



# New Customer Contributions Guide

July 2024

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# 1. Introduction

Greater Western Water (GWW) may levy a New Customer Contribution (NCC) when connections are made to its water, sewerage, and recycled water networks, or when new capital works are required.

Under section 259 of the Water Act, a NCC may be levied in respect of:

- a serviced property within GWW's district (referred to as a "tariff");  
or
- an unserved property within GWW's district (referred to as a "development tariff").

## **Serviced properties - tariff**

A NCC may be levied in respect of a serviced property under section 269(1) of the Water Act. Section 269(1) allows GWW to seek cost contributions for works where the use of any service for which those works are used increases, or will increase, because of the development of land or other change, or proposed change, in the use of the land.

## **Unserved properties – development tariff**

A NCC may be levied in respect of a serviced property under sections 268 and 270 of the Water Act. These sections allow GWW to impose a NCC:

- if it intends to provide services which will benefit a property; or
- for the cost of any works that are used or will be able to be used directly or indirectly for the provision of services that will benefit a property.

NCCs are regulated by the ESC's Price Determination. GWW may levy NCCs by applying:

- a scheduled charge;
- a non-residential high demand charge; or
- a negotiated charge (non-scheduled charge).

A NCC is not payable for Lots identified on the Plan of Subdivision as a Super Lot.

A NCC is not payable for land set aside for reserves, retarding basins and main road widening that do not need a water, recycled water supply and/or sewerage service at the time of subdivision.

If water, recycled water supply and/or sewerage services are requested after the subdivision has occurred, and the land was not a

serviced property under the Water Act, the NCCs must be paid at the rate current at the time the service is requested. If the property is serviced, a NCC may be payable in respect of new capital works under section 269 of the Water Act. For further explanation of the pricing determinations visit: [www.esc.vic.gov.au](http://www.esc.vic.gov.au).

This Guide should be read in conjunction with the GWW Land Development Manual, available on the GWW website.

The GWW service area, including the areas previously serviced by CWW and WW are shown in Figure 1-1.

## 2. Scheduled New Customer Contribution Charges

GWW has the power under section 259(1) of the Water Act to impose NCCs known as "tariffs" and "development tariffs". A NCC may be levied in relation to:

- an unserviced property (a "development tariff") under sections 268 and 270 of the Water Act; and
- a serviced property (a "tariff") under section 269 of the Water Act.

### 2.1 Residential

For residential developments, NCCs are charged on a "per Lot" basis. This reflects section 259(9) of the Water Act which authorises NCC to be charged in respect of each separate occupancy of a property. For example, self-contained units within a retirement village will each attract a NCC.

For all residential developments (including multi-unit and dual occupancy developments), the NCCs are determined by the number of lots, units, or dwellings within the development. Given NCCs are imposed in respect of each separate occupancy, the amount payable for all developments is determined in the same manner, regardless of whether the property is being subdivided or remains on one title.

A lot that is a serviced property under the Water Act may subsequently be subdivided into multiple lots. In this circumstance, the new lots will be serviced properties, and NCCs will only be imposed in respect of the new lots under section 269 of the Water Act to recover costs for the additional demand that the development has on the network. A one lot credit may however be granted in respect of the original lot.

GWW's districts include areas previously separately serviced by City West Water and Western Water. There are currently different NCC charges applicable to each of these areas, which are set out in sections 2.1.1 and 2.1.2 below.

### 2.1.1 Area Previously Serviced By City West Water

Standard 20 mm water and sewer NCCs may apply throughout this area for all developments and subdivisions. Zonal based recycled water NCC charges apply in the urban growth zones in this area (refer to Figure 1-2, p7).

Standard NCCs are raised in respect of each lot with a single 20 mm water meter. Refer to Table 2-1 for the 2024-25 fees. If a larger meter or multiple meters are required, additional NCCs may apply. Refer to Table 2-3 for the ratios to be used in conjunction with the 2024-25 fees detailed.

Note that the NCCs applicable for this area will be based on the rate applicable at the time of payment.

*Table 2-1 NCC – standard 20 mm connection (area previously serviced by City West Water)*

Item	Unit	Price
<b>Water and sewer services:</b>		
Water - all zones, all lot sizes	\$ per lot	\$859.50
Sewer - all zones, all lot sizes	\$ per lot	\$859.50
Recycled water zones: West Werribee Zone and Greek Hill Zone:	\$ per lot	\$3,108.55

### 2.1.2 Area Previously Services By Western Water

Standardised NCC charges for Greenfield Areas and Infill Development have been adopted within this area.

