

FAQs

Patterson Lakes Precept Pricing Proposal

October 2011

What is the precept rate?

In addition to the normal waterways and drainage rate that all Melbourne home owners pay, Tidal Waterways and Quiet Lakes property owners in Patterson Lakes pay a special service charge for works and services that are specific to their waterside properties. This is known as the precept rate, and is approved by the Victorian Government's Essential Services Commission which independently regulates the prices and service standards of businesses supplying water, sewerage and related services.

Why do I pay the precept rate?

The precept rate helps us provide exclusive services to residents in the Tidal Waterways and Quiet Lakes areas. When Patterson Lakes were developed it was agreed that we would manage the waterways within these areas.

All property owners pay precept rates because everyone in the community benefits from the lifestyle of living around these waterways.

How do I pay the precept rate?

Your precept rate is collected by South East Water on behalf of Melbourne Water. The charge appears as "Melbourne Water Precept Rate" (formerly "Patterson Lakes drainage") on your water bill, which you pay quarterly.

How is the precept rate currently determined in Patterson Lakes?

Currently, your precept rate is a percentage of the improved 1990 site value of your property. This system is outdated, and doesn't accurately reflect the costs or benefits of the services we provide to the Patterson Lakes community.

Why is Melbourne Water changing the way they calculate rates?

The Essential Services Commission would like to see Melbourne Water's precept ratepayers pay charges that reflect the cost of the service provided rather than the value of a property. The current property valuation measure is outdated (1990 values). This is occurring throughout Melbourne, not just in the precept areas.

What is Melbourne Water's precept rates pricing proposal?

Melbourne Water is proposing that **charges should reflect the cost of the services provided to different types of properties** and this approach is supported by the Essential Services Commission.

Precept rates would be dependent on whether your property is waterfront or non-waterfront, and whether or not you have a mooring.

This proposal is subject to approval by the Essential Services Commission.

For more information please refer to the letter that was sent to all rate payers in the district. If you did not receive a letter, please contact Evaluation Solutions on 9863 7554.

How does Melbourne Water define "Waterfront" and "Non-waterfront"?

Melbourne Water defines waterfront properties as having full access rights to the water. Non-waterfront properties have no direct access to the water, but may have partial rights access (like key access), or access to the water via a common easement.

What is Melbourne Water's definition of a "small property"?

Shops, the retirement village, multi units and any other small property that is less than 540sqm in land area.

How did Melbourne Water work out my property's estimated rates?

Melbourne Water's Pricing and Regulation team used a pricing model to estimate the precept rate from this year (211/12) until 2022/23.

The model takes into consideration your property's category, and CPI over that period of time.

When would these pricing changes take effect?

If this proposal is accepted, the changes will take effect from 1 July 2013.

What happens to our precept prices after 2022/23?

After 2022/23 cost increases are likely to reduce to CPI, although other costs may arise that we cannot foresee at this point. Small increases may be incurred for asset renewal, but these will only be "bumps" in the price path. Melbourne Water will propose to meet the shortfall of about \$10.4 million between the money collected and the cost of providing the services until the shortfall is eliminated in 2023.

Why do we still pay the general "Waterways & Drainage" rate as well as the precept rate? Koo Wee Rup doesn't.

The general drainage rate covers a wide range of services under our Operating Charter. Funds raised by the general drainage rate go to managing waterways such as Patterson River, flood management such as the Patterson River flood walls, and managing referrals regarding new development.

The Koo Wee Rup special drainage rate is calculated to include both general and special drainage services provided by Melbourne Water.

How can I provide feedback?

We welcome your comments on these proposed rate changes until 25 October 2011.

We will consider all feedback before finalising our proposed changes. You will also have the opportunity to provide comment as part of the Essential Services Commission's public consultation process.

Mail: Melbourne Water - Precept Pricing Feedback
PO Box 367, CHELSEA
Vic 3196

Email: pattersonlakes@melbournewater.com.au

Or you can call Evaluation Solutions who are assisting us with our consultation:
(03) 9863 7554.

How will my feedback be considered?

Melbourne Water is accepting feedback from the community via phone, email or letter. Melbourne Water will review all feedback from the community and use it in the preparation of the pricing proposal.

Who can I contact if I have questions?

If you need further information about the proposed changes to your precept rates (which would take effect 1 July 2013), please contact Evaluation Solutions on (03) 9863 7554. Evaluation Solutions are an independent company who are assisting with our consultation.

Customers can also email Melbourne Water at: pattersonlakes@melbournewater.com.au