

2011/12 Charges

	\$
Water Service charge (per annum)	
<i>See Clauses 3.1, 3.2(a), 3.4, 3.5, and 3.6 of 'Application of Prices' (Page 12) for details as to which properties are charged a water service charge.</i>	
• Residential properties	82.44
• Non residential properties	82.44
• Properties supplied under the Maintained Private Extensions scheme (and which prior to that scheme were supplied from the Bunyip Main Race)	304.08
Water Usage charges	
<i>See Clauses 3.3, 3.4, 3.5, 3.6 and 3.7 of 'Application of Prices' for details of the basis for determining the charge.</i>	
Residential properties	
• Usage charge block 1 (0 to 440 litres/day) (per kL)	1.7511
• Usage charge block 2 (>440 to 880 litres/day) (per kL)	2.1266
• Usage charge block 3 (>880 litres/day) (per kL)	3.4401
Non residential properties (per kL)	2.1266
Sewerage Service charge (per annum)	
<i>See Clauses 3.1, 3.2(b), 3.4, 3.5, and 3.6 of 'Application of Prices' for details as to which properties are charged a sewerage service charge.</i>	
• Residential properties	335.68
• Non residential properties	398.64
Sewage Disposal charge	
<i>See clauses 3.4, 3.8, 3.10 and 3.11 of 'Application of Prices' for explanation of the methodologies used to determine the charge.</i>	
• Residential properties (per kL)	1.7116
• Non residential properties (per kL)	1.7116
Recycled Water Service charge (per annum)	
<i>See Clauses 3.1, 3.2(c), 3.4, 3.5, and 3.6 of 'Application of Prices' for details as to which properties are charged a recycled water service charge.</i>	
• Residential properties	21.76
• Non residential properties	21.76
Recycled water usage charge	
<i>See clause 4.1 of 'Pricing Principles' (Page 17) for recycled water pricing principles.</i>	
• Residential properties (per kL)	1.7511
• Non residential properties (per kL)	Various
Backlog sewerage surcharge (levied over 5 years)	500.00
<i>See Clause 3.9 of 'Application of Prices' for details of charge</i>	
Fire Service charge (per annum)	58.04
<i>See Clauses 3.1(b) and 3.2(d) of 'Application of Prices' for details of the charge.</i>	
Trade Waste charges	
<i>See Clause 3.12 of 'Application of prices' for details of classification of customers for charging purposes.</i>	

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Application Charges

Customers intending to discharge waste from industrial processes or commercial activities are required to enter into an agreement with South East Water which sets out the criteria or conditions under which they can discharge their waste. Their application needs to be accompanied by a fee which partially offsets the costs of processing the application and preparing the agreement.

>0.5kl<=4kL (per day)	50.00
>4kl<=20kL (per day)	50.00
>20kl<=50kL (per day)	50.00
>50kl<=100kL (per day)	50.00
>100kl<=1000kL (per day)	50.00
>1000kL (per day)	50.00

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.

<=2500kL (per annum)	535.84
>2500kl<=25000kL (per annum)	1,553.92
>25000kl<=100000kL (per annum)	5,180.12
>100000kL (per annum)	15,540.60

Volume and Load Charges

Category 3 volume charge (per kL)	0.8768
Category 3 BOD charge (per kg)	0.8319
Category 3 suspended solids charge (per kg)	0.4665
Nitrogen charge (>50mg/L) (per kg)	1.8270
Sulphur charge (100< >500) (per kg)	1.5560
Sulphur charge (>500) (per kg)	1.5560

Food Waste

Hospitals or institutions (annual charge per bed)	44.68
Category A: 180 < 400 watts	1,270.56
Category B: 400 < 700 watts	6,508.24
Category C: 700 < 1500 watts	13,111.48
Category D: 180 < 400 watts	-
Category E: 400 < 700 watts	728.56
Category F: 700 < 1500 watts	1,493.72

New Customer Contributions

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

Water without recycled water (per lot)

Category one charge - Small lots <450sq.m	599.00
Category two charge - Standard lots: 450sq.m. to 1,350sq.m	1,198.00
Category three charge - Large lots>1,350sq.m	2,396.00

