

Tasmanian State Government headworks waiver (1 April 2014 – 31 March 2016)

Q1: What are headworks charges?

A: Headworks charges are one component of developer charges. Developer charges are upfront charges imposed on developers as a condition of connection to TasWater's water or sewerage network.

Developer Charges encompass:

- 1. Works Internal - reticulation assets within the development put in by the developer and transferred to TasWater.*
- 2. Works External - extensions to connect to TasWater's network put in by the developer and transferred to TasWater.*
- 3. Headworks - payments for defined costs of new or existing assets deemed to be attributable to the new development (i.e. to purchase capacity in the system).*

The headworks waiver policy applies only to the headworks component of developer charges. The scheme involves the State Government reimbursing TasWater for headworks charges that would otherwise be payable by developers. While developers are nominally responsible for headworks charges, the Government has agreed to pay TasWater on developers' behalf – developers will not be required to pay headworks charges for eligible projects.

Q2: What are the eligibility criteria for developments to have headworks charges waived?

A: The eligibility criteria have been determined by the State Government. The waiver applies to developments where headworks become due and payable within the eligibility period, 1 April 2014 to 31 March 2016.

In practical terms this means that for subdivisions the final plan of survey must be lodged with Council and the works must have reached practical completion in the eligibility period.

For other development activities the Certificate of Certifiable Works must be applied for, or issued, during the eligibility period.

The program is primarily designed to bring forward pending and new developments, rather than supporting projects that are already under construction.

Q3: What happens if I only complete part of my subdivision in the eligibility period 1 April 2014 to 31 March 2016?

A: If the subdivision is incomplete it will not qualify as the final plan of survey must be lodged with Council and the works must have reached practical completion in the eligibility period.

However, it may be possible for the subdivision works to be staged and for a stage to qualify for the waiver. For this to occur the final plan of survey for the subdivision stage must be lodged with Council and the works for the subdivision stage must have reached practical completion in the eligibility period.

Q4: What happens if I submit my final plan of survey in the eligibility period but do not reach practical completion until after the eligibility period? Do I pay the old headworks charge or headworks charges applicable under the proposed new approach?

A: In this case the subdivision does not qualify for the State Government headworks waiver as practical completion has not been reached. In this case the headworks policy prevailing at that time will apply.

TasWater has support of its owners to propose a new approach to headworks charges and this will be contained within the draft Price and Service Plan for the period FY2016 to FY2018, to be released shortly. This new approach, subject to approval by the Economic Regulator, will provide that developments in identified planned growth areas do not pay headworks charges. (A separate fact sheet will be prepared in relation to the new approach.)

The State Government's headworks waiver period expires 31 March 2016 and from that point any headworks policy approved under the new Price and Service Plan will prevail.

Q5. What if I lodged my final plan of survey with Council prior to 1 April 2014 but the works for the subdivision reached practical completion during the eligibility period?

A: In this case the subdivision does not qualify for the State Government headworks waiver as both practical completion and lodgement of the final plan of survey must occur during the eligibility period.

Q6: I have received an invoice to pay works external charges for my development. Why should I have to pay this when the State Government has announced a waiver of headworks charges?

A: The State Government's headworks waiver only applies to the headworks component of developer charges. Developers remain responsible for costs associated with works internal and works external to their development.

Q7: Do I have to apply to TasWater or the State Government in order to have my headworks charges waived?

A: No. There is no specific application required outside the normal Development Application process.

For eligible developments, TasWater will condition the headworks amount in the Planning Permit as normal, but will include an advice clause which will note that if the amount payable for headworks falls due and payable in the period 1 April 2014 to 31 March 2016 then such amount will be payable by the State Government, rather than the developer. There is no need for the developer to register with the Government or seek reimbursement of headworks charges.

Headworks charges will become payable by developers when the headworks charge falls due and payable after 31 March 2016, i.e. after the eligibility period ends.

Q8: How is this waiver going to be funded? Will TasWater increase charges in other areas to cover costs?

A: The State Government is compensating TasWater for lost revenue as a result of this change directly from the State Budget. There is no impact on other water and sewerage charges.

Q9: I have more questions to ask about my development and TasWater charges, who do I talk to at TasWater?

A: TasWater's Development Services team can speak to you about connecting water and sewerage services to your development (136 992) or alternatively you can email development@taswater.com.au.

To answer your specific questions regarding eligibility of your development for the State Government headworks waiver please contact Jason Taylor, TasWater's Development Assessment Manager via email at Jason.Taylor@taswater.com.au or call 0459 167 683.

Q10: Who in the State Government should I contact to find out more about the headworks waiver?

A: The State Government's nominated contact for the headworks waiver is Simon Arnold from the State Department of Economic Development on (03) 6165 5231 or via email to simon.arnold@development.tas.gov.au.