Standard NCCs are raised in respect of each lot with a single 20 mm water meter. Refer to Table 2-2 for the 2024-25 fees. If a larger meter or multiple meters are required, additional NCCs may apply. Refer to Table 2-3 for the ratios to be used in conjunction with the 2024-25 fees detailed.

For this area, NCCs will be calculated at the rate applicable on the date that GWW issues a Consent to Statement of Compliance. The developer may choose to pre- pay some, or all, of the NCC and a reconciliation will occur prior to the release of the statement of compliance. NCCs must be paid in their entirety prior to GWW issuing a Consent to Statement of Compliance.

*Table 2-2 Standardised NCC (area previously serviced by Western Water)*

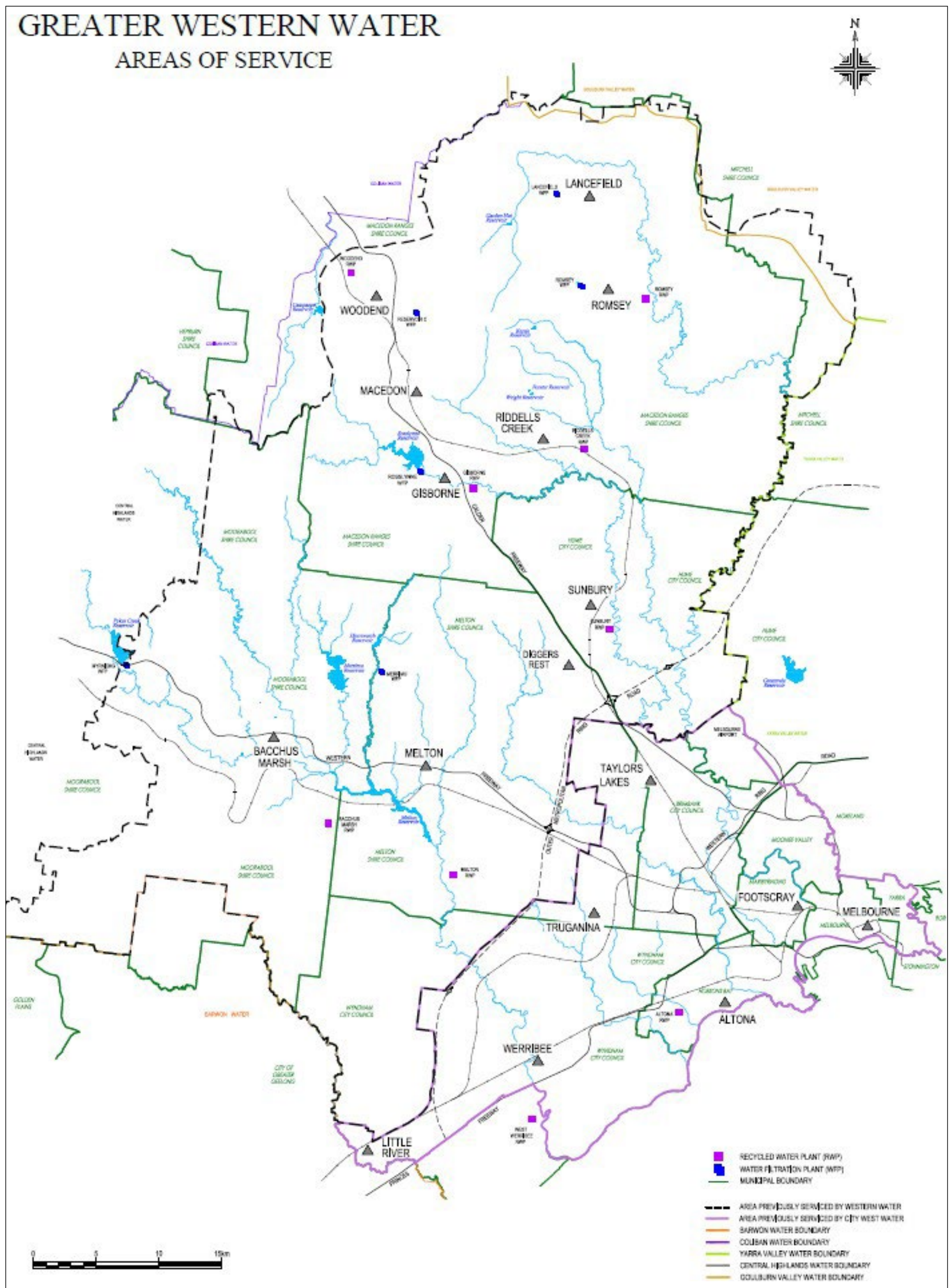
Site	Unit	Price
Greenfield – Potable and/or Alternate Water	\$ per lot	\$3,758.70
Greenfield - Sewer	\$ per lot	\$3,758.70
Infill – Potable and/or Alternate Water	\$ per lot	\$1,623.45
Infill – Sewer	\$ per lot	\$1,623.45

