



New Customer Contributions

New Customer Contributions are a once-only payment charged to land developers when new land is being developed.

They help fund the water and wastewater infrastructure needed to support growing communities.

This means the cost of the infrastructure required for new developments is paid by developers, rather than existing customers.

Developers usually pass these costs onto those who purchase the land for development (e.g. to build a house).

How is a New Customer Contributions (NCC) calculated?

NCCs are calculated using a framework approved by the Essential Services Commission.

The framework is designed to:

- Be fair to both existing and new customers
- Share the costs and benefits of growth
- Help ensure development costs are considered when planning new developments.

The calculation considers:

- The infrastructure needed to support growth and associated cost.
- The cost of connecting new developments
- The future revenue from new connections and customers.

Are there different kinds of NCCs?

There are two types of NCCs; standard NCCs and negotiated NCCs.

Standard NCCs apply when future growth and infrastructure needs are reasonably well understood. These are charged at a set established rate across the entire Price Submission (five-year) period.

Depending on the number of connections and the allocation of specific capital project costs, standard NCCs may vary between towns and services. This helps achieve one of the NCC objectives to send signals about the costs of developing in certain areas.

Negotiated NCCs can be used for larger or more complex developments where a standard NCC may not be suitable.

This type of NCC considers the specific infrastructure required for a particular development in a particular location and calculates a charge based on those needs.

Negotiated NCCs are still calculated using the approved framework and regulatory requirements but are tailored to the specific infrastructure needs of an individual development.

Future considerations

We re-introduced NCCs as part of our 2023 Price Submission, bringing our charges in line with the rest of the state. This followed significant customer and developer engagement.

We're proposing a similar approach for our Price Submission 2028, including continuing to ensure charges are applied fairly and consistently across different types of developments.

We're exploring enhancing our NCC framework to include charges for non-residential connections, such as commercial and industrial projects. This will ensure the impacts of the growth of these non-residential connections are not spread across all customers and are directly recovered from the new connection applicants. This approach will include larger equivalent connection values based on the sizes of services utilised by these industrial or commercial projects.

We're also looking at several improvements to better reflect different ways residential developments, such as units, small secondary dwellings and non-subdivisional residential developments) are connected to water and wastewater services.

We'll also introduce a Connections Policy, which will outline our entire framework and include an internal and external dispute resolution process and formal process (with costs) for requesting negotiated NCCs. It will be publicly available on our website.



Find out more

To learn more, scan the QR code below or visit

www.gippswater.com.au/NCC