



Registration of Development Service
Plans for Hunter Water

Final Report

December 2023



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
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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 and wastewater 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 and wastewater networks.

IPART's first determination for water and wastewater developer charges was published in 1995. In 2008 the NSW Government set water and wastewater developer charges to zero for Sydney Water and Hunter Water areas of operation. IPART's determination and developer charges for Central Coast Council (previously Gosford and Wyong Councils) area of operations has remained in place all this time.

IPART published its latest developer charges determination in 2018.^a That determination allowed 18 months for Sydney Water and Hunter Water to submit new Development Servicing Plans (DSPs) from the time of any future Government decision to reintroduce developer charges.

The NSW Government notified IPART in December 2021 that it had decided to change the Nil Developer Charges Policy effective from 1 January 2022 and was transitioning the reintroduction of cost reflective developer charges for Sydney Water and Hunter Water over a 4-year period as displayed in Table 1.

Table 1 Developer Charges Transition Arrangements

	1 Jan 2022 to 30 June 2023	1 July 2023 to 30 June 2024	1 July 2024 to 30 June 2025	1 July 2025 to 30 June 2026	1 July 2026 onward
% of maximum price for water and wastewater	0%	0%	25%	50%	100%

Sydney Water and Hunter Water have now prepared DSPs for their respective networks, exhibited and consulted on them.^b The two water utilities have now submitted final versions of those DSPs to IPART for registration.

This report identifies:

- a. the requirements that DSPs must meet for IPART to register them
- b. our assessment of whether the Hunter Water DSPs meet these requirements and our decisions on registration.

^a IPART also determined maximum prices for connecting to a recycled water system in 2019.

^b The 2018 determination leaves to Sydney Water and Hunter Water how many DSPs to put in place, and what geographical area they cover. However, it requires each to "be reasonably satisfied that it has in place a sufficient number of DSPs, and DSPs that cover a sufficient aggregate area, to meet present demand ... and expected medium-term growth in demand ..."

We have concluded our assessment for Hunter Water and have determined to:

Decision



1. Register all of Hunter Water's 9 Water DSPs and 20 Wastewater DSPs with effect from 31 December 2023

In reaching those decisions, our analysis was limited to assessing whether the DSPs proposed by Sydney Water met the requirements of our 2018 Determination.^c 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 by 2026-27 at the latest.

^c The 2018 determination leaves to Sydney Water and Hunter Water how many DSPs to put in place, and what geographical area they cover. However, it requires each to "be reasonably satisfied that it has in place a sufficient number of DSPs, and DSPs that cover a sufficient aggregate area, to meet present demand ... and expected medium-term growth in demand ..."

2 Requirements of registration

The requirements that the Utilities are to comply with for IPART to register a Development Servicing Plan (DSP) are detailed in Schedule 4 of the 2018 Determination.^d

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

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

Additionally, the Agencies need to comply with the consultation requirements namely that they:

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

^d 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 DSPs submitted to IPART by Hunter Water

Hunter Water submitted 9 water DSPs to IPART being:

1. Cessnock
2. Dungog and Chichester
3. Kings Hill
4. Lemon Tree Creek and Karuah
5. Maitland and Branxton
6. Nelson Bay
7. Newcastle and East Lake Macquarie
8. Raymond Terrace and Medowie
9. South Wallsend and West Lake Macquarie.

Hunter Water also submitted 20 wastewater DSPs to IPART being:

1. Belmont
2. Boulder Bay
3. Branxton
4. Burwood Beach
5. Cessnock
6. Clarence Town
7. Dora Creek
8. Dungog
9. Edgeworth
10. Farley
11. Karuah
12. Kearsley
13. Kings Hill
14. Kurri Kurri
15. Morpeth
16. Paxton
17. Raymond Terrace
18. Shortland
19. Tanilba Bay
20. Toronto.

3.1 Our assessment of Hunter Water's DSPs

3.1.1 Methodology

We have examined the DSPs and found that all of Hunter Water's water and wastewater DSP conformed to the IPART methodology for calculating maximum prices.

3.1.2 Consultation

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

Hunter Water also provided us with all the written, email and website submissions it received and its responses and any changes it made because of those submissions. Notably, Hunter Water adjusted the boundaries of the Farley and Kurri Kurri Wastewater DSPs and the Cessnock and Maitland Water DSPs in response to submissions.

3.1.3 Information Requirements

We found that all of Hunter Water's water and wastewater DSPs complied with the information requirements of the 2018 Determination.



3.1.4 Content Requirements

We found that all of Hunter Water's water and wastewater DSPs complied with the content requirements of our 2018 Determination.

Attachment A tabulates our assessment of each Hunter Water DSP against each of the relevant criteria from our 2018 determination.

4 Our decisions on DSP registration

Decisions

-  1. We have reviewed Hunter Water's 9 Water DSPs and have concluded that they meet the requirements set out in our 2018 Determination and have therefore decided to register them with effect from 31 December 2023
-  2. We have reviewed Hunter Water's 20 Wastewater DSPs and have concluded that they meet the requirements set out in our 2018 Determination and have therefore decided to register them with effect from 31 December 2023

Appendices

A Attachment A

Table 1 Hunter Water compliance with our 2018 determination

Hunter Water	Minimum content for each DSP									Consultation and registration requirements for DSPs					
	(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	(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?
Water DSPs															
Lemon Tree Passage and Karuah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Kings Hill	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Raymond Terrace and Medowie	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Cessnock	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Dungog and Chichester	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
South Wallsend and West Lake Macquarie	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Maitland and Branxton	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Nelson Bay	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Newcastle and East Lake Macquarie	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Wastewater DSPs															
Toronto	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Tanilba Bay	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Shortland	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Raymond Terrace	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Paxton	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Morpeth	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Kings Hill	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Kurri Kurri	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes

Hunter Water	Minimum content for each DSP									Consultation and registration requirements for DSPs					
	(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	(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?
Kearsley	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Karuah	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Farley	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Edgeworth	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Dungog	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Dora Creek	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Clarence Town	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Cessnock	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Burwood Beach	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Branxton	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Boulder Bay	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Belmont	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes

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