



Infrastructure contributions

1. Overview

1.1 At a glance

Our policy explains to developers (you) how we apply infrastructure contributions on development applications.

Infrastructure contributions help recover the cost of providing infrastructure to new developments. As the population grows and development spreads into new areas, this requires us to build and operate new infrastructure. We also incur additional costs as we expand our existing network to service increased density in established areas.

We work out your infrastructure contribution using a method set by the NSW Independent Pricing and Regulatory Tribunal (IPART).

1.2 Scope

Our policy applies to you if you need a section 73 compliance certificate from us.

1.3 Objective

Infrastructure contributions are levied to meet statutory and IPART requirements.

2. Policy in detail

2.1 Your infrastructure contribution

We'll include an estimate of your infrastructure contribution in your Notice of Requirements. For Sydney Water Complying Applications, we'll give you a letter with your infrastructure contributions along with your invoice. Your infrastructure contribution includes a charge (2.1.1) and may be reduced by a credit (2.1.2).

2.1.1 Charge for your development

We determine the charge by applying the price for one Equivalent Tenement (ET) from our Development Servicing Plans. One ET is the annual total demand of an average detached, single residential dwelling. We calculate your charge based on how many ET your development represents. The price for an ET can vary by service and location.

We work out your charge as follows:

| Service | Development type | How we calculate the charge |
|--|---------------------|--|
| Drinking water Wastewater Recycled water | Residential | We work out the number of ETs on your development based on the density of your development. A detached dwelling is typically one ET, while medium to high density developments are less than one ET per dwelling. We multiply the number of ETs by the price for one ET from the relevant Development Servicing Plan. |
| | Other | We work out how many ETs your development flow rate represents and multiply this by price for one ET from the relevant Development Servicing Plan. |
| Stormwater | Mamre Road Precinct | We distribute the total value of the expected ETs for the Development Servicing Plan evenly across the net developable hectares covered by the plan, to give a rate per net developable hectare. We then multiply that rate by the number of net developable hectares in your development. |

2.1.2 Credits for existing properties

We may apply a credit to recognise existing usage. If the credit exceeds the charge, then a zero contribution applies, and we do not provide payment.

2.2 Invoicing and payment

You must pay the infrastructure contribution once you are ready to connect to our systems. This means the works (if any) we require you to deliver on your development are complete, and your Water Servicing Coordinator has submitted all project completion packages to us. For Sydney Water Complying Applications, your Water Servicing Coordinator must have submitted a complete application to us. You can find more information about our process in our [Land Development Guide](#).

You must pay your infrastructure contribution directly to us in accordance with the invoice issued by us. Your Water Servicing Coordinator will provide you with this invoice.

Once you've paid the infrastructure contribution (and met all other Notice of Requirements conditions), we'll issue you with the section 73 compliance certificate.

If you have met all Notice of Requirement conditions in your control and you are waiting for us to deliver dependent works, you can pay your infrastructure contribution.

If you give us an early release compliance certificate bond, your infrastructure contribution reflects when you've completed the necessary works to enable a connection. See our [bonding of works policy](#) for details.

We are unable to offset the amount you pay for your infrastructure contribution against any amount we reimburse for works you are required to deliver for your development. Any reimbursements will be a separate transaction.

2.3 Changes to the development

The infrastructure contribution you pay may be different from the Notice of Requirements estimate if:

- you submit your application to us before you obtain Development Consent, and your Development Consent is different to the information we used to estimate your infrastructure contribution
- your Development Consent is varied
- for non-residential developments, the flow rates we used to calculate the infrastructure contribution are different to what you advised us.

2.4 Enquires and disputes

You can contact your Water Servicing Coordinator for advice about infrastructure contributions or visit our [land development page](#) for more information.

If you want to dispute the method used to calculate the infrastructure contribution and this was not resolved through your Water Servicing Coordinator, you can ask us to review the calculation method. You must write a letter requesting the review, the basis of the claim and provide this to your Water Servicing Coordinator who will give it to us. For non-residential usage disputes, your dispute must be supported by a hydraulic assessment.

If your calculation method dispute is still not resolved, you have the right to have your dispute arbitrated. See Section 31 of the *Independent Pricing and Regulatory Tribunal Act 1992*.

2.5 Transition arrangements

The NSW Government has approved the following transition pathway for drinking water and wastewater infrastructure contributions:

- contributions capped at 0% of the full contribution from 1 July 2023 to 30 June 2024 (no charge)
- contributions capped at 25% of the full contribution from 1 July 2024 to 30 June 2025
- contributions capped at 50% of the full contribution from 1 July 2025 to 30 June 2026
- full contributions apply from 1 July 2026.

