

Land Development Policies

1 July 2022

Policy approval and responsibilities

The Chief Executive Officer of TasWater is responsible for implementing these policies.

Approved by the Board at its meeting on *28th* of *JUNE* 2022.

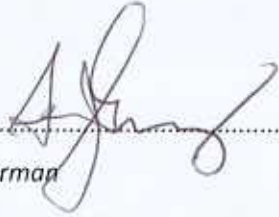

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Chairman

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1 Introduction

This document provides our policies for land development, including developer charges and service extension and expansion. These policies are required by the *Water and Sewerage Industry Act 2008*, by the *Water and Sewerage Industry (Pricing and Related Matters) Regulations 2021* and by the Regulator in connection with our Price and Service Plan for the period 1 July 2022 to 30 June 2026.

Information regarding connections to our water infrastructure and/or sewerage infrastructure can be found in our *Water and Sewerage Network and Charges Policies* document. We have developed growth and capacity plans (GCPs) that detail the long-term infrastructure needs for each of our water and sewerage systems. These GSPs are updated periodically and will be used as the basis for determining whether there is sufficient capacity available, in the relevant system, for the proposed development.

As outlined in our Price and Service Plan 4, a new developer charges framework will commence on 1 July 2023 (the second year of the PSP4 period). Until this time, the framework adopted for the PSP3 period will continue to apply. Taking this into account:

- Section 2 of this Policy outlines the developer charges framework that will apply from 1 July 2022 to 30 June 2023
- Section 3 of this Policy outlines the developer charges framework that will apply from 1 July 2023 to 30 June 2026

1.1 Further information

For further information about these policies and how they apply to your circumstances, please contact our Development Services Department on 13 6992 or development@taswater.com.au.

1.2 Relevant legislation

- Land Use Planning and Approvals Act 1993
- Water and Sewerage Industry Act 2008 (the Act)
- Water and Sewerage Industry (Pricing and Related Matters) Regulations 2021 (Pricing Regulations)

1.3 Customer Charter

Our *Customer Charter* explains our obligations consistent with the requirements under the Act, the *Water and Sewerage Industry (Customer Service Standards) Regulations 2019* and the Code. It also outlines the rights and responsibilities of our customers and our commitment to providing reliable water and sewerage services. It explains our business practices and provides the customer with reasonable expectations of our services, pricing, processes and responsibilities.

1.4 Support for economic development

We will waive water and/or sewerage service charges on newly created lots for a period of two years from the date the Recorder of Titles issues title to a lot, when all the following conditions are met:

- The lot is classified as serviced land
- The effective date of the of the newly created lot is not before 3 November 2012, as shown on the Recorder of Titles' plan of survey • The lot remains in the ownership of the developer
- The lot is not developed.

2 Developer Charges Policy – 1 July 2022 to 30 June 2023

2.1 Aim

The aim of this policy is to specify how and when we will impose developer charges and development assessment fees for new developments approved by the relevant planning authority.

2.2 Policy

Developer charges may apply to new developments/uses approved by the relevant planning authority, where we decide to provide water and/or sewerage services to a development/use. If applicable, developer charges will be imposed as follows:

Developments within serviced land where:

- The existing water and/or sewerage infrastructure can accommodate the demands of the proposed development/use (capacity) – developer charges will not apply for the available capacity or
- Capacity is not available - will require the developer to pay the cost of expansion of the system to the level of capacity required to service the development/use.

Developments outside serviced land where:

- Capacity is available within an existing system - the developer pays the costs of extension, including connection, to that system and may access the available capacity in that system at no additional charge or
- Insufficient capacity is available within an existing system - the developer pays the costs of extension, including connection, to that system and expansion of the system to the level of capacity required to service the development/use. Any existing spare capacity in that system that is less than the total required for the development will be made available at no additional charge or
- Isolated Developments - all costs are paid by the developer.

At our absolute discretion, we may contribute to the costs of development/use in accordance with section 2.2.2 below.

Additional charges may apply under our Price and Service Plan and our *Water and Sewerage Network and Charges Policies* document.

For new developments we refer to two types of water and/or sewerage infrastructure:

- Works Internal
- Works External.

