



Mr Darren Cleary  
Managing Director  
Hunter Water

Dear Mr Cleary,

I am writing to approve Hunter Water to gradually phase-in water, sewerage, and stormwater developer charges. The re-introduction of developer charges in Hunter Water's area of operations is an important reform to support customers and improve the efficiency of housing supply.

As you are aware, on 9 December 2021 I wrote to Ms Carmel Donnelly, Chair of the Independent Pricing and Regulatory Tribunal (IPART), to initiate the process for re-introducing developer charges. I understand Hunter Water is on track to meet its obligations under the relevant IPART determination. I commend the work your team has already done preparing Development Servicing Plans (DSPs) for public exhibition in the coming months.

The Government has decided that developer charges should be re-introduced gradually over four years, to provide developers time to adjust to the new arrangements. Therefore, under section 18(2) of the *Independent Pricing and Regulatory Tribunal Act 1992*, I:

- revoke the approval granted in 2008 for Hunter Water to charge nil prices for the services of providing connections to a water, wastewater, or drainage system
- approve Hunter Water charging developers a percentage of the relevant prices that apply under IPART's determination for those services.

The percentage Hunter Water may charge in each financial year is listed in Table 1 below and applies from the date a DSP is registered by IPART until 1 July 2026.

**Table 1 Phase in percentages for water, sewerage, and stormwater developer charges**

|   | Date DSP is registered by IPART 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 |
|---|---|-----------------------------|-----------------------------|-----------------------------|--------------------|
| Percentage of maximum price calculated under the IPART determination* to be charged | 0%  | 0%                          | 25%                         | 50%                         | 100%               |

\* IPART 2018 *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.*

Hunter Water will retain the ability to recover from developers the cost of servicing development that is not consistent with planning policies or the NSW Government's development program *without any phase-in period*.

If you require additional information or wish to discuss this matter further, please contact Mr Tom Carr, Associate Director – Productivity Reform at NSW Treasury, on [REDACTED]

Yours sincerely,



**Matt Kean MP**  
Treasurer  
Minister for Energy and Environment

19.10.22

CC: Carmel Donnelly, Chair IPART