to be conducted at an Australian Government National Measurement Institute accredited laboratory. Fee covers cost of visiting property to remove meter and install a new meter in its place, freight costs, laboratory charges, cost of a new meter and administrative costs. If the laboratory test indicates that the meter was registering outside the National Measurement Act parameters, the fee is refunded to the customer. If the meter is registering accurately the fee is not refunded.
<b>Backlog sewerage tariff fee</b>	The backlog sewerage tariff fee will be applied to an un-sewered property that is currently connected to South East Water's water supply system, and that is identified in a sewerage management plan as requiring the provision of sewerage services to solve a wastewater management issue. The charge is applied in equal instalments over five years once the sewer infrastructure has been installed, regardless of whether the customer connects.

<p><b>Information statements all forms of lodgements (includes MW share)</b></p>	<p>The fee needs to be lodged to obtain an Information Statement that shows:</p> <ul style="list-style-type: none"> <li>• The Drainage charge levied on the property during the current financial year and the amount outstanding,</li> <li>• The Parks charge levied on the property during the current financial year and the amount currently outstanding,</li> <li>• Details of any Encumbrances placed on the property by South East Water on the property,</li> <li>• Details of Melbourne Water’s Encumbrances placed on the property.</li> </ul> <p>The fee covers:</p> <ul style="list-style-type: none"> <li>• The cost issuing the statement and the cost of an update of the amount outstanding if such an update is requested within 6 months of the issue date of the statement.</li> <li>• Melbourne Water’s costs of providing encumbrance information for inclusion on the statement.</li> </ul>
<p><b>Restoration of supply at the meter</b></p>	<p>South East Water offers a range of assistance schemes and payment plans to customers experiencing difficulty paying their bills. Customers who do not pay their bills, and after being contacted by South East Water do not enter into an agreement or a payment plan, may have their water supply restricted.</p> <p>The fee recovers part of the costs of visiting the property to attempt to again negotiate a payment plan prior to restricting the property, then again visiting the property to remove the restriction device when a payment plan is agreed. Withdrawal at or near the meter.</p>
<p><b>Application fee to build over SEW asset or easement</b></p>	<p>Property owners who want to erect a structure over or abutting a sewer, water main or within a South East Water easement can only do so if approval is obtained from South East Water.</p> <p>Their application must be accompanied by the fee which recovers part of the costs of the investigations that need to be undertaken to determine whether:</p> <ul style="list-style-type: none"> <li>• Their request can be granted as requested,</li> </ul>

	<ul style="list-style-type: none"> <li>• Be granted subject to conditions, or</li> <li>• An additional fee needs to be lodged to cover the cost of investigating the condition of the asset/sewer, before a decision can be made.</li> </ul>
<p><b>Application fee non works</b></p>	<p>This fee must accompany all applications lodged for:</p> <ul style="list-style-type: none"> <li>• Connection of new buildings/properties/developments to water and sewerage services, other than the connection of a single residential property to water or sewer,</li> <li>• Supply of services to redevelopments of existing properties, which result in an increase in demand for the service,</li> <li>• Alterations or relocations of sewer connection points,</li> <li>• Relocation or upsizing/downsizing of existing water service connections,</li> <li>• Subdivisions, where a letter of consent needs to be issued by South East Water for the Council to issue a Statement of Compliance, where no extension, upsizing, alteration of an existing asset (water main or sewer) or no new works are required to be constructed to service the new development.</li> </ul> <p>The fee recovers part of the cost of:</p> <ul style="list-style-type: none"> <li>• All discussions with the applicant regarding the application, including discussions prior to lodgement of application and after the receipt of their conditions,</li> <li>• Site visits undertaken to clarify any matters necessary to determine the conditions to be placed on a development,</li> <li>• Engineering investigations undertaken to determine that the existing services are adequate to meet the demands placed on them by the applicant's development,</li> <li>• Preparation of a letter detailing all the conditions placed on the application, and the fees that need to</li> </ul>

be lodged by the applicant before connections can be obtained, eg tapping fees, meter fees, creation of easement fee, etc.

Where required, issuing the letter of consent for the Council to issue a Statement of Compliance.

## Schedule 4 – Pricing principles

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### 4.1 Recycled water pricing principles

Recycled water prices should be set so as to:

- have regard to the price of any substitutes and customers' willingness to pay;
- cover the full cost of providing the service (with the exception of services related to specified obligations or maintaining balance of supply and demand); and
- include a variable component.

Where **South East Water** does not propose to fully recover the costs associated with recycled water, it must demonstrate to the Commission that:

- it has assessed the costs and benefits of pursuing the recycled water project;
- it has clearly identified the basis on which any revenue shortfall is to be recovered; and
- if the revenue shortfall is to be recovered from non-recycled water customers, either the project is required under the Statement of Obligations which applies to **South East Water** or pursuant to other Government policies that apply to **South East Water** or there has been consultation with the affected customers about their willingness to pay for the benefits of increased recycling.

### 4.2 Pricing principles where scheduled prices do not apply

Where the prices set out in Schedule 2 do not apply because the nature of the service provided to a particular customer (including, in the case of trade waste customers, the volume or load of waste treated) is unique, prices must be set as follows:

- variable prices (including, in the case of trade waste customers, load-based charges) should reflect the long run marginal cost (LRMC) of providing services (including, in the case of trade waste customers, trade waste transfer, treatment and disposal);
- the total revenue received from each customer should be greater than the cost that would be avoided from ceasing to serve that customer, and (subject to meeting avoidable cost) less than the stand alone cost of providing the service to the customer in the most efficient manner;
- the methodology used to allocate common and fixed costs to that customer should be clearly articulated and be consistent with any guidance provided by the Commission;
- prices should reflect reasonable assumptions regarding the customer's demand for services (including, in the case of trade waste customers, the volume and strength of trade waste anticipated to be produced by that customer);
- depreciation rates and rates of return used to determine prices should be consistent with those adopted by the Commission for the purposes of making this Determination;
- customers should be provided with full details of the manner in which prices have been calculated and any new, renewed or renegotiated contractual agreements with customers should indicate that the prices to apply are subject to any Determination made by the Commission;

- where applying these principles results in significant changes to prices or tariff structures, arrangements for phasing in the changes may be considered and any transitional arrangements should be clearly articulated.

