



**Authorised by:** Council  
**Authorised date:** 19/05/2021  
**Effective date:** 19/05/2021  
**Next review date:** May 2023  
**File Number:** D2021/154019

---

# Water Supply Tariff and Billing Procedure 2021

# Contents

Page

1.	Introduction .....	1
2.	Tariffs and Billing .....	1
1.1	<b>Water Supply Charges</b>	<b>1</b>
1.1.1	Access charge (Availability charge) .....	1
1.1.2	Usage charge .....	1
1.1.3	Major water users .....	2
1.1.4	Water consumption .....	2
1.2	<b>Concessions, Rebates and Variations</b>	<b>3</b>
1.2.1	Community Service Obligations .....	3
1.2.2	Pensioner rebate .....	3
1.2.3	Secondary dwelling .....	4
1.2.4	Dialysis customers .....	4
1.2.5	Hardship annual charge relief .....	4
1.2.6	Access charge rebate – Hydraulic issues .....	4
1.2.7	Interim access charge rebate – Staged development .....	4
1.2.8	Fire Service charges .....	4
1.2.9	Variations for unforeseen leaks – All properties .....	5
1.2.10	Meter testing .....	6
1.3	<b>Billing</b>	<b>7</b>
1.3.1	Water account .....	7
1.3.2	Changes to water prices .....	7
1.3.3	Overdue accounts .....	7
1.3.4	Cutting off or restricting water supply .....	7
1.3.5	Additional water meter readings .....	8
3.	<b>Headworks and Distribution Charges</b> .....	<b>8</b>

# 1. Introduction

The Water Supply Tariff and Billing Procedure is authorised under the Port Macquarie-Hastings Council Water Supply Policy.

The intent is to outline the charges and fees relating to the supply of water to properties, any additional applicable charges (based on individual requirements), and the concessions and rebates available to residents of the Local Government Area.

## 2. Tariffs and Billing

### 1.1 Water Supply Charges

---

Port Macquarie-Hastings Council (PMHC) adopts a water supply tariff structure consistent with the principals outlined in NSW Department of Industry Best-Practice Management of Water Supply and Sewerage Guidelines. The water billing system consists of two charges: an annual 'Access Charge', and consumption 'Usage Charge', i.e.:

$$\text{Water Supply bill} = \text{access charge} + \text{usage charge}$$

The tariff structure is based on an 'inclining block tariff', with a Usage Charge per kL for consumption up to a set 'Usage Threshold' and an increased Usage Charge per kL over and above the Usage Threshold - referred to as Tier 1 and Tier 2 usage charges. The Tier 2 Usage Charge is set at twice the Tier 1 Usage Charge.

These water supply charges are determined each year by PMHC through *Fees and Charges* in accordance with the *Local Government Act 1993*. They can be viewed on PMHC's website.

#### 1.1.1 Access charge (Availability charge)

An Access Charge is applicable to all properties fronting a water main to which a water service can be provided. The property must be located within the Water Supply Service Area as outlined within the Developer Servicing Plan (DSP).

The Access Charge cost is dependent on the customer's meter size. The access charge increases with meter size - the larger the meter size, the more water that will be allocated under the Tier 1 usage rate (refer section 1.1.2).

Customers that do not have an individual meter (e.g. older Strata units) are charged as if they had an individual 20mm water meter.

#### 1.1.2 Usage charge

The Usage Charge is applied to the amount of water measured through the water meter. It is charged based on a two-tier tariff. Tier 1 rates per kilolitre are charged up to a set 'Usage Threshold' and Tier 2 rates are charged when yearly consumption exceeds the set level.

For example, the Usage Threshold for a 20mm service is set at 270kL per annum. For every kilolitre up to 270kL, the Tier 1 rate is charged. For every kilolitre used over 270kL, the Tier 2 rate is charged. The 'Usage Threshold' increases with meter size.