If a development (including a subdivision) requires either the construction of new assets or the upgrade of existing assets (either built by GWW (previously Western Water) or built by the developer and gifted to GWW (previously Western Water), NCCs will be payable at a Greenfield rate for each property created for the services provided to those properties.

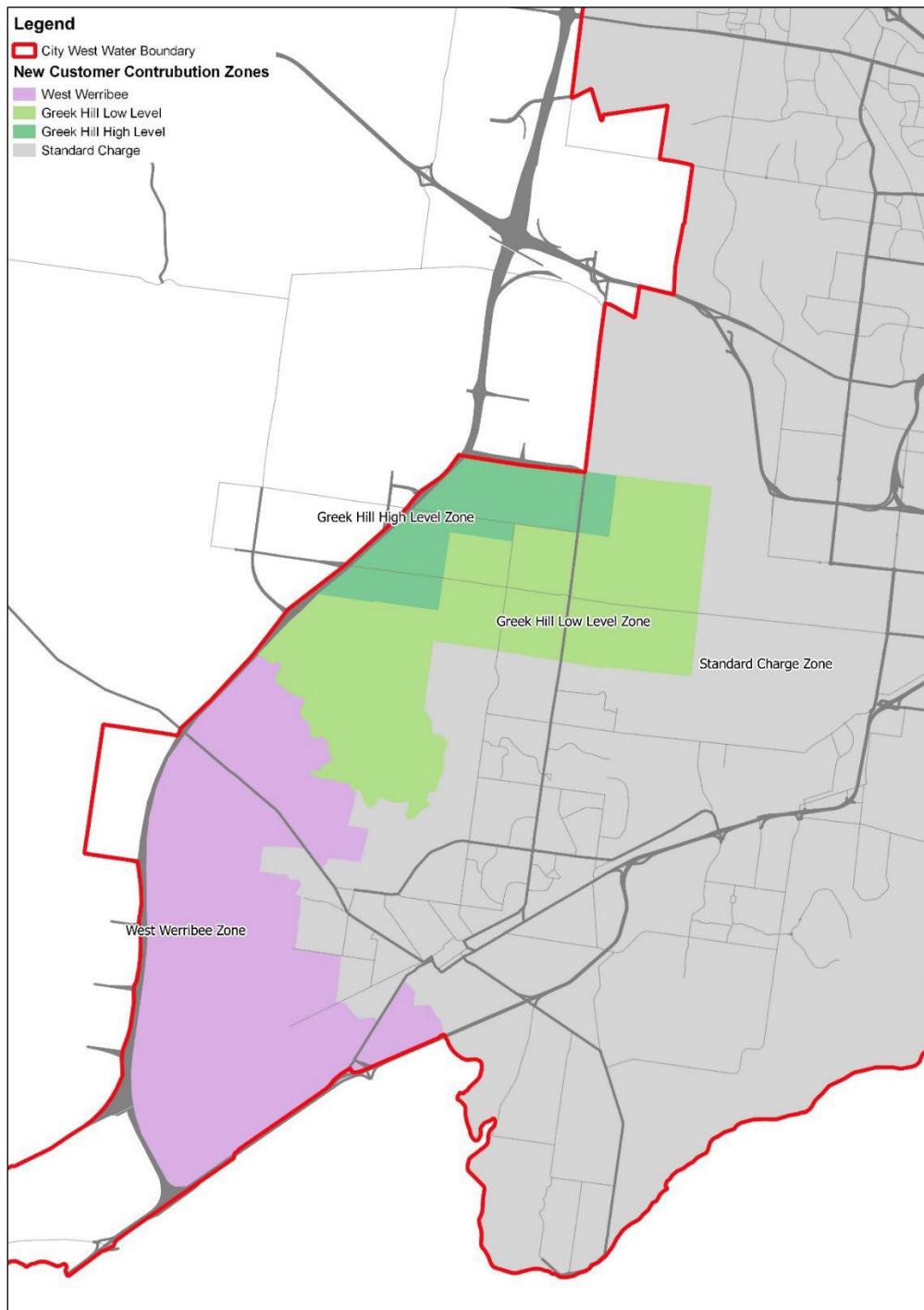
If a property is serviced and connected for one or two of available services (i.e. potable (drinking) water, sewerage, or alternate water), the provision of or connection to a further service will incur Greenfield NCCs in respect of that new service.

