



## Registration of Development Service Plan for Sydney Water Corporation-Mamre Rd

# Final Report

May 2025



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## **Acknowledgment of Country**

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

## **Tribunal Members**

The Tribunal members for this review are:

Carmel Donnelly PSM, Chair  
Jonathan Coppel  
Sharon Henrick  
Dr Darryl Biggar

Enquiries regarding this document should be directed to a staff member:  
Mike Smart (02) 9113 7728  
Gerard O'Dea (02) 9290 8495

## **The Independent Pricing and Regulatory Tribunal**

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

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# 1 Executive summary

Water, wastewater and stormwater developer charges are prices for connecting to, or upgrading a connection to, a water supply, wastewater, or drainage system. They are paid by a property developer to the water utility that provides water, wastewater and drainage networks.

IPART's first determination for water, wastewater and stormwater developer charges was published in 1995. In 2008 the NSW Government set water, wastewater and stormwater developer charges to zero for Sydney Water and Hunter Water areas of operation.

IPART published its latest [water, wastewater and stormwater developer charges determination in 2018](#). We consider that this 2018 determination applies to the Mamre Rd scheme, which we consider to be a stormwater system.

The Mamre Road DSP is designed to meet stormwater quality and flow standards to the receiving waters. It is also recycling some of that stormwater and selling to customers via a third pipe. There is also infrastructure to link the Upper South Creek Advanced Water Recycling Centre to Mamre Road DSP area to maintain a resilient supply of recycled water. These elements of the scheme have been included in order to minimise the costs of managing stormwater, consistent with the relevant standards for pollution and stormwater rates of flow.

In October 2022 the [NSW Government notified Sydney Water](#) that it had decided to phase back in water, sewerage and stormwater DSP charges over a 4 year period. With DSP charged being a maximum of 100% of the IPART registered DSP charge by 1 July 2026. Currently, in 2024-25 water sewerage and stormwater DSP charges are set at 25% of the maximum charge.

At the same time however the Government carved out 6 stormwater precincts<sup>a</sup> in and around the Aerotropolis from this transitional arrangement. The Government decided that these precincts would be subject to 100% of the maximum stormwater DSP charge once they were registered by IPART. [Mamre Road DSP is one of those precincts](#).

Once registered, the Mamre Road DSP charge will be 100% of the maximum price of \$877,200 (\$2024-25).

Before Sydney Water can levy a DSP charge it must meet a list of requirements in the 2018 determination including that it must:

- prepare the DSP
- exhibit the DSP for 30 working days
- consult on the proposed DSP and make appropriate amendments
- submit the final DSP to IPART for registration

Sydney Water has now submitted the final version of the Mamre Road DSP to IPART for registration.

This report identifies:

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<sup>a</sup> Sydney Water (Stormwater Drainage Areas) Amendment Order 2022

- the requirements that the Mamre Road DSP must meet for IPART to register it
- our assessment of whether the Mamre Road DSP meets these requirements and our decision on registration.

We have concluded our assessment and have determined to register the DSP.

## Decision



1. Register Sydney Water's Mamre Road Stormwater DSP effective from 10 May 2025, or an earlier date as decided by the CEO of IPART

In reaching this decision, our analysis was limited to assessing whether the DSP proposed by Sydney Water met the requirements of our 2018 Determination. Those requirements are detailed in section 2 of this report.

Our next review of developer charges will consider whether those requirements, and our overall approach, remain appropriate. We intend to commence that review in 2026.



## 2 Requirements of registration

The requirements that Sydney Water must comply with for IPART to register a Development Servicing Plan (DSP) are detailed in Schedule 4 of the [2018 Determination](#).<sup>b</sup>

In summary the requirements for a DSP are that it contains:

- a summary of the contents of the DSP
- information identifying the system(s) it relates to
- a description of size and boundaries of the DSP area
- information on current and projected population and Equivalent Tenements (ETs)
- completed and future capital works
- service standards for that DSP area
- the calculated maximum price in accordance with IPART's methodology
- detailed information on pre-1996 and post-1996 assets and the number of ETs served by the DSPs.

Additionally, Sydney Water needs to comply with the consultation requirements namely that they:

- exhibit the Draft DSP for 30 working days
- make all the critical data assessable on the Agencies website for the exhibition period
- advertise the draft DSP
- advise industry bodies and known affected developers 10 days prior to the start of the exhibition period
- consider all submissions made and inform IPART of Sydney Water's response.

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<sup>b</sup> IPART, Maximum prices for connecting, or upgrading a connection, to a water supply, sewerage, or drainage system. Sydney Water, Hunter Water, and Central Coast Council. Final Determination October 2018

### 3 Final DSP submitted to IPART by Sydney Water

Sydney Water has submitted 1 DSP being for Mamre Rd in the Aerotropolis in western Sydney. Our assessment of Sydney Water's Mamre Road DSP is set out below.