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Sewer (per lot)	
Category one charge - Small lots <450sq.m	599.00
Category two charge - Standard lots: 450sq.m. to 1,350sq.m	1,198.00
Category three charge - Large lots>1,350sq.m	2,396.00
New customer contributions for dual pipe recycled water developments or subdivisions	
Recycled Water (per lot)	
Category one charge - Small lots <450sq.m	599.00
Category two charge - Standard lots: 450sq.m. to 1,350sq.m	1,198.00
Category three charge - Large lots>1,350sq.m	2,396.00
Water - Potable (per lot)	
Category one charge - Small lots <450sq.m	299.00
Category two charge - Standard lots: 450sq.m. to 1,350sq.m	599.00
Category three charge - Large lots>1,350sq.m	1,198.00
Sewer (per lot)	
Category one charge - Small lots <450sq.m	599.00
Category two charge - Standard lots: 450sq.m. to 1,350sq.m	1,198.00
Category three charge - Large lots>1,350sq.m	2,396.00

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Miscellaneous fees and charges \$

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. 90.00

Hourly charge applicable for work undertaken by field staff outside business hours. 120.00

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

Septic sludge disposal fee (per kL) 37.00

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

Resealing fire service/hydrant 155.00

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.

Application fee for connection of single residential property to Water and/or Sewer (Also referred to as Sewerage Application fee) 45.00

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).*

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.

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Application Fee for connection to services (other than single residential properties) - Non works \$
165.00

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 888.00

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,
- 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 190.00

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.

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Refund administration fee	\$ 140.00
<i>Fee recovers the costs associated with refunding part of the fees that had already been paid by the developer.</i>	
Early release fee	190.00
<i>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.</i>	
Charge out rate for processing applications outside normal hours when requested to do so by developer (per hr)	75.00
<i>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.</i>	
Hourly charge out rate for staff providing services to the development industry, e.g. works quality audits, design advice, etc.	95.00
<i>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.</i>	
Intensive Audit Fees (per metre)	
<i>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.</i>	
Design Overview	1.69
Construction Inspection	42.29
Survey	6.76
Connection of new subdivision to existing water mains	
<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	528.00
Non residential developments	883.00
Operations and maintenance of temporary pumping stations that are required to be installed by developer (annual charge)	
<i>Charge recoups the costs of operating temporary pump stations that have been installed by the developer.</i>	
Water pumping station	7,906.00
Sewer pumping station	18,644.00
Connection to the sewer using a grinder pump and pressurised sewer connection, and alterations/relocations of these systems	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</i>	

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the property owner and are not included in the fee.

Grinder pump inspection fee to vacant land in backlog area.

952.40

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.

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	93.00
20mm meter with integrated 'remote read' device	240.00
25mm meter	174.00
25mm meter with integrated remote read device	340.00
32mm meter	354.00
32mm meter with integrated remote read device	364.00
40mm meter	390.00
40mm meter with integrated remote read device	555.00
50mm meter (standard)	740.00
Meters larger than 50mm	Actual cost
100mm Flow Monita pipe assembly	910.00
150mm Flow Monita pipe assembly	965.00
High Rise Cell Control Unit for Remote read meters	Actual cost

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\$

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

450.00

Where Pressure Reducing Valve is not required

345.00

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:

- 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.

320.00

25mm service connection to mains of up to 300mm.

320.00

32mm service connection to mains of up to 300mm.

515.00

40mm service connection to mains of up to 300mm.

570.00

50mm service connection to mains of up to 300mm.

730.00

80mm, 100mm or 150mm service connection to main of 150mm or less where tapping saddle is used.

1,720.00

80mm, 100mm, 150mm, service connection to a main size >150mm (between 225mm and 300mm) where tapping saddle is used.

2,600.00

>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.

3,120.00

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

140.00

Divide valve insertion

Actual cost

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Removal and testing of meter (20 mm, 25 mm, 32 mm, 40 mm)	\$
<i>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.</i>	98.00
Removal and testing of meters above 40mm	Actual cost
Disconnection of water services	
Capping of water service 50mm or less - on all size mains when performed as a separate job	125.00
Capping of water service 50mm or less - on all size mains when performed with new tapping/tee insertion	50.00
Tee removals	Actual cost
Blank end service	Actual cost
Build over easement or sewer application fee	45.00
<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"> • <i>Their request can be granted as requested ,</i> • <i>Be granted subject to conditions, or</i> • <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> 	
Plan showing sewer location within a property (PSP)	20.00
<i>The fee covers the costs of:</i>	
<ul style="list-style-type: none"> • <i>Maintaining the records of the location of sewer pipes within properties, and</i> • <i>Extracting and providing a copy of a plan showing the location of sewer pipes for the property indicated in the application.</i> 	
Asset information plan (includes Sewer size, depth, offset plans)	17.00
<i>Fee covers the cost of maintaining data and issuing these plans.</i>	
Information Statements	21.00
<i>The fee needs to be lodged to obtain an Information Statement that shows :</i>	
<ul style="list-style-type: none"> • <i>The Drainage charge levied on the property during the current financial year and the amount outstanding,</i> • <i>The Parks charge levied on the property during the current financial year and the amount currently outstanding,</i> • <i>Details of any Encumbrances placed on the property by South East Water on the property,</i> • <i>Details of Melbourne Water's Encumbrances placed on the property.</i> 	
<i>The fee covers:</i>	
<ul style="list-style-type: none"> • <i>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.</i> • <i>Melbourne Water's costs of providing encumbrance information for inclusion on the statement.</i> 	