### 4.3 Pricing principles New Customer Contributions (NCC)

#### Core pricing principles

NCC, including standard or negotiated NCC, will be calculated by applying the following core NCC pricing principles.

Standard and negotiated NCC will:

- have regard to the incremental infrastructure and associated costs in one or more of the statutory cost categories attributable to a given connection;
- have regard to the incremental future revenues that will be earned from customers at that connection;
- be greater than the avoidable cost of that connection and less than the standalone cost of that connection.

Notes:

1. Given that NCC are to be based on the net incremental cost of connection (ie incremental costs net of incremental benefits), in this context, the costs referred to in the efficient pricing bound are the net costs, specifically the avoidable net cost of connection and standalone net cost of connection.
2. Where the connection arrangement requires assets to be gifted, the value of gifted assets will be excluded for the purposes of calculating net costs.
3. Incremental costs may include financing costs associated with constructing an asset sooner than planned.

#### NCC Application

NCC's are applied on a per lot basis, and may be levied on any connection of a new customer that is separately titled or is, or can be, individually metered.

In recognition of the amount of capacity required to service each connection where a new non-residential lot is created, that is 50mm water connection or greater, the NCC's (water, sewer and recycled water) payable will be the multiple of the applicable NCC and the number of equivalent 20mm connections.

#### Incremental financing costs

Incremental financing costs (IFC) should be calculated using this formula:

$$\text{IFC} = (1 - [1 / (1+r)^n]) \times \text{cost of capital being provided sooner than planned}$$

where:

$r$  = estimated pre-tax WACC

$n$  = the number of years the asset is required sooner than planned.

### Gifted Assets

**South East Water** can require developers to provide and gift to **South East Water** specified assets as a condition of connection, provided that **South East Water**:

- makes clear to potential developers which assets a developer will be responsible for providing and gifting, and which will be provided by *South East Water*;
- confirms that negotiation of any non-standard connection and associated charges will be undertaken in accordance with *South East Water's* [published] negotiating framework; and
- the value of gifted assets will be excluded for the purposes of calculating net costs.

When connecting to **South East Water's** water (potable and recycled water) and sewerage networks, the developer must provide the reticulation assets that are required to service their development and connect to **South East Water's** network. **South East Water** is responsible for providing shared distribution assets.

Reticulation assets are water (potable and recycled water) assets and associated assets that are 150mm or less in diameter and sewerage assets and associated assets that are 225mm or less in diameter.

Shared distribution assets and associated assets are water (potable and recycled water) assets and associated assets greater than 150mm in diameter and sewerage assets and associated assets greater than 225mm in diameter and do not include:

reticulation assets; or

headworks and tailworks.

### Backlog sewerage scheme

If a customer requires connection under the backlog sewerage scheme sooner than scheduled, then **South East Water** may charge an amount to recover any incremental financing costs incurred by it. This amount is to be calculated using the formula shown under section "incremental financing costs" above.

## 4.4 Pricing principles for accelerated backlog sewerage connections

South East Water has made special arrangements for the construction and progressive connection of properties to its sewers in its Mornington Peninsula backlog sewerage area. Forecast connection dates have been determined in consultation with the Mornington Peninsula Shire, the Environment Protection Authority and community members.

Affected properties will progressively be declared to be serviced properties for sewerage services under section 144(1)(b) of the Water Act, once South East Water is in a position to allow all properties in an area to be connected. At that stage, South East Water is authorised to impose the backlog sewerage tariff fee referred to in paragraph 3.9(a) of Schedule 3 on relevant property owners.

However, if a property owner:

- (a) wishes to bring forward the forecast connection date for a property that is not a serviced property for the purposes of sewerage; and
- (b) has entered into an agreement with South East Water to participate in South East Water's accelerated backlog sewerage program for the Mornington Peninsula

South East Water may impose an accelerated backlog sewerage development tariff fee on the property owner pursuant to section 259(1)(b) of the Water Act, calculated in accordance with the following formula:

$$ADT = 1 - \left[ \frac{1}{(1+r)^n} \right]$$

where:

**ADT** is the accelerated backlog sewerage development tariff fee expressed as a percentage and applied to net incremental costs calculated with reference to the principles set in clause 4.3 of schedule 4;

**r** is the estimated pre-tax weighted average cost of capital; and

**n** is the number of years by which the connection to the backlog sewerage works have been brought forward.

#### 4.5 Pricing principles for miscellaneous services not included in Schedule 2

Prices for miscellaneous services must be set according to actual cost calculated on the basis of the aggregate of:

- direct third party or contractor invoice cost;
- direct marginal internal costs, including labour, materials and transport costs; and
- a fair contribution to overheads.

For bank dishonour, debt collection and legal fees, the third party costs must be charged directly to the customer with no contribution for internal costs or a contribution to overheads.

#### 4.6 Guidelines

**South East Water** must comply with any guidelines issued by the Commission from time to time which relate to the setting of prices for **prescribed services** to which Schedule 4 relates.