

Funding infrastructure to service growth

1. Overview

1.1 At a glance

Developers construct new mains that become part of Sydney Water's ('our') network. Sydney Water ('we') then manage and maintain these assets going forward. Generally, developers hand over smaller assets to us free of charge, but we pay for larger trunk assets. Our [Growth Servicing Plan](#) (GSP) and this policy explain exactly what we pay for.

1.2 Scope

Our policy applies to all developers who are building water, wastewater, stormwater and recycled water infrastructure needed to service urban growth. It applies equally to greenfield and brownfield areas. Our policy doesn't apply to:

- developments under the Water Industry Competition Act 2006 where we aren't the service provider
- minor service extensions applicants, because the funding structure for these is set by the Independence Pricing and Regulatory Tribunal (IPART)
- infrastructure constructed by our Priority Sewerage Program
- any works delivered under the scope of Minor Works Sewer

1.3 Objective

Our policy helps developers understand who pays to construct the water, wastewater, recycled water and stormwater infrastructure needed to service urban growth.

2. Policy in detail

The funding of infrastructure depends on whether the works will be constructed under a commercial agreement.

2.1 Funding of infrastructure covered by a commercial agreement

If a developer wants to service land ahead of our Growth Servicing Plan (GSP), they can negotiate a commercial agreement with us. Under this agreement, the developer will be responsible for constructing the trunk infrastructure to our requirements.

The GSP outlines the circumstances where we'll pay 'reasonable and efficient' costs of this infrastructure. These principles allocate risk to the developers when they develop land 'out of sequence'. (Note: This can include a recycled water scheme where the scheme is regulated by IPART.)

Developers must follow the process outlined in the GSP to accelerate the servicing of their land 'out of sequence'. The decision to enter into a commercial agreement will always be at our discretion.

2.2 Funding of infrastructure not covered by a commercial agreement

Developers will fund the design, construction and commissioning stages of infrastructure.

When the developer transfers ownership of this infrastructure to us, we'll pay the developer for infrastructure under this policy.

This includes reasonable overheads but excludes the cost of the developers share of minimum reticulation outlined below.

Our principles for funding

We have two principles, they are:

1. Developers are required to pay for minimum reticulation serving their land.
2. Developers aren't required to pay for infrastructure that provides capacity for other developments or provides frontage or a connection point to either another developer's land or a potential developer's land.

The minimum amount we'll pay

We'll pay a minimum of \$5,000 for professional services and construction costs. This ensures the cost of procuring works in line with our procurement guidelines doesn't exceed the value of the reimbursement.

The allocation of professional service charges

The allocation of professional services must be set out in the Project Brief Package referred to in our procurement guidelines. This will be determined in the same way as the allocation of the design fees, unless we determine otherwise.

Our criteria for funding

- 1) We will fund 100% of
 - a) Lead-in and lead-out mains that serve other land;
 - b) Costs to upsize reticulation mains above minimum reticulation; or
 - c) Major infrastructure, such as pumping stations, storage reservoirs or treatment plants.

- 2) The developer will fund 50% of the costs associated with the section of the minimum reticulation that serves other land, as well as the developer's land. We will fund the other 50% of the costs. For example, this may include a section of a water main that serves land on the opposite side of a road to the development, or a wastewater main along the development boundary that also drains an adjoining lot.

- 3) The developer will fund 100% of any minimum reticulation that serves the developer's land exclusively, and hand it over to us free of charge.

- 4) Other considerations
 - a) We'll treat lead-in and lead-out mains, within the developer's land that don't serve other land, as minimum reticulation and determine funding using criteria 2) and 3). Any upsizing of these mains will be funded using criteria 1b).
 - b) We won't fund the cost of amplification or adjustment of stormwater assets.
 - c) We'll consider funding interim infrastructure on a case-by-case basis, (except where excluded by a Memorandum of Understanding (MOU) or Agreement with the applicant, for example, Transport for New South Wales (TFNSW) or Local Government Association).
 - d) The applicant will fund all adjustments and deviations to our existing mains, except where the funding is covered by a MOU or Agreement with that applicant. A developer or applicant may be required to upsize an existing main as a part of an adjustment or deviation. We'll fund the difference in cost between the existing pipe size and the larger pipe size for water, recycled water and wastewater assets only, except where funding is covered by an MOU or Agreement or those being adjusted or deviated are being constructed to the minimum size as required by the Codes. We will not fund design and project management costs in upsizing.
 - e) We will assess your funding application in line with criteria 1) to 3) above. We reserve the rights to make the funding decisions at our discretion.
 - f) Where we agree to fund infrastructure, the developer must use our procurement guidelines.

Intent of “serve other land” for wastewater mains

“Serve other land” means that a direct service is provided to a property. The property in question would have a designated section of the wastewater main from which a future connection point or extension could be made. This enables the property to be connected to our wastewater system, supporting potential development or subdivision in the future.

The “other land” must be zoned for development and included in the wastewater catchment that is served by the main. Land designated as public open space, public recreation, is not considered as “other land”, although it may still have a connection point to our system.

“Serve other land” does not mean having a wastewater main downstream from the developer’s land that will transport wastewater flows from other land upstream of the developer’s land. If an upsizing above the minimum sizing is required by the Code, we will fund the upsizing component (in line with criteria 1b)), as this portion is required to accommodate the wastewater flow from the upstream catchment.

