

Media Release

Date: 12th May 2011

Re: New Customer Connections Pricing

Cradle Mountain Water has released its new pricing schedule for new customer connections.

The charges, which apply from 1 July 2010, are for:

- New blocks of land created by land sub-division;
- New houses or buildings on previous vacant land; and/or
- Where a property connected to infrastructure has not previously been charged a tariff.

“These prices are only applicable to new or newly connected properties, existing customers will continue to be charged according to the existing price structures while the Interim Pricing Order is in place,” CEO Andrew Kneebone said.

“We have developed these charges because they represent the future for water and sewerage charging.

The charges consist of

- A fixed water (service) charge
- A volume charge for water used. There is no free water allowance
- A fixed sewerage (service) charge
- A separate trade-waste charge where required for industrial and commercial customers”

The fixed water charge is based on the size of the water connection to the property; this is a system that is already used in some areas of the state including Wynyard. The logic being that the larger the connection, the greater capacity that connection can demand from the water supply system - therefore a higher charge should apply. In the majority of cases the standard residential water connection is 20mm.

The volume charge will recover the costs of treating and delivering the water.

Sewerage service charges are calculated on a single fixed charge, there is no additional volume charge because it is too difficult to measure the volume of sewerage at the customer’s boundary.

(more...)

“We believe that this is an equitable system of charging for customers as it is based on the cost of providing services and not some arbitrary approach such as the value of the property. These charges apply to all new customers including households, commercial and industrial customers,” Mr Kneebone said.

“In line with the Interim Pricing Order requirements, these charges have been developed so as to only recover the operating costs, depreciation and interest costs of Cradle Mountain Water. There is no additional profit margin built in these charges,” he said.

“The new charges will apply to new customer connections from 1 July 2010. Any new connections prior to this date (1 July 2009 to 30 June 2010) will receive a ‘holiday’ and not be charged for that period.

“We recognise that these accounts are going out late in the financial year, therefore we will be more than happy to negotiate payment arrangements with customers if required,” he said.

The Schedule of Charges can be viewed at www.cmwater.com.au.

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