### **1.1.3 Major water users**

For major consumers of water such as caravan parks, mobile/manufactured home estates and retirement villages, the Usage Threshold may be determined individually based on the Developer Charge methodology. Any changes to a customer's Usage Threshold will result in a subsequent change in the applicable Access Charge.

To determine the water Usage Threshold, a 'Major Water User' is defined as a customer:

- with the equivalent of a 100mm or larger water meter (excluding Fire Services), and
- who has an approved development of at least 25 Equivalent Tenements (ETs) - refer to PMHC's Development Contributions Assessment Policy.

To become a registered Major Water User, an application must be made to the Water and Sewer Planning section with the following information:

- annual water consumption amounts for previous bills, and
- justification for becoming a registered Major Water User, including a detailed description of the property's use, consistent with the criteria set out in Schedule 1 and 2 of PMHC's Development Contributions Assessment Policy.

For those registered as a Major Water User, further water conservation measures may be imposed, or a full Water Usage Report may be requested.

### **1.1.4 Water consumption**

Annual water consumption for a property is based on the water meter readings taken during that year.

## 1.2 Concessions, Rebates and Variations

---

### 1.2.1 Community Service Obligations

In accordance with the *Local Government Act 1993*, PMHC has resolved to provide a Community Service Obligation (CSO) to the following properties by not charging an Access Charge (Usage Charges still apply when water is consumed):

- land owned by the Crown, not being land held under a lease for private purposes (including if it is leased by the Crown to a caretaker at a nominal rent);
- land within a national park, historic site, nature reserve, state game reserve or karst conservation reserve (within the meaning of the *National Parks and Wildlife Act 1974*), whether or not the land is affected by a lease, licence, occupancy or use;
- that part of land that is the subject of a Conservation Agreement (within the meaning of the *National Parks and Wildlife Act 1974*);
- land that is vested in, owned by, held in trust by or leased by the Nature Conservation Trust of NSW constituted by the *Nature Conservation Trust Act 2001*;
- land that is vested in or owned by State Water Corporation and in, on or over which water supply works (within the meaning of the *Water Management Act 2000*) are installed;
- land that belongs to a religious body and is occupied and used in connection with:
  - a church or other building used or occupied for public worship, or
  - a building used or occupied solely as the residence of a minister of religion in connection with any such church or building, or
  - a building used or occupied for the purpose of religious teaching or training, or
  - a building used or occupied solely as the residence of the official head of any religious body in the State or in any diocese within the State.
- land that belongs to and is occupied and used in connection with a school (being a government school or non-government school within the meaning of the *Education Reform Act 1990*), including:
  - a playground that belongs to and is used in connection with the school, and
  - a building occupied as a residence by a teacher, employee or caretaker of the school that belongs to and is used in connection with the school.
- land that is vested in the NSW Aboriginal Land Council or a Local Aboriginal Land Council and is declared under Division 5 of Part 2 of the *Aboriginal Land Rights Act 1983* to be exempt from payment of rates;
- land that is vested in or owned by Rail Infrastructure Corporation, Rail Corporation NSW or Transport Infrastructure Development Corporation, and in, on or over which rail infrastructure facilities (within the meaning of the *Transport Administration Act 1988*) are installed; and
- land that is below high water mark and is used for any aquaculture (within the meaning of the *Fisheries Management Act 1994*) relating to the cultivation of oysters.

### 1.2.2 Pensioner rebate

In accordance with the *Local Government Act 1993*, PMHC provides eligible pensioners, as prescribed in the *Local Government Act 1993* and the *Local Government (General) Regulations 2005*, with a reduction to annual water supply charges, resulting in a maximum charge of \$87.50 for eligible properties.

### **1.2.3 Secondary dwelling**

A secondary dwelling can be defined as an additional structure within the boundaries of a residential property, providing a self-contained habitable dwelling. A secondary dwelling can be separately metered or supplied from the principal residence meter.

To be considered as a secondary dwelling, a number of conditions apply, e.g. size of the structure, nature of use, conditions associated with development. In some cases, the additional dwelling may be considered a dual occupancy/secondary dwelling and may be subject to payment of developer contributions. Refer to PMHC's Development & Environment section for further information.