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Pressure and Flow information	\$
<i>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.</i>	
Normal "Single Source" statement- 5 day processing	102.00
Urgent "Single Source" statement – next working day processing	161.00
"Dual/Alternative" supply statement – 5 day processing	134.00
"Dual/Alternative" supply statement – next working day processing	194.00
Additional work at consultancy rates (per hour)	75.00
Permit to draw water from hydrant	291.00
<i>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.</i>	
<i>All water drawn from the hydrants is charged at the non residential usage charge.</i>	

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Withdrawal and restoration of water supply (for non payment of bills but fee also applies when supply is restricted for contravening water supply regulations)	
<i>South East Water offers a range of assistance schemes and payment plans to customers experiencing difficulty paying their bills.</i>	
<i>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.</i>	
<i>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</i>	
Withdrawal at or near the meter	70.00
Withdrawal at or near the main	260.00
Dishonoured cheque, direct debit, etc. fees	Actual amounts charged by bank
<i>Fees charged by banks for dishonoured cheques/payments are recouped from customers.</i>	
Fee for providing account details beyond a three year period	
<i>Customers can obtain 3 years account information at no charge. This charge recoups the costs of extracting, formatting and providing any information sought beyond that period.</i>	
Up to 1 year of additional transactions	50.00
Up to 2 years of additional transactions	78.00
Up to 3 years of additional transactions	104.00
Up to 4 years of additional transactions	130.00
Retrieval of transactions beyond 7th year (fee per hour):	100.00
Fees for processing Freedom of Information requests	Prescribed fee
<i>Fees charged are those are prescribed in the FOI regulations.</i>	
Legal costs	Recovery of actual costs incurred
<i>Charge recoups costs incurred in taking legal action against a customer most commonly for debt recovery.</i>	
Minor sewer alterations/extensions	Actual cost
<i>Charge recovers costs of arranging and carrying out the work requested by the customer.</i>	
Relocation of meter assembly	Actual cost
<i>Fee covers cost of relocating an existing meter assembly by up to 3 metres.</i>	
Fee for installing a water service where developer has omitted to install the service	Actual cost
<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>	
<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>	

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<p>Hydrant installation/relocation (when required by customers) <i>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.</i></p>	Actual cost
<p>Replacement of council owned hydrant when main is being replaced (per hydrant) <i>Councils reimburse South East Water for the cost of replacing their hydrants.</i></p>	1,170.00
<p>Recycled Water Plumbing Verification Fee (per verification) <i>South East Water requires verification of compliance with EPA Health Environment Management Plans prior to connection of recycled water customers. This verification minimises the risk of cross connections to the potable water system.</i></p>	130.00
<p>Recycled Water Lock Box Replacement Fee <i>A fee to recover the costs of South East Water needing to replace a Recycled Water Lock box on a recycled water connection that has been tampered with or illegally removed.</i></p>	146.60
<p>Recycled Water Disconnection Fee <i>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.</i></p>	Actual Cost
<p>Trade Waste Non Compliance Fee <i>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.</i></p>	Actual Cost
<p>Any other prescribed services requested by customers but not appearing on the above schedule. (Chargeable works) <i>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'.</i></p>	Actual cost

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APPLICATION OF PRICES

(From Essential Services Commission 2009 Water Price Review South East Water Determination 1 July 2009 – 30 June 2013)

3.1. Service charges only to be imposed on certain properties

- a. A water service charge and sewerage service charge shall only be imposed in respect of a property.
- b. For the purposes of this definition, a property means:
 - i. If the land is under operation of the *Transfer of Land Act 1958*, the land for which there is a single folio of the register; and
 - ii. If the land is not under the operation of the *Transfer of Land Act 1958* –
 - A. Land owned by a single owner or joint owners; or
 - B. In the case of Crown land, land occupied by a single occupier or joint occupiers.