A property which is already serviced and connected and is to be subdivided will pay an Infill Development NCC for each additional property created.

Figure 1-1 Greater Western Water Areas of Service



**Figure 1-2 New Customer Contribution Recycled Water Zones  
Detail (area previously serviced by City West Water)**





## 2.2 Non-Residential / Non-Standard Connection

### 2.2.1 Area Previously Serviced by City West Water

To reflect the higher demand placed on networks in this area by single lot commercial and industrial developments, the NCC will be converted to equivalent standard 20 mm residential connections.

NCCs for water and recycled water services will be separately based on the meter sizes required for the development on each service. Table 2-3 sets out the ratios applicable for each meter size relative to a 20 mm meter standard to which the standard fees apply.

*Table 2-3 Ratios applicable for each meter size relative to a 20 mm meter standard (area previously serviced by City West Water)*

Meter size	Equivalent standard 20 mm connections
20 mm	1.0
25 mm	2.0
32 mm	3.0
40 mm	6.0
50 mm	10.0
80 mm	40.0
100 mm	70.0

The equivalent standard single 20 mm connection shown above represents the multiplier for the calculation of non-standard connections NCCs applicable for each New Customer Contribution Zone (refer to Table 2-1, Figure 1-1, and Figure 1-2). The equivalent standard connection ratio for meter sizes up to 100 mm is fixed. For meter sizes greater than 100 mm, the ratio may vary based on the capacity of the meter to be used.

For sewer NCC, the equivalent to a standard single 20 mm connection calculation will be based on the number of plumbing fixture units contained within the development. For the purposes of the calculation, 25 plumbing fixture units is equivalent to a standard single 20 mm connection. The fixture unit rating for each plumbing fixture is set out in Table 2-4 (as per AS/NZS 3500.2:2021).

Where the number of individually metered lots/customers is known for a commercial, industrial, or mixed-use development, NCCs will be applied based on Table 2-1 or up to point of check meter/s where deemed appropriate by GWW.

Table 2-4 Fixture unit rating

Fixture	Rating
Basin	1
Bath	4
Clothes Washing Machine (separate connection)	5
Dish Washing Machine (separate connection)	3
Drinking Fountain	1
Glass Washing Machine (separate connection)	3
Shower	2
Sink (single or double)	3
Sink (bar commercial)	3
Sink (cleaner)	1
Trough (ablution)	3
Trough (laundry)	5
Urinal or per 600mm length	1
Water Closet	4
Bathroom Group with 4 x separate fixtures	6

## 2.2.2 Area Previously Serviced by Western Water

To reflect the higher demand placed on networks in this area by commercial, industrial, and other non-residential high-demand developments, the NCC will be converted to an equivalent residential connection. Where the number of individually metered lots/customers is known for a commercial, industrial, or mixed-use development, NCCs will be applied based on Table 2-2 or up to point of check meter/s where deemed appropriate by GWW.

NCC for water and recycled water services will be based on the meter size required for the development. Where both water and recycled water will be in use, the larger of the two-meter sizes involved will form the basis of the calculation.

Table 2-5 sets out the ratios applicable for each meter size. A 20 mm meter is considered equivalent to a single lot.

*Table 2-5 Ratios applicable for each meter size relative to equivalent residential connections (area previously serviced by Western Water)*

Meter size	Equivalent Residential Connections
20 mm	1.0
25 mm	2.0
32 mm	3.0
40 mm	6.0
50 mm	10.0
80 mm	40.0
100 mm	70.0

The equivalent standard connection ratio for meter sizes up to 100 mm is fixed. For meter sizes greater than 100 mm, the ratio may vary based on the capacity of the meter to be used.