### 3.1 Methodology

We have examined the DSP and we consider that it conforms to the IPART methodology for calculating maximum prices. We note that the maximum price of \$877,200/ha is marginally lower than [IPART's recommendation to the NSW Government<sup>c</sup>](#) of \$850,000 indexed for inflation.<sup>d</sup>

Sydney Water consulted on a calculation of the DSP price that was based on a spreadsheet template specified by IPART in our 2018 determination (Mamre Rd – IWCM Model). The calculations are performed for Equivalent Tenements (ET). For stormwater, an ET is equivalent to 0.105 hectares.

Sydney Water's calculation yielded a DSP charge, in \$2023-24 equivalent to \$1.047m/ha. This amount was then reduced by \$197,457/ha to achieve a price of \$850,000/ha. The latter amount matches the recommendation of IPART's November 2024 final report on Mamre Rd stormwater pricing.

The price reduction (equivalent to \$21,388/ET in \$2024-25) was described as an adjustment for expected future efficiencies. However, it was an amount determined to yield a final price of \$850,000/ha in \$2023-24.

Under IPART's methodology, the formula for the maximum price for a DSP contains three terms:

1. The capital charge per ET for assets constructed pre-1996
2. The capital charge per ET for assets constructed post-1996
3. The reduction amount.

The reduction amount is designed to reduce the capital charges by any net revenue per ET from ongoing charges that apply to new customers in the DSP area.

In the case of Mamre Rd, Sydney Water stated that they included both ongoing stormwater charges and ongoing recycled water charges in their calculation of the reduction amount. We have not verified the detail of this part of the calculation based on examination of Sydney Water's spreadsheet, as the relevant revenue figures are hard-coded, and the cost figures refer to another spreadsheet model that was not provided.

However, it is unlikely to make any difference to the final DSP price of \$850,000/ha in \$2023-24, which is the IPART recommendation. Sydney Water's calculation is designed to yield that price, which appears to be an underestimate of Sydney Water's estimate of the net cost, including reduction amount.

### 3.2 Consultation

We have reviewed the consultation material supplied by Sydney Water and found that it has complied with the notification and exhibition requirements of our Determination.

<sup>c</sup> IPART, Mamre Road Stormwater Scheme-Final Report, November 2024, p4

<sup>d</sup> Our November 2024 final report recommended use of the March 2024/March 2023 CPI = 3.6%. Sydney Water choose to use 3.2% for indexation, which has resulted in a somewhat lower charge per hectare than our recommendation.



The exhibition period is mandated as 30 working days<sup>e</sup> and Utilities are required to advertise the exhibition and its start date. The exhibition period was for 31 working days from 8 January 2025 to 20 February 2025. Sydney Water advertised the exhibition of the DSP in the Daily Telegraph on 3 January 2025. Stakeholders and landowners were notified of the planned public exhibition by email on 19 December 2024. Sydney Water also advertised on Facebook and has a dedicated webpage.

We note that in response to submissions Sydney Water now has reduced the bond to \$500,000/ha<sup>f</sup> and has undertaken to continue to work with stakeholders to seek ways to deliver the NSW Government's environmental and amenity outcomes in the precinct in the most efficient way.

### 3.3 Information Requirements

We found that Sydney Water's Mamre Road DSP complied with the information requirements of the 2018 Determination with the following one minor exception. This exception was not material to stakeholders making informed submissions and has now been addressed.

IPART found a mislabelled axis on a graph and, whilst the data was available in Excel spreadsheets for the DSP, the growth of ETs and the timing of the development was not clear in the DSP document. Sydney Water promptly addressed this minor issue to IPART's satisfaction.

### 3.4 Content Requirements

We consider that the stormwater DSP complies with the content requirements of our 2018 Determination.

Appendix A tabulates our assessment of Sydney Water's Mamre Road DSP of the relevant criteria from our 2018 determination.

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<sup>e</sup> IPART, Maximum prices for connecting, or upgrading a connection, to a water supply, sewerage, or drainage system. Sydney Water, Hunter Water, and Central Coast Council. Final Determination October 2018, p13.

<sup>f</sup> The price remains \$877,200/ha, but the lower bond means that the entire amount does not have to be paid in advance.

## 4 Our decision on DSP registration

### Decision



1. We have reviewed Sydney Water's Mamre Road DSP and have concluded that it meets the requirements set out in our 2018 Determination and have therefore decided to register the Mamre Road DSP.

# Appendices

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## A Sydney Water's compliance with our 2018 determination

Sydney Water – Mamre Road DSP		Minimum content for each DSP							
	(a) summary	(b) system	(c) description of area	(d) demographic planning info	(e) timing of works	(f) service standards	(g) max price	(h) asset list	(i) comparison if DSP remade
	Yes	Yes	Yes	Sufficient (industrial area)	Yes	Yes	Yes	Yes	N/A

Sydney Water – Mamre Road DSP		Consultation and registration requirements for DSPs				
	(a)(1) DSP exhibited?	(a)(2) critical data provided?	(a)(3) exhibition advertised?	(b) key stakeholders informed?	(c) submissions considered in final DSPs?	(d) DSPs forwarded to IPART, with info on submissions?
	Yes	Yes	Yes	Yes	Yes	Yes

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