There are no transitional arrangements for recycled water or stormwater infrastructure contributions.

Our prices increase by the Consumer Price Index each financial year.

3. Definitions

| Term | Definition | Source |
|---|---|--|
| Net developable hectares | The area of land in hectares that a development consent applies as defined under the Western Sydney Aerotropolis Determination 2022. Used to calculate stormwater infrastructure contributions. | Net developable area fact sheet |
| Development | Any activity relating to land that needs approval as specified under Section 69 of the Act. | Sydney Water Act 1994 |
| Development Servicing Plan | A document that contains information used to calculate the infrastructure contribution. See Section 4.1 for a list. | IPART Determination |
| Early release compliance certificate bond | Bonding arrangements with us for the early release of compliance certificates prior to completing works. | Bonding of works policy |
| Equivalent Tenement (ET) | The annual total demand of an average detached, single residential dwelling. | IPART Determination |
| Infrastructure contribution | A contribution towards the cost of systems which serve a development. We calculate them using prices that IPART has registered. We cannot waive or change these contributions. Also known as developer charges. | Sydney Water |
| Charge | Part of the infrastructure contribution calculation. Total ETs in the new development multiplied by the price for one ET from the relevant Development Servicing Plan. | Sydney Water |
| Credit | May form part of the infrastructure contribution calculation. ETs of the existing property multiplied by the price for one ET from the relevant Development Servicing Plan. To determine ETs, we look at: <ul style="list-style-type: none"> if the existing property paid fixed usage charges for connection to our networks or usage charges for water used, for at least ten years and sometime within the last ten years, and if infrastructure contributions have been paid on the site. | Sydney Water |
| IPART | The Independent Pricing and Regulatory Tribunal of NSW (IPART) is constituted by the <i>Independent Pricing and Regulatory Tribunal Act 1992</i> . The independent body that oversees regulation in water, gas, electricity and public transport industries in NSW. | IPART website |
| Notice of Requirements | Outlines any requirements or works you need to complete before we can issue your section 73 compliance certificate. For example, you might need to: <ul style="list-style-type: none"> install additional connections or pipes pay developer fees take steps to protect our existing assets, such as encasing pipes in concrete or relocating our sewer pipes on your property. | Sydney Water |
| Project completion package | Final documents that must be submitted to us as listed in the relevant provider instructions. | Developer Works Deed |
| Service | A service provided by us. Services include drinking water, wastewater, recycled water and stormwater. | Sydney Water |
| Section 73 compliance certificate | A certificate issued under section 73 of the <i>Sydney Water Act 1994</i> . | Section 73 compliance certificates |
| Sydney Water Complying Applications | Applications for a section 73 compliance certificate that only require minor works. Your Water Servicing Coordinator or Sydney Water | Sydney Water |

| Term | Definition | Source |
|--------------------------------|--|---|
| | Developer Direct can advise if your application is a Sydney Water Complying Application. | |
| Sydney Water Developer Direct® | Manage simple construction or protection work on minor developments to meet our requirements. Alternatively, water servicing coordinators can assist with both minor works and major works. | Sydney Water Developer Direct webpage |
| Water servicing coordinator | Interface between you, us and other providers, they are part of the delivery of water, wastewater, recycled water and stormwater services for property development and infrastructure projects. Alternatively, Sydney Water Developer Direct can assist with minor works. | Sydney Water listed providers webpage |

4. Context

4.1 References

| Document type | Title |
|--------------------------------|--|
| Compliance obligations | Sydney Water Act 1994 IPART Determination, Maximum prices for connecting, or upgrading a connection, to a water supply, sewerage, or drainage system, October 2018 IPART Determination, Maximum prices for connecting to a recycled water system, July 2019 |
| Policies and procedures | Bonding of Works Policy |
| Other documents | Development Servicing Plans: <ul style="list-style-type: none"> • Greater Sydney Drinking Water • Potts Hill Drinking Water • Prospect East Drinking Water • Illawarra Drinking Water • Berowra Creek Wastewater • Bondi Wastewater • Lower South Creek Wastewater • Malabar Wastewater • Nepean River Wastewater • North Head Wastewater • Norwest Wastewater • Outer Sydney Coastal Wastewater • Picton Wastewater • Richmond Wastewater • West Camden Wastewater • Wilton Wastewater • Southern Illawarra Wastewater • Northern Illawarra Wastewater • Rouse Hill Recycled Water • Hoxton Park Recycled Water |