For sewer NCC the equivalent residential connection calculation will be based on the number of the plumbing fixture unit rating contained within the development. For the purposes of the calculation, 25 fixture units are equivalent to a single Lot. The fixture unit rating for each plumbing fixture is set out in Table 2-4 (as per AS/NZS 3500.2:2021). Note: The equivalent residential connection ratio is a multiple of a residential lot NCC and the calculation is based on whether the development is Greenfield or Infill development.

### **3. Negotiated New Customer Contribution Charges (Non- Scheduled)**

In areas where unplanned infrastructure must be constructed to connect a Development(s) to the existing network, GWW may negotiate a separate NCC charge for that development(s).

The negotiated NCC will be calculated in accordance with GWW's Negotiating Framework which is included as Appendix A.

## **4. Dispute Resolution and Appeal Mechanisms**

### **4.1 Dispute resolution in relation to payment requirements**

If you wish to raise a dispute in relation to payment requirements, we recommend you engage with GWW to try to resolve the matter before lodging a formal objection or appeal.

In the first instance, you should direct your dispute to GWW's Head of Growth & Development. If the dispute cannot be satisfactorily resolved, it will be escalated to the General Manager, Growth & Infrastructure.

If the dispute cannot be satisfactorily resolved, you may wish to consider your formal objection or appeal rights, which are set out below.

### **4.2 Objections in relation to payment requirements**

An Owner who is required to make a NCC payment pursuant to section 268, 269 and/or 270 of the Water Act may raise an objection with GWW by following the procedure set out in section 271 of the Water Act:

- the objection must be made in writing within one (1) month of receiving GWW's payment requirements, the details of which may be set out in GWW's proposed Development Deed;
- the objection under section 271(1) must be based upon at least one of the grounds set out in section 271(1)(a)-(f) of the Water Act; and
- GWW must notify the Owner of its decision on the objection within two (2) months after receiving the objection (section 271(2) Water Act).

### **4.3 Appeals in relation to payment requirements**

An Owner who is not satisfied with GWW's decision on its objection may apply to VCAT for review of GWW's decision under section 271(3) of the Water Act.

The Owner can apply for such a review provided that:

- at least one of the grounds set out in section 271(a)-(e) applies; and
- the application is made within 28 days after the date of GWW's decision (or, if the Owner requests a statement of reasons, 28 days after either that statement is provided or GWW informs the Owner that no statement will be provided).

# Appendices

## Appendix A – New Customer Contribution Negotiating Framework

### Application of Negotiating Framework

This Negotiating Framework forms a part of GWW's approved water plans for the current pricing determinations. This Framework applies to both Standardised NCC Charges (standardised charge for Applicants wishing to connect to the GWW system) and Negotiated NCC Charges (applies where the Standardised NCC Charge is not applicable due to the nature and/or locality of the development or arising out of negotiation with the Applicant).

### Purpose

This Negotiating Framework sets out procedural and information requirements relevant to services to which NCC apply. The Negotiating Framework requires GWW and any Applicant to negotiate in good faith to agree the price, standards, and conditions of services to be provided. It also provides for transparent information to enable the Applicant to understand the reasons for decisions made by GWW.

The requirements set out in this Negotiating Framework are in addition to any requirements or obligations contained in or imposed under the Water Act, the *Planning and Environment Act 1987* (including under any planning scheme or planning permit), the Subdivision Act, subordinate regulation under the described legislation as well as GWW's *Land Development Manual*, or any other relevant legislation or instruments (the "Regulatory Instrument").

In the case of inconsistency between the Regulatory Instruments and this Negotiating Framework, the relevant Regulatory Instruments will prevail.

This Negotiating Framework does not alter the rights of an Applicant to seek a review of a GWW decision at VCAT.

### Application

This Negotiating Framework applies to GWW in dealing with any property owner – generally a property developer – that is an Applicant who requests connection to GWW's works in accordance with Section 145 of the Water Act ("Application").

It also applies to GWW in responding to such requests from an Applicant.

## No Obligation to provide service, good faith obligation

Nothing in this Negotiating Framework imposes an obligation on GWW to allow the Applicant to connect to GWW's works or provide services to the Applicant.