When a wastewater main is to be extended in the future, and the end of the wastewater main terminates past the boundary of the developer’s land as required by the Codes, the wastewater main is not considered to “serve other land”.

Intent of “serve other land” for water mains

“Serve other land” means the section of the mains fronting a lot zoned for development and providing metered connection(s) to the development of that property.

3. Definitions

Term	Definition
Amplification	Where a larger main size is required to serve a development because the existing main size doesn’t meet the minimum required under the Codes.
Applicant	Anyone who applies for approval to adjust or deviate our existing water, wastewater, recycled water and stormwater asset.
Brownfield areas	Urban areas where Sydney Water generally already has services.
Codes	The relevant codes of the Water Services Association of Australia, including Sydney Water editions.
Commercial agreement	A negotiated agreement that allows a developer to accelerate the delivery of major infrastructure earlier than shown in our Growth Servicing Plan (GSP).
Developer	A person or entity who either: <ul style="list-style-type: none"> • has been given approval under Part 6, Division 9 of the <i>Sydney Water Act 1994</i> and is seeking a Section 73 Compliance Certificate, or • is seeking approval to adjust, deviate or extend our assets.
Development	Any activity relating to land that needs an approval as specified in Section 69 of the <i>Sydney Water Act 1994</i> .
Minor service extension	A property owner seeking the extension of water-related services to an existing property to make a new connection. (IPART determinations refer to this as a ‘minor service extension’). This applicant will not be a Developer or an owner whose property is already connected. The property is not identified as part of our Priority Sewerage Program.
Greenfield areas	Generally, there are areas where we have limited or no services available. These areas are usually the subject of an overall servicing strategy for increased land use such as urban subdivision.
GSP	Our five-year Growth Servicing Plan (shown on our website)

Term	Definition
Interim infrastructure	Water and wastewater infrastructure constructed on the basis that it is likely to be made redundant by the delivery of our ultimate servicing strategy before the end of its engineering life.
Lead-in-main	This is the section of water, recycled water or wastewater main from where it connects to the existing mains system to where the minimum reticulation mains for the development starts
Lead-out-main	This is the section of water, recycled water or wastewater main from where the minimum reticulation mains end, to the end of the main required to cater for future development
Major infrastructure	Works associated with the construction of permanent storage reservoirs, treatment plants, pumping stations and trunk mains
Minimum reticulation	The minimum size main required under the Codes for the height and zoning of the development only. This applies for: <ul style="list-style-type: none"> • water and recycled water mains – to the section of water main providing frontage for each lot in the development. (Frontage to each lot is generally from boundary to boundary but may include the lead-in or lead-out main where the developer is the only beneficiary) • wastewater - to the section of wastewater main from one metre inside the first lot in the development to one metre past the last lot in the development but may include the lead-in or lead-out main where the developer is the only beneficiary.
Priority Sewerage Program	Our program for improving wastewater services to unsewered urban areas identified as environmentally sensitive.
Project Package	Brief A package that contains (but is not limited to) the project background, scope of works, program, project cost estimate and risk assessment.
Upsizing	The difference between the size of minimum reticulation and the size of the main required by Sydney Water.
Urban Growth	New housing, industrial and commercial development and subdivisions.

4. Context

4.1 Accountabilities

Position	Accountabilities
Executive General Manager Water and Environmental Services	Approve policy Own policy
Head of Growth & Development	Implement policy Ensure resources available to implement policy
Manager Commercial Partnerships	Endorse policy Update/Maintain policy
Manager Commercial Policy and Programs	Write/update/review policy
G&D Case Managers and Account Managers	Comply with the requirements of the document Carry out the tasks/activities within the document

4.2 References

Document type	Title
Compliance obligations	<i>Sydney Water Act 1994</i>
Other documents	Growth Servicing Plan

5. Ownership

Role	Title
Group	Water and Environment Services
Owner	Executive General Manager Water and Environment Services
Endorser	Cassie Loughlin, Manager Commercial Partnerships
Author	Khanh Van Lam, Manager Commercial Policy and Programs

5.1 Change history

Version	Issue Date	Approved by	Brief description of change and consultation
8	29/09/2025	Louise Beer, EGM WES	<ul style="list-style-type: none"> Clarification on the intention of the wording “serve other land” Grouping of funding criteria Addition of a discretionary clause Updates on names and references for consistency and in line with the Sydney Water’s internal realignment
7	June 2025	Paul Plowman, EGM Water and Environment Services	Update link to new GSP on website. No other changes
6	12/08/2022	Wayne Jackson, Manager Growth Planning & Commercial Frameworks	Removal of references to appendices in GSP
5	27/11/2020	Caroline Rae, Account Manager Developer Experience	No changes to content – update to new template as required for external website upload
4	06/06/2020	Caroline Rae, Account Manager Developer Experience	<p>First version in SWIM</p> <p>Plain English style</p> <p>Removed all references to Sydney Water and replaced with us, we’ll</p> <p>Updated into approved template</p> <p>No changes to process</p> <p>Customer Program Policy team reviewed content.</p>
3	21/11/2015	Sharon Davies, Manager Urban Growth	Not documented
2	07/09/2011	Sharon Davies, Manager Urban Growth	Not documented
1	28/06/2010	Sharon Davies, Manager Urban Growth	New document in BMIS ACDP0291