DATE Click or tap here to enter text.

Dear Click or tap here to enter text.

Sydney Water Corporation Cost Recovery Agreement with Click or tap here to enter text.

Project: Click or tap here to enter text.

Applicant: [full name of the developer & ABN] Click or tap here to enter text.

The Applicant is undertaking the Project and has submitted an Application to Sydney Water regarding that Project.

The Applicant acknowledges that depending on the complexity of the Applicant’s building plans the Costs associated with the review will be recovered by Sydney Water and will be calculated as set out below.

By signing and returning this letter to Sydney Water the Applicant acknowledges and agrees

A) that Costs are being or will be incurred by Sydney Water in relation to the Project, either prior to or after an Application for the Project being submitted;

B) it has been made aware by either Sydney Water or the WSC engaged by the Applicant that Sydney Water charges to process, review and assess information, plans and associated documentation submitted by the Applicant as part of its Application (as detailed below under Costs);

C) that every review requires specialised skills from various Sydney Water teams and may also require outsourced specialist skills. Where an outsource specialised skill is required, then whatever hourly rate is incurred by Sydney Water to engage an external expert, will be passed onto the Applicant as a pass through expense (without any margin mark-up, as detailed below under Costs),

and agrees to the terms and conditions set out below:

**Costs Estimate for the Project**

[Drafting Instruction: tick the relevant box ]

**Tier 1 – Minor Assets:**

**Design Review or**

**Asset impact assessment for existing assets**

Based on the complexity of the assets, the costs you should expect to incur is approximately $6,000 (excl GST) (Target Cost)

Tier 1 assets include:

* Minor works defined in tables in clauses 3.4 – 3.14 of Sydney Water [Engineering competency standard D0000833](https://www.sydneywater.com.au/content/dam/sydneywater/documents/engineering-competency-standard.pdf)

**Tier 2 – Medium Assets:**

**Design Review or**

**Asset impact assessment for existing assets**

Based on the complexity of the assets, the costs you should expect to incur is approximately $12,000 (excl GST) (Target Cost)

Tier 2 assets include:

* Medium works defined in tables in clauses 3.4 – 3.14 of Sydney Water [Engineering competency standard D0000833](https://www.sydneywater.com.au/content/dam/sydneywater/documents/engineering-competency-standard.pdf)

**Tier 3 – Major Assets:**

**Design Review or**

**Asset impact assessment for existing assets**

Based on the complexity of the assets, the costs you should expect to incur is approximately $20,000 (excl GST) (Target Costs)

Tier 3 assets include:

* Major works defined in tables in clauses 3.4 – 3.14 of Sydney Water [Engineering competency standard D0000833](https://www.sydneywater.com.au/content/dam/sydneywater/documents/engineering-competency-standard.pdf)

**Tier 4 – Complex Assets:**

**Design Review or**

**Asset impact assessment for existing assets**

*[Drafting Instruction: When there are Tier 4 complex assets involved, discussions generally take place between Sydney Water and the developer where there is an indication given of the developer’s project budget for costs to review plans etc by Sydney Water and external specialists. If so, then that amount can be inserted as the Target Cost. Remove instruction when finalising for signing.]* Based on the complexity of the assets and proposed works, and on the discussion between yourself and Sydney Water, the costs you could incur might exceed $20,000 (excl GST). Because of the Complex Asset, the Target Cost for this Project is $\_Click or tap here to enter text. (excl GST). Sydney Water will inform you when the Target Cost is approaching the 70% mark. A review of the Target Cost may be required if the total Costs is likely to exceed the Target Cost. You will be informed in writing and an updated agreement will be provided for your endorsement.

Tier 4 assets include:

* Complex works defined in tables in clauses 3.4 – 3.14 of Sydney Water [Engineering competency standard D0000833](https://www.sydneywater.com.au/content/dam/sydneywater/documents/engineering-competency-standard.pdf)

Please note that the cost estimate above only includes the forecast time required by the Sydney Water review team to complete the review. The cost estimate expressly excludes meetings. Should you or your WSC want to meet with the Sydney Water review team to discuss the Project, you will also need to pay us for the costs associated with our representatives, including our external engineering specialists, attending the meeting(s).

1. Interpretation
   1. In this letter:
      1. **Application** means the application submitted by the Applicant’s Water Servicing Coordinator for the adjustment/deviation/protection of any Sydney Water Assets required because of the Project.
      2. **Costs** includes any charge, expense or other outgoing of any nature reasonably incurred and whether direct or indirect, payable, or paid, internal, or third-party costs arising out of or in connection with planning, design and engineering services carried out by or on behalf of Sydney Water with respect to the Project and including any engineering consultancy fees associated with assisting Sydney Water to assess and advise on the impact of the Project on Sydney Water Assets (refer to hourly rates below):
         1. Hourly rates for Sydney Water staff are as determined by IPART and are published on our website [Prices for other services](https://www.sydneywater.com.au/accounts-billing/paying-your-bill/our-prices/prices-other-services.html). The published hourly rate includes GST.
         2. Hourly rates for Sydney Water’s external engineering specialists who are engaged by Sydney Water, are charged at cost (no margin applied)
      3. **Letter of Conditions** means a letter issued by Sydney Water to the WSC, following the payment of the Costs, detailing Sydney Water requirements in relation to the Project.
      4. **Obligations** means the matters set out in clause 2, of this letter.
      5. **Sydney Water** **Assets** means any part of Sydney Water 's potable water, wastewater and stormwater networks which will or may be affected by the Project and are the subject of an application.
      6. **Target Costs** means the target costs being the estimate of the Costs to be incurred by Sydney Water to perform the Obligations (subject to any adjustments in accordance with this letter).
      7. **Term** means the period commencing on the date of this letter and expiring upon the issue of a Letter of Conditions to the WSC and/or all Water Asset Works are Complete, whichever is the later.
      8. **Transfer of Ownership Notice** means the notice issued by Sydney Water when the Water Asset Works relevant to that notice are complete in accordance with the Works Deed.
      9. **Water Servicing Coordinator (WSC)** means the organisation appointed by the Applicant from the list of WSCs published on our website (Listed providers) and who holds the necessary competency to act as the WSC for the Applicant in regards to the Project.
      10. **Water Asset Works** means the adjustment, relocation, removal, decommissioning and/or abandonment of Sydney Water Assets which will or may be affected by the Project, as identified, and developed in accordance with this letter.
      11. **Works Deed** means the agreement that the Applicant will enter into with Sydney Water relating to the Water Asset Works in the form published on our website [Developer deeds and standard terms (sydneywater.com.au)](https://www.sydneywater.com.au/plumbing-building-developing/developing/developer-deeds-standard-terms.html).