3.2 Service charges only to be imposed on connected properties

- a. A water service charge shall only be imposed if pipes and fittings have been installed which provide or are able to provide a supply of water to the property, and the water main has been charged.
- b. A sewerage service charge shall only be imposed if pipes and fittings have been installed which convey or are able to convey sewage or trade waste from the property to the sewerage system.
- c. A residential reticulated recycled water service charge shall only be imposed if pipes and fittings have been installed which provide or are able to provide a supply of recycled water to the property.
- d. Each habitable property within a subdivision with an owners' corporation shall be deemed connected if under clause 3.2a to c the common property is determined to be liable for service charges.
- e. A fire service charge shall only be imposed in respect of each connection to the water main that supplies a supply of water to a sprinkler system or fire service within a property.

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.
- 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

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' (definition as contained in Clause 2 of *Valuations of Land Act 1960*) means:

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- 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 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 the formulae specified below.
- d. If South East Water is satisfied that the use of the formula is likely to systematically and substantially overestimate 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 to apply 'property specific' sewage disposal 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 seasonal factor and discharge factor replaced by a customised discharge factor.

3.9 Backlog sewerage surcharge tariff

The backlog sewerage surcharge 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 five equal instalments over five years once the sewer infrastructure has been installed, regardless of whether the customer connects.

3.10 Sewerage 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:

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Sewage Disposal Charge = Price x Actual Metered Volume of Water Supplied x Return Rate

The return rate is derived by multiplying the discharge factor by the seasonal factor. 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 3.8 c - f.

Discharge Factor

The discharge factor is broadly inversely proportional to water consumption. It is calculated via a sliding scale over a specified range of consumption levels.

Quarterly equivalent metered water consumption for single property

0 to 125 kL
125.01 to 250 kL
Over 250 kL

Quarterly discharge factor

0.9
0.9 minus 0.09 per 25 kL in excess of 125 kL
0.45

These consumptions will be adjusted for the number of dwellings on a property.

As billing periods are not exactly quarterly, for the purpose of calculating the discharge factor metered volumes are converted to quarterly equivalents, through multiplication by 91.25 (a quarter of 365) and division by the actual number of days in that billing period covered.

Where more than one property is supplied through a meter, the reading is divided by the number of properties served for the purposes of calculating the discharge factor. The discharge factor is otherwise independent of property type and time of year.

Seasonal Factor

The number of days that a customer's bill covers is converted to a number of equivalent winter days, and the ratio of actual to equivalent days defines the seasonal factor. Equivalent winter days are calculated from sets of assumed seasonal indices that relate to the different months of the year.

Seasonal Indices

Month	Houses	Units
January	1.7	1.3
February	1.7	1.3
March	1.5	1.2
April	1.2	1.1
May	1.0	1.0
June	1.0	1.0
July	1.0	1.0
August	1.0	1.0
September	1.1	1.0
October	1.2	1.1
November	1.4	1.1
December	1.6	1.2

3.11 Sewage Disposal Charge – non-residential

For non-residential customers, the formula is:

Trade waste customers:

Sewage Disposal Charge = Price x (Metered volume - Process Volume – Trade waste volume) x 0.9

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Other customers:

Sewage Disposal Charge = Price x Metered volume x 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

3.12 Trade waste category allocation

Customers are allocated into Trade Waste categories based on annual volume and/or load concentrations as detailed below:

To be classified as Category 1:

Mean Bio-Chemical Oxygen Demand ('BOD') and Suspended Solids ('SS') concentrations must both be less than or equal to 600mg/L; and
Annual volume must be less than 1,000kL

To be classified as Category 2

Mean BOD and SS concentrations must both be less than or equal to 600mg/L to qualify; and
Annual volume must be greater than 1,000kL

A Category 2 customer will also be charged (per kg) for:

Mean concentration of Nitrogen greater than 50mg/L; and
Mean concentration of Total Oxidised Sulphur greater than 100mg/L

To be classified as Category 3

Either or both of the mean concentration of BOD and SS is greater than 600mg/L
There is no minimum or maximum volume required for a customer to be classified as a Trade Waste Category 3.

A Category 3 customer will also be charged (per kg) for:

Mean concentration of Nitrogen greater than 50mg/L; and
Mean concentration of Total Oxidised Sulphur greater than 100mg/L

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3.13 Miscellaneous fees and charges

20 mm meter (plus delivery and installation) – fee covers provision of information on metering policy, supply of a 20mm meter and its delivery to a South East Water approved contractor, installation (or supervision of installation by the contractor) and creation or updating of customer records to indicate that the meter has been installed.

20 mm service connection (to mains of up to 300 mm) – fee covers administration costs of staff to 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 records indicating the type and size of connection. Also covers contractor's fees, covering labour, materials, travelling and other costs.

The customer or their plumber is responsible for the excavation, backfilling, site reinstatement and traffic management costs.

Removal and testing of meter (20mm) – 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.