This approach is summarised in the following table:

	Sufficient System Capacity	Insufficient System Capacity
Works Internal	Developer pays all costs	Developer pays all costs
Works External – Extension	Developer pays costs of Extension required for the development*	Developer pays costs of Extension required for the development*
Works External – Expansion	Not applicable	Developer pays costs of Expansion required for the development**

* Any development connecting to an existing system will as a minimum pay for the cost of connection to the mains of the existing system.

** We will refer to the system's Growth and Capacity Plan (where available) regarding capacity upgrades or other works planned. We will discuss these plans with the developer.

2.2.1 Advice Regarding Works Required

Works external required for a development/use will be assessed by us on a case by case basis. A developer will only pay Works External costs directly attributable to servicing their specific development/use.

As assessment is on a case by case basis, we will, upon request, provide details of the works required to service a proposed development/use (including mains connection costs) relating to any extension. The total works can then be independently costed by the developer.

2.2.2 Strategic Opportunities

In assessing a proposed development/use, we will consider any potential strategic benefits, such as alleviating public health issues or supporting economic development. If we believe there are sufficient strategic benefits we may fund any additional capital expenditure over and above the cost of assets required to service the proposed development/use. The developer will pay the costs for assets required to support the development.

2.2.3 Development Services Fees

The following fees apply in relation to assessments, approvals and compliance activities for developments/use. Invoices will be issued in relation to the relevant fees and are to be paid within 30 days of issue.

- Land Information Certificate (Section 56ZQ) Request fee: payable when you apply for a land information certificate (which provides information concerning our infrastructure at a specified location)
- Section 56W Consent fee: payable when we issue consent to build within two metres of our infrastructure
- Certificate for Certifiable Works (CCW) fee: payable when you apply to us for a Certificate for Certifiable Works that requires a Certificate of Compliance for either building and/or plumbing works
- Development Application (DA) fee: payable when you act on a planning permit that contains our conditions and prior to the issue of any other approval from TasWater
- Engineering Design Approval fee: payable when you apply to us for approval:
 - Of an engineering design for a development or
 - To construct water and sewerage assets for a development that are to be transferred to us
- Consent to Register a Legal Document fee: payable when we issue our consent to the planning authority to seal or register legal documents, such as a consent for registration of title documents for a subdivision development.

3 Developer Charges Policy – 1 July 2023 to 30 June 2026

The aim of this policy is to specify how and when we will impose developer charges and development assessment fees for new developments approved by the relevant planning authority.

3.1 Policy

A *Shared Infrastructure Contribution Charge* (standard charge) will be applied to all developments that are included in growth and capacity plans (GCPs). Developments that fall outside our GCPs and are materially different in terms of size, cost or timing will have a *Bulk Infrastructure Capacity Charge* (bulk charge) applied.

The table below provides further detail on the application of the standard charge and bulk charge.

Charge type	Description
Standard charge	<p>The standard charge will apply to all developments that are included in GCPs for each new equivalent tenement (ET) created. The standard charge aims to cover the incremental costs associated with expected capacity upgrades (i.e. not system extensions) driven by new customers, with remaining costs to be recovered through water and sewerage charges.</p> <p>The standard charge is to be set with reference to a net incremental cost associated with new customers and is calculated as follows:</p> <ul style="list-style-type: none"> + NPV incremental capex driven by new customers + NPV forecast opex driven by new customers - NPV forecast revenue from new customers. <p>For water-only or sewerage-only customer connections, 50 per cent of the standard water and sewerage charge will apply.</p> <p>A standard charge of \$3 514 per ET will apply for each of the FY2023-24, FY2024-25 and FY2025-26 financial years.</p>
Bulk charge	<p>The bulk charge will apply to any development that requires an unexpected network capacity augmentation (i.e. not system extensions). This will include developments that require:</p> <ul style="list-style-type: none"> • bringing forward the timing of a network capacity augmentation that has been planned for • building a network capacity augmentation that has not been planned for. <p>The bulk charge for a specific development will be based on the net incremental costs per ET of the capacity augmentation required for the individual development, and will be calculated as follows:</p> <ul style="list-style-type: none"> + NPV incremental capex associated with the network capacity upgrade required for this development + NPV forecast opex driven by new customers connected to that upgrade - NPV forecast revenue from new customers projected to connect to the network capacity upgrade. <p>This charge per ET will apply to all subsequent developments that connect to the capacity upgrade included in the bulk charge. Alternatively, where a capacity upgrade is deemed to be a large cost and high risk to TasWater, it may require the developer to fully fund the upgrade upfront.</p> <p>Where a bulk charge is applied, it will be charged in addition to the standard charge.</p>

