



Premier of New South Wales
Australia

18 JAN 2007

Dr Michael Keating AC
Chairman
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office
NSW 1230




Dear Dr. Keating

The Minister for Water Utilities has requested the provision of assistance by the Tribunal to provide advice on possible improvements to the *Water Supply, Sewerage and Stormwater Developer Charges Guidelines*, pursuant to section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992*.

I hereby approve IPART providing this assistance in accordance with the attached Terms of Reference.

Yours sincerely



Morris Iemma MP
Premier

TERMS OF REFERENCE

The *Water Supply, Sewerage and Stormwater Developer Charges Guidelines* were issued pursuant to section 306(3) of the *Water Management Act 2000* in December 2002 for calculating cost-reflective developer charges for water supply and sewerage infrastructure in non-metropolitan New South Wales.

The Guidelines provide a methodology for calculating the maximum developer charge. Each local water utility has discretion to levy lower charges than those calculated providing it discloses the resulting cross subsidy.

The Guidelines include a number of simplifications to the Independent Pricing and Regulatory Tribunal's Determination 9, 2000 on Developer Charges for the major metropolitan utilities, in order to make them suitable for use by 107 local water utilities in country New South Wales.

1. The Independent Pricing and Regulatory Tribunal (IPART) is requested, under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992*, to review the *Water Supply, Sewerage and Stormwater Developer Charges Guidelines* and provide recommendations for any improvements.
2. IPART is to provide a final report to the Minister for Water Utilities by 30 September 2007.