GWW can refuse its consent, consent, or consent subject to any terms and conditions that GWW thinks fit, as provided under Section 145(3) of the Water Act.

However, GWW and the Applicant must negotiate in good faith the price, terms and conditions for services sought by the Applicant.

## Timeframes

GWW and the Applicant will use their reasonable endeavours to achieve the following timeframes:

- (a) Agree the milestones, information requirements and any other relevant issues within fifteen (15) business days of GWW's receipt of an application. An Application, under Section 145 of the Water Act, for connection means a servicing request made to GWW, the details of which are provided in the *Land Development Manual*.
- (b) Respond to the Application giving details of the terms and conditions of the Offer to allow connection:
  - Within forty-five (45) business days where Standardised NCC Charge applies; and
  - Within one hundred and twenty (120) business days where a Negotiated NCC Charge applies
- (c) Adhere to any timetable established for negotiations and progress negotiations in an expeditious manner; and
- (d) Finalise negotiations within one hundred and twenty (120) business days of the initial Application.

## Commencing, progressing, and finalising negotiations

Table 1 below provides an indicative timeframe regarding the process of NCC negotiations. As mentioned above, dependent on the location and specific requirements of the development, either a Standardised NCC Charge or a Negotiated NCC Charge will be applicable. The timeframes for these two charges will differ. It is likely that a Negotiated NCC Charge will require additional design and modelling to be undertaken by GWW and/or the Applicant. The two timelines are presented below.

Table 1 – Indicative timeframes for negotiating connection

Step	Actions	Timing Standardised NCC Charge (Business Days from Application date)	Timing Negotiated NCC Charge (Business Days from Application date)
1	<p><b>Application (Section 145) for service requirements and costings of connection</b></p> <p>Application fee paid</p>	Application date	Application date
2	<p><b>Negotiation Meeting</b></p> <p>Parties discuss:</p> <ul style="list-style-type: none"> <li>• the nature of the services required.</li> <li>• any additional information to be provided by the Applicant; and</li> <li>• notification and consultation with other persons potentially affected</li> </ul> <p>Parties agree to timeframes for negotiation and consultation and milestones if different to these indicative timeframes;</p>	+ 15 (If required)	+ 15
3	<p><b>Applicant provides additional Information</b></p> <p>Applicant provides additional information to GWW if requested</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>• Original completed application.</li> <li>• Additional information (if required);</li> </ul>	20	35

4	<p><b>GWW Investigation completed</b></p> <p>This could include:</p> <ul style="list-style-type: none"> <li>• Where required, consultation with others potentially affected.</li> <li>• Additional designs &amp; modelling</li> </ul>	35	90
5	<p><b>Offer</b></p> <p>GWW makes offer, in accordance with relevant regulatory instruments, including:</p> <ul style="list-style-type: none"> <li>• terms and conditions of connection.</li> <li>• NCC to apply; and</li> <li>• such offer will (unless otherwise specified) expire 12 months from being made.</li> </ul>	45	120

### Provision of information by Applicant

The Applicant must provide sufficient information to enable GWW to assess the Application and determine the service requirements and costings for the development. The information generally required by GWW is detailed in the *Land Development Manual*.

The level of information required by GWW, and the detail of its response, will vary depending on the complexity and size of the development. As stated above, additional information may be sought by GWW in the event of a Negotiated NCC Charge being sought.

### Provision of information by Greater Western Water

After consideration of servicing requests GWW may provide an Offer, via letter, draft agreement and/or notice. The Offer will include specific requirements for the development and include various standard conditions and other information including charges and fees to achieve connection to GWW's assets. This includes NCCs.

The information relating to the Offer is detailed in the *Land Development Manual*. The Offer is provided by GWW pursuant to the Regulatory Instruments.



## Pricing Principles

GWW NCCs will:

- (a) Have regard to the incremental infrastructure and associated costs in more of the statutory cost categories attributable to a given connection;
  - (b) Have regard to the incremental future revenues that will be earned from customers at that connection; and
- (c) Be greater than the avoidable cost of that connection and less than the standalone cost of that connection. In setting charges, GWW will also comply with:
- (a) The regulatory principles set out in clause 14 of the Water Industry Regulation Order (WIRO); and
  - (b) Specific pricing principles approved by the ESC as part of GWW's water plan applying at the relevant time.