If applicable, developer charges will be imposed as follows:

For developments within serviced land:

- where the existing and/or planned water and/or sewerage infrastructure can accommodate the demands of the development/use (capacity), the standard charge will apply
- where the existing and/or planned water and/or sewerage infrastructure cannot accommodate the demands of the development/use (capacity), the developer will be required to pay the bulk charge for the additional capacity upgrade plus the standard charge.

For developments outside serviced land:

- where capacity is available within an existing system, the developer may access the available capacity in that system and pays the standard charge and the costs of extension, including connection, to that system.
- where capacity is not available within an existing system and no works are planned, the developer pays the standard charge and the costs of extension, including connection, to that system plus a bulk charge for the additional capacity upgrade.
- where they are isolated developments, all costs are paid by the developer.

In our absolute discretion, we may contribute to the costs of development/use in accordance with Section 3.2.2 below.

Additional charges may apply under our Price and Service Plan and our *Water and Sewerage Network and Charges Policies* document.

For new developments, we refer to two types of water and/or sewerage infrastructure:

- Works internal
- Works external.

This approach is summarised in the following table:

	Sufficient system capacity	Insufficient system capacity
Works internal	Developer pays all costs	Developer pays all costs
Works external – extension	Developer pays costs of extension required for the development*	Developer pays costs of extension required for the development*
Works external – expansion	Developer pays a standard charge per ET.	Developer pays a standard charge per ET for planned works and an additional bulk charge for unplanned works. **

* Any development connecting to an existing system will, as a minimum, pay for the cost of connecting to the mains of the existing system, in addition to the standard charge and, if applicable, the bulk charge

** We will refer to the system's GCP (where available) regarding capacity upgrades or other works planned. We will discuss these plans with the developer.

3.2.1 Advice regarding works external required

We will assess works external required for a development/use on a case-by-case basis. In addition to the standard charge, a developer will only pay works external costs directly attributable to servicing their specific development/use.

As assessment is on a case-by-case basis, we will, upon request, provide details of the works required to service a proposed development/use (including mains connection costs) relating to any extension. The total works can then be independently costed by the developer.

3.2.2 Strategic opportunities

In assessing a proposed development/use, we will consider any potential strategic benefits, such as alleviating public health issues or supporting economic development. If we believe there are sufficient strategic benefits, we may fund any additional capital expenditure over and above the cost of assets required to service the proposed development/use. The developer will only pay the costs for assets required to support their development.

3.2.3 Development services fees

The following fees are in addition to the applicable standard and bulk charges and apply in relation to assessments, approvals and compliance activities for developments/use. Invoices will be issued in relation to the relevant fees and will be due within 30 days of issue.

- Land Information Certificate (Section 56ZQ) Request fee: payable when you apply for a land information certificate (which provides information concerning our infrastructure at a specified location)
- Section 56W Consent fee: payable when we issue consent to build within two metres of our infrastructure
- Certificate for Certifiable Works (CCW) fee: payable when you apply to us for a Certificate for Certifiable Works that requires a Certificate of Compliance for either building and/or plumbing works

- Development Application (DA) fee: payable when you act on a planning permit that contains our conditions and prior to the issue of any other approval from TasWater
- Engineering Design Approval fee: payable when you apply to us for approval:
 - Of an engineering design for a development or
 - To construct water and sewerage assets for a development that are to be transferred to us
- Consent to Register a Legal Document fee: payable when we issue our consent to the planning authority to seal or register legal documents, such as a consent for registration of title documents for a subdivision development.

3.2.4 Requests for estimates or information

Standard charge

In response to a request for an estimate or information, TasWater will provide:

- an estimate of the amount of the charge that is to apply, in respect of a property, to a person who -
 - proposes a new development in respect of the property; and
 - provides sufficient information about the proposed development to enable an estimate to be determined.
- information, as to how the amount of the charge has been determined to a person on whom such a charge is imposed.