A reference to a party to this letter includes a reference to that party’s administrators, successors, substitutes (including by novation) and assigns.

* 1. A singular word includes the plural, and vice versa.

1. Obligations
   1. Sydney Water will assist the Applicant to progress the Project including but not limited to:
      1. by providing advice on the impact of the Project on Sydney Water Assets;
      2. by engaging external consultants as required to assist with progress of the Project.
      3. by reviewing the documentation submitted by the Applicant for Water Asset Works’ proposed to be undertaken under the Project.
   2. This letter does not authorise the undertaking of any work by the Applicant. The Applicant must enter a Works Deed (or other Sydney Water authorisation or agreement) prior to commencing any Water Asset Works or any activity near any Sydney Water Assets.
2. Costs
   1. The Applicant must pay Sydney Water’s Costs for the Project within 20 days of receipt of a tax invoice, or failing which, on demand as a debt due and payable to Sydney Water.
   2. The Applicant acknowledges and agrees that until such time as all Sydney Water’s Costs is paid by the Applicant under clause 3.1, then Sydney Water will not issue the Letter of Conditions to the WSC and/or release a Transfer of Ownership Notice specifying the date on which completion of the Water Asset Works was achieved.
   3. Sydney Water must use reasonable endeavours to minimise the costs and expenses for which the Applicant is liable under clause 3.2.
   4. Sydney Water must inform the Applicant if Sydney Water becomes aware that the Costs are likely to exceed the Target Cost.
   5. Sydney Water must:
      1. Subject to 3.5(b), where possible to do so, notify the Applicant where the aggregate of the Costs to be paid by the Applicant are between 70 to 80% of the Target Cost;
      2. Where Costs involve a Tier 4 complex asset, then Sydney Water must notify the Applicant if the Costs being incurred is approaching 70% of the Tier 4 complex asset Target Cost (as set out above);
      3. if required by the Applicant, cease performing the Obligations which would cause the Cost to exceed the Target Cost,
   6. If Sydney Water sends a notice under clause 3.5:
      1. The Applicant must negotiate with Sydney Water (each acting reasonably and in good faith) as to the appropriate adjustment to the Target Cost which will be adjusted as agreed.
      2. Sydney Water must promptly provide such information as the Applicant may reasonably require determining:
         1. the actual costs incurred (or to be incurred) by Sydney Water in performing the Obligations; and
         2. any associated adjustment to the Target Cost.
3. GST
   1. In this clause 4, **GST Law** has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth), and terms used which are not defined in this letter, but which are defined in the GST Law, have the meanings given in the GST Law. Unless stated otherwise, all consideration provided under this letter is exclusive of GST. If GST is payable by the party making the supply (**supplier**), the recipient must, upon receipt of a tax invoice from the supplier, pay the supplier an amount equal to the GST payable on that supply.
4. Resolution of disputes
   1. A party claiming that a dispute has arisen in connection with this letter (**first party**) must give notice to the other party designating a representative with authority to settle the dispute (**Dispute Notice**). The other party must, within 7 days of receipt of the Dispute Notice, give notice to the first party and each other party acknowledging the dispute and designating a corresponding representative.
   2. The parties must ensure that the designated persons referred to in clause 5.1 (**Representatives**) within 14 days of notice being given of the last designation required by clause 4.1, meet and use their best endeavours to resolve the dispute.
   3. If the dispute is not resolved within the 14-day period referred to in clause 5.2 (or within any further period agreed by the Representatives in writing) the parties may agree on the method and process to resolve the dispute or commence litigation.
   4. Except where a party seeks urgent interlocutory relief, neither party may commence litigation relating to any dispute arising out of or in connection with this letter unless and until it has complied with clauses 5.1, 5.2 and 5.3.
   5. The parties must continue to comply with their obligations in accordance with this letter notwithstanding that the parties are participating in dispute resolution.
5. General
   1. This letter may be executed in any number of counterparts.
   2. This letter, once executed, will take effect as a deed, and will be governed by the laws of New South Wales.

|  |  |  |  |
| --- | --- | --- | --- |
| Executed as an agreement  On behalf of **SYDNEY WATER CORPORATION** by Click or tap here to enter text. | |  |  |
| Signature of witness  Click or tap here to enter text. | |  | Signature  Click or tap here to enter text. |
| Print name  Click or tap here to enter text. | |  | Print name  Click or tap here to enter text. |
|  | |  |  |
|  | |  |  |
| Signed on behalf of **(Developer)**  **(Address)** | |  | Click or tap here to enter text. |
| Signature of witness  Click or tap here to enter text. | |  | Signature  Click or tap here to enter text. |
| Print name  Click or tap here to enter text. | |  | Print name  Click or tap here to enter text. |
| Date:  Click or tap here to enter text. |  | | Date:  Click or tap here to enter text. |