Where a secondary dwelling is occupied by a dependent relative and where no financial remuneration is paid to the owner of the property, PMHC requires that ratepayers apply annually for classification as a secondary dwelling for water tariff purposes.

### **1.2.4 Dialysis customers**

For customers on a home dialysis machine that requires a water supply to operate, PMHC has agreed to provide up to 125kL of water per year at no charge, based on quarterly usage (i.e. up to 31.25kL of water at no charge per quarter).

### **1.2.5 Hardship annual charge relief**

PMHC will make provisions for financial hardship. Customers can apply for an annual charge reduction, where it can be substantially proven they are experiencing genuine financial hardship.

PMHC will consider providing assistance based on information provided by the resident, including income and expenditure details. Each case is treated individually on merit. More information can be found in PMHC Rates and Charges Hardship Assistance Policy, and applications can be made on the website.

### **1.2.6 Access charge rebate – Hydraulic issues**

PMHC has reduced the Access Charge for a 20mm water meter for residential properties that require a larger meter for hydraulic reasons (battle-axe blocks and low-pressure areas).

PMHC will continue this rebate and will work with these property owners with the view to installing a standard 20mm meter for a domestic water supply under PMHC's normal Meter Replacement Program.

### **1.2.7 Interim access charge rebate – Staged development**

On properties subject to staged development, and where the water service has been sized to serve the site ultimate requirements, the water Access Charge may be reduced each year to the equivalent of the rate for the appropriate sized service required for that stage of the development that has PMHC approval.

An application for such reduction must be made each year and include details of current approvals and an assessment of the size required, in accordance with the current *Plumbing Code of Australia* and AS 3500.

### **1.2.8 Fire Service charges**

All water consumption for Fire Services is charged at the Tier 1 Usage Charge. The Access Charge for Fire Services is dependent on the service size and is charged at 50% of the charge of the equivalent meter size.

### 1.2.9 Variations for unforeseen leaks – All properties

The property owner is responsible for maintaining all pipes and fittings between PMHC's water meter and the buildings and taps on their property (refer to PMHC Water Supply Procedure 2021). The property owner is also responsible for payment of all water charges based on the water that passes through the water meter, including on-site leaks.

If a customer is unable to pay an account or requires assistance in repaying an account, they may apply for an annual charge reduction due to hardship. See section 1.2.5 above for more information.

Applications will be considered on a case-by-case basis where:

- the water service is constructed of material approved by PMHC for domestic use, including:
  - copper pipe type A to AS1432 (copper alloy fittings to AS3688)
  - polyethylene (PE) pipe for pressure applications (Blue Stripe PN16), with minimum pressure rating of PN16 to AS/NZS 4130:2003
- a defect in the service has occurred which is not readily visible or apparent, and PMHC is satisfied there has been immediate and effective action to make repairs, and
- a copy of the invoice for repairs is provided to PMHC. The invoice must:
  - be from a licensed plumber and include the licence number
  - show the address where the work was carried out
  - state the nature and location of repairs, including the type of pipe material and length replaced
  - include a statement that the defect was not readily visible or apparent.
- Depending on the issue and information, a Statutory Declaration may also be required

PMHC will not consider a variation or reduction for an unforeseen leak for fire services or properties serviced with:

- poly lines (except 'Blue Stripe' drinking water pipe manufactured in accordance with AS/NZS 4130:2003: Polyethylene (PE) pipes for pressure applications, with minimum pressure rating of PN16), or
- designated Private Lines.

An approved variation will reduce the charges to an amount which is the greater of: half the charges incurred during the quarter, or the equivalent actual charges incurred for the same quarter of the previous year.

Subsequent bills in the financial year will take into account the adjusted amount rather than the metered amount (e.g. for calculation of any Tier 2 Usage Charges).

Any claims for subsequent leaks must demonstrate that sufficient work has been done to maintain the entire system and include an inspection report by a licensed plumber, advising that the entire service is in good condition and does not require replacement.