Bulk charge

In response to a request for an estimate or information, TasWater will:

- advise whether the proposed development is outside of TasWater's Growth and Capacity Plans and is therefore likely to be subject to the charge; and
- provide information, as to how the amount of the charge has been determined to a person on whom such a charge is imposed.

3.2.5 Schedule of development fees

A full schedule of our development fees is provided on our website at www.taswater.com.au.

4 Service Extension and Expansion Policy

4.1 Aim

The aim of this policy is to outline the circumstances, and the terms and conditions, under which we will extend and expand our water infrastructure and/or sewerage infrastructure, including at the request of a person.

This policy supports the objectives of the Tasmanian Resource Management and Planning System, as detailed in Schedule 1 of the *Land Use and Planning Approvals Act 1993* and the associated planning processes.

4.2 Policy

Our approach to service extension and expansion is as follows:

4.2.1 Growth and capacity plans – works as listed

We will systematically extend and expand our water and sewerage infrastructure as detailed in our growth and capacity plans (GCPs).

4.2.2 Growth and capacity plans – works brought forward

A person may request in writing that we undertake extension and/or expansion works in existing systems sooner than they are listed in our GCPs. The person must agree to pay any relevant charges under the *Developer Charges Policy* for undertaking the works sooner than was planned.

In considering whether we will permit the bringing forward of works, we will consider matters including, but not limited to, the nature and timeframes for the works, impacts on our existing infrastructure programs and the risks posed to us and our customers. In this case a Bulk Infrastructure Capacity Charge may apply for any works brought forward.

Serviced land

For both standard and non-standard connections (as defined in our *Connections Policy*), the cost of extending and/or expanding our infrastructure will be in accordance the *Developer Charges Policy*. Connection will be undertaken in accordance with our *Connections Policy*, and connection costs will be borne by the proponent.

Other circumstances

We may permit extension and/or expansion to our infrastructure following the request of a property owner in circumstances other than those listed above when:

- A person makes a request in writing
- The person agrees to pay any relevant charges under the *Developer Charges Policy*.

This policy does not cover:

- Circumstances covered by the *Service Introduction Charges Policy* where services are proposed to be introduced to a community that has not previously received them.
- Non-standard historical service connections. TasWater will address issues arising from historical infrastructure arrangements in accordance with its *Non-Standard Legacy Water Connection Policy*.

Related policies and costs

For information regarding the connection of property classified as serviced land to a current water system and/or sewerage system, including requests and associated costs, refer to our *Water and Sewerage Network and Charges Policies* document (in particular, the *Connections Policy*) and prices available at www.taswater.com.au

5 Definitions

Term	Meaning
Act	Means the <i>Water and Sewerage Industry Act 2008</i> .

Term	Meaning
certificate for certifiable work	Means a certificate referred to in Section 56TC(3) or section 56TC(4) of the Act that is issued by us under Section 56TC of that Act.
Code	Means the Tasmanian Water and Sewerage Industry Customer Service Code issued by the Regulator under the Act.
expansion	Means the augmentation of water infrastructure and/or sewerage infrastructure to accommodate the development or connection of a property that cannot be catered for by a current water system's capacity and/or current sewerage system's capacity.
extension	Means the lengthening of water infrastructure and/or sewerage infrastructure to enable connection of a property to an existing water system and/or sewerage system.
isolated development	Means land that is proposed for development / change in use that is not designed to connect to our existing infrastructure.
planning authority	Has the same meaning as in Section 3 of the <i>Land Use Planning and Approvals Act 1993</i> .
Price and Service Plan	Means a price and service plan approved under section 65 of the Act.
Regulator	Means the Regulator referred to in Section 11 of the Act.
serviced land	<p>Means land that we will permit to be connected to our water infrastructure or sewerage infrastructure. We have identified this land by individual title, in accordance with Section 56U(1)(b) of the Act.</p> <p>Note: Information about our serviced land boundaries, including maps, is available on our website (www.taswater.com.au), The List (maps.thelist.tas.gov.au) and for inspection by customers at our offices. We can also be contacted during business hours on 13 6992 for further information.</p> <p>Serviced land boundaries will change over time as the capacity of the system changes.</p>
works external	Means infrastructure that is external to a development site, for extension and/or expansion, required to service the development and is installed at a developer's cost and gifted to us.
works internal	Means infrastructure that is within a development site that is installed at a developer's cost and gifted to us.

