

Media Release

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Draft decisions on water, wastewater and stormwater service connection charges (developer charges and backlog sewerage charges)

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

This review applies to the methodology used to determine prices to developers and existing properties, charged by Sydney Water, Hunter Water and the Central Coast Council. 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 draft proposals, a uniform methodology would apply to calculate the cost of connecting a new service, be it to a new development or to an existing property.

"We are proposing to maintain the key features of our current methodology for developer charges, which remains sound," Dr Boxall said.

"But, we intend to update the parameters of the methodology to ensure its ongoing currency, and are proposing to make the procedural requirements more flexible and responsive, given the Government policy of zero developer charges for Sydney Water and Hunter Water.

Recognising that there may be cases where the cost of connection should be shared between the connecting customers and other parties, we are proposing to assess these departures from a standard methodology on a case-by-case basis."

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

"This would be 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.

IPART is seeking comments on its Draft Report and Draft Determination. Submissions are due by 6 August 2018 and will be considered before IPART's Final Determination is released in October 2018.