Application fee for connection of single residential property to water and/or sewer 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
- for a 20mm non-residential connection that does not warrant the preparation of conditions of connection.

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 to connect, a copy of a plan showing the location of sewer pipes and the sewer connection point 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.

Plan showing sewer location within a property (property sewerage plan) – fee covers the costs of maintaining the records of the location of sewer pipes within properties and extracting and providing a copy of a plan showing the location of sewer pipes for the property indicated in the application.

Information statements – in transactions related to property settlement, customers may request an information statement from South East Water that shows:

- 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, and
- details of Melbourne Water's encumbrances placed on the property.

Fee covers the cost of issuing the statement, 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 in addition to charges payable to Melbourne Water.

Restoration of supply at the meter – fee covers part of the costs of visiting the property to further attempt to negotiate a payment plan prior to restricting the property and visiting the property to remove the restriction device when a payment is agreed.

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Application to build over easement or South East Water asset – Property owners who want to erect a structure over or abutting a South East Water asset, or within a South East Water easement can only do so if approval is obtained from South East Water. Application fee covers part of the costs of the investigations that need to be undertaken to determine whether their request can be granted, be granted subject to conditions or whether an additional fee needs to be lodged to cover the costs of investigating the condition of the asset.

Pricing principles

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;

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- 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 for developer charges for new customers

Schedule 2 sets out **developer charges** for new customers.

The scheduled charge applies 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.

When connecting to **South East Water's** water and sewerage network, the developer must provide the reticulation assets that are required to service their development and connect to **South East Water's** network.

Reticulation assets are infrastructure assets that are explicitly provided in relation to prescribed services for one development and are not required to be upsized to support other future developments. A water main that is 150mm or less in diameter and a sewerage main that is 225mm or less in diameter, and all associated assets that relate to these sized assets are generally considered to be reticulation assets although there may be some situations where these sizes are inappropriate.

Shared distribution assets are infrastructure assets that are generally provided in relation to prescribed services for more than one development and do not include:

- reticulation assets; or
- headworks and tailworks.

If a developer is required to provide reticulation assets that exceed the requirements of their development in a material respect, the developer can only be required to contribute to the costs of the reticulation assets an amount that reflects the requirements of their development.

The balance of the costs of the reticulation assets in such a case is to be recovered from future developers.

At any time during the regulatory period, **South East Water** may levy a charge greater than the scheduled charge that will cover the costs associated with bringing forward the provision of shared distribution assets.

In doing so, **South East Water** must set out the pricing principles for determining **developer charges** as contained in this Determination, and also notify the developer of their right to appeal any non-scheduled charge to the Commission.

The proposed charge is to be calculated on the basis of:

- the development-specific capital costs associated with connecting a customer or group of customers. For the avoidance of doubt, development-specific capital costs do not include any costs associated with:
 - assets in place prior to the development;
 - shared network assets; or
 - headworks, tailworks and treatment plants.
- where relevant, the financing costs that may be attributable to bringing forward the timing of the provision of shared assets required to connect to the existing network.

The brought forward financing costs associated with developments requiring the construction of shared network assets are to be calculated on the basis of the extent to which the assets being constructed form part of a logical extension to **South East Water's** existing water and sewerage networks:

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- Where the shared assets could be reasonably considered to form part of a logically sequenced network expansion or could reasonably be expected to be required by **South East Water** within a short to medium term planning horizon, no bring forward **developer charge** is to apply (scheduled charge applies).
- Where the shared assets do not form part of a logically sequenced network expansion, but could reasonably be expected to have been required by **South East Water** in respect of a long term planning horizon, then a non-scheduled **developer charge** equivalent to 40 per cent of the as constructed cost of the shared assets will apply.
- Where the shared assets do not form part of a logically sequenced network expansion, and could not reasonably be expected to have been required by **South East Water** in respect of a long term planning horizon, then a non-scheduled **developer charge** equivalent to 70 per cent of the as constructed cost of the shared assets will apply.

Non – scheduled new customer contributions in sewerage backlog areas are to be calculated according to the following formulas:

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

Where:

- NCC is the non-scheduled new customer contribution, expressed as a percentage and applied to final construction costs.
- r is the implied pre-tax weighted average cost of capital as approved by the Commission and
- n is the number of years the backlog sewerage works have been brought forward.

4.4 Pricing principles for developer charges for existing property owners

At any time during the regulatory period, **South East Water** must seek the Commission's approval where it proposes to levy a **developer charge** to apply to existing property owners connecting to water and/or sewerage services. This charge must not be greater than:

- the full efficient cost of installing the local reticulation mains; and
- any cap as specified by the Minister for Water in accordance with the requirements of the Statement of Obligations.

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.