## Consultation with affected parties

If GWW considers that persons other than the Applicant may be affected by proposed connection services, then:

- (a) subject to legal confidentiality requirements, GWW may share any necessary information with others potentially affected to assess impacts; and
- (b) parties will allow sufficient time for reasonable consultation with affected parties to occur.

## Payment of Greater Western Water's Costs

All developments of land requiring new or upgraded connection to GWW's system will incur associated fees and charges payable to GWW.

Fees and charges levied by GWW are subject to approval under the Water Act and/or as approved by the ESC. Details about the fees and charges can be found in GWW's *Land Development Manual* and *Pricing Handbook*. Both these documents can be downloaded from GWW's website.

Should the Application require a Negotiated NCC Charge, rather than the Standardised NCC Charge this will arise from the relevant negotiation, subject to the Regulatory Instruments in place at the time.

## Termination of negotiations

The Applicant may elect not to continue with its application and may end the negotiations by giving GWW written notification of its decision to do so.

GWW may terminate a negotiation under this Negotiating Framework by giving the Applicant written notice of its decision to do so where:

- (a) GWW believes on reasonable grounds that the Applicant is not conducting the negotiation in good faith.
- (b) GWW reasonably believes that the Applicant and the development will not be able to receive a service from GWW; or
- (c) An act of insolvency occurs in relation to the Applicant; or
- (d) GWW reasonably believes that the Connection Applicant has provided false or misleading information to GWW.

## Dispute resolution

In the event of a dispute between parties, GWW will continue attempts to resolve the matter by negotiation.

After GWW provides its Offer, if the Applicant does not accept the Offer and attempts to resolve the matter by negotiation are unsuccessful, generally the Applicant has rights to seek review at VCAT of the terms and conditions of connection and the NCC charge applied. These VCAT review rights, including various timelines, rights and process are set out in the Water Act and *Victorian Civil and Administrative Tribunal Act 1998*.

## Giving notices

The address for correspondence and notices to GWW is:

36 Macedon St  
Sunbury, Vic 3429

Australia or

Locked Bag 350 Sunshine Vic 3020

A notice must be:

- (a) in writing and signed by a person duly authorised by the sender.
- (b) hand delivered or sent by prepaid post, facsimile, or email to the recipient's address for notices, as varied by any notice given by the recipient to the sender; and

(c) if given or received under any of the Regulatory Instruments or other legislation, must be given under the requirements of that Regulatory Instrument, or other piece of legislation statute or regulation.

## Appendix B - Definitions and abbreviations

**Applicant** means the person making application to connect to the GWW system pursuant to section 145 of the *Water Act*.

**Brownfield Areas** means the same as Infill Development.

**Consent to Statement of Compliance** means a notice issued by GWW to the appropriate Responsible Authority that it consents to the issuing of a Statement of Compliance under section 21 of the Subdivision Act with respect to the development.

**Greenfield Areas** means non-built up areas where infrastructure for water and sewer is typically not available to service the property or properties, where for the proposed development of undeveloped land (generally in growth areas) there is only high-level information available.

**Infill Development** means built up areas where infrastructure for water and sewer is available to service the property or properties (also known as Brownfield Areas) where the proposed development of properties in established urban areas for which water demands, sewage flows and other technical details have been determined.

**Negotiated NCC Charge** – means a NCC determined in accordance with the NCC Negotiating Framework in Appendix A to this NCC Guide.

**New Customer Contributions (NCCs)** means an upfront payment levied by GWW under section 268, 269 or 270 of the Water Act, when a customer builds or develops a property and connects to GWW's water, sewerage, or recycled water network.

**Offer** means the letter provided by GWW that outlines the financial, design and construction requirements for the Applicant's proposed project after consideration of servicing requests made by an Applicant.

**Standardised NCC Charge** means the standardised charge determined by GWW for an Applicant wishing to connect to the GWW system, as set out in part 2.1 and 2.2 of this NCC Guide.

## Version Control Table

Version Number	Author Title	Purpose/Change	Date
V1.0	GWW	Combined GWW New Customer Contributions Guide	30/06/2021
V2.0	GWW	Rectified errors in text on page 8.	01/07/2021
V3.0	GWW	Updated fees for FY22/23 rates	01/07/2022
V4.0	GWW	Updated fees for FY23/24 rates	01/07/2023
V5.0	GWW	Updated fees for FY24/25 rates	01/07/2024