### 1.2.10 Meter testing

If a property owner considers PMHC's water meter is not accurately recording water usage, a request can be made for PMHC to test the meter (after payment of the appropriate fee, as set each year by PMHC through *Fees and Charges*).

If the subsequent test shows the meter is 'over'-recording by more than 3% of the actual quantity of water passing through it, PMHC will:

- replace the meter
- refund any charge paid to test the meter, and
- adjust the latest account on the basis of a daily consumption equal to the average daily consumption during the corresponding meter reading period of the previous year, or previous three years, or similar basis.

If the test shows that the meter is 'under'-recording by more than 3% of the actual quantity of water passing through it, PMHC may:

- replace the meter, and
- adjust the latest account on the basis of a daily consumption equal to the average daily consumption during the corresponding meter reading period of the previous year, or previous three years, providing the corresponding period is considered representative of normal consumption. Otherwise a pro-rata calculation may be considered, e.g. where the occupant has lived at the property for less than a year.



## 1.3 Billing

---

### 1.3.1 Water account

PMHC will issue a water account outlining the water supply, Usage Charge and the water service Access Charge. Residential customers will be sent an account on a quarterly basis, unless otherwise agreed. Commercial customers with high water usage may be sent an account on a monthly basis.

### 1.3.2 Changes to water prices

The water Usage Charge and Access Charge is set each financial year in accordance with the *Local Government Act 1993*.

Because the reading of water meters is staggered throughout the year, the actual water consumption for each financial year is taken as the pro-rata consumption between the meter readings that fall on either side of the end of the financial year.

The water account received after the end of the financial year will show the actual water consumption that applies for each charge bracket – split into the ‘old’ water charges and the ‘new’ water charges.

### 1.3.3 Overdue accounts

PMHC charges interest on overdue accounts at a rate set each year by the Department of Local Government in accordance with the *Local Government Act 1993*. The interest accrues on a daily basis.

PMHC will take action to recover overdue accounts, including using external debt collection agencies and legal action, where necessary.

### 1.3.4 Cutting off or restricting water supply

In accordance with the *Local Government (General) Regulation 2005*, PMHC may cut off or restrict the supply of water to a property if any:

- water meter used to measure that supply is out of repair or, in the opinion of PMHC, incorrectly registers the supply of water, or
- rates or charges in respect of the water supplied to the premises are unpaid.

If PMHC cuts off the supply of water to a property, PMHC may refuse to supply water to those premises until:

- a water meter is installed on the premises,
- the water meter registers correctly, or
- the outstanding water charges are paid.

PMHC may charge a fee, as set each year through *Fees and Charges*, for the:

- issue of a ‘Notice of Intention to Disconnect Water’,
- disconnection of the water supply, and
- reconnection of the water supply.

The Local Government Act 1993 provides that water charges including any accrued interest (and any costs awarded by the courts in proceedings to recover the water charges) are a charge on the land, and PMHC may sell the land (including vacant land) if water charges have remained unpaid for more than five years from the date on which it became payable.

### 1.3.5 Additional water meter readings

PMHC may arrange for an additional water meter reading and estimated water bill outside the normal billing cycle, after a request by the customer and the payment of the appropriate fee (as set each year by PMHC through *Fees and Charges*) has been received.

## 3. Headworks and Distribution Charges

Headworks charge is a charge formulated by PMHC, as the Water Authority, to cover the cost of providing, maintaining and extending infrastructure such as pipelines, reservoirs and pump stations. These and distribution charges cover the cost of providing the water supply capacity either within PMHC's existing water supply system or through future capital works.

PMHC has prepared a Development Servicing Plan (DSP) in accordance with Section 64 of the *Local Government Act 1994*, which details the water supply headworks and distribution charges imposed on development areas using PMHC's water supply infrastructure.

Potential development areas that are not included in the current DSP will be subject to separate headworks and distribution charges, which will be based upon the actual cost of providing water supply services.