

Water, wastewater and stormwater service connection charges (developer charges and backlog sewerage charges)

The Independent Pricing and Regulatory Tribunal (IPART) today released its final decisions on the prices that can be charged by metropolitan water agencies to developers and existing properties, to connect, extend or upgrade a service.

The determination provides a method for calculating the maximum prices Sydney Water, Hunter Water and the Central Coast Council can charge developers and existing property owners. The actual charges to be levied will depend on the type of assets servicing the property, how many other customers will use them and be calculated by the water agencies by applying the method.

In 2008, the NSW Government set Sydney Water and Hunter Water's developer charges to zero. Our review will not impact this decision, but will impact developer charges on the Central Coast where the Council levies these charges in accord with IPART's determination.

IPART Chair Dr Peter Boxall said that under the Determination, a uniform method applies to calculate the cost of connecting a new service, be it to a new development or to an existing property.

"We have maintained the key features of our current method for developer charges, which remains sound," Dr Boxall said.

"But, we have updated the parameters of the method to ensure its ongoing currency, and have made the procedural requirements more flexible and responsive, given the Government policy of zero developer charges for Sydney Water and Hunter Water."

Dr Boxall said that the new approach simplifies the regulatory framework by combining five previous price determinations into a single determination, and does not further hinder competition.

"We have sought to ensure that our method does not impose new barriers on any private operators seeking to provide water or sewerage services."

Dr Boxall said the decisions also enable a new charge, for a voluntary upgrade of services to existing properties.

"This is a major break-through in providing a way to fund infrastructure upgrades in built-in areas, to increase water pressure and flow for firefighting," Dr Boxall said.