



28 April 2023

Draft Development Servicing Plans on public exhibition for developer charges

The Lower Hunter community is invited to have its say on proposed Development Servicing Plans (DSPs) for water and wastewater, ahead of plans for the phased reintroduction of developer charges.

Developer charges are location-specific, upfront charges paid by developers that help recover the costs of providing and upgrading infrastructure required for new development in our area of operations.

The reintroduction of developer charges follows a recommendation set out by the NSW Productivity Commission in 2020. A phased reintroduction of developer charges will commence from 1 July 2024 and gradually increase to full charges from 1 July 2026.

The Independent Pricing and Regulatory Tribunal (IPART) sets the methodology used to calculate the value of developer charges. The proposed developer charge boundaries, known as DSPs, are now on public exhibition for feedback.

Hunter Water Managing Director, Darren Cleary, said reintroducing developer charges would help reduce pressure on customers' water bills.

"Currently, the costs of servicing new development are funded by Hunter Water's existing customers. As our population grows and development continues to increase across the region, connections to our water, wastewater and stormwater networks will increase.

"Developer charges help to recover the costs of delivering this key infrastructure from new development, which will in turn relieve the cost burden placed on our wider customer base through higher bills.

"Under this proposal, we expect that the combined water and wastewater developer charges for the vast majority of new development in the Greater Newcastle region will be between \$1,000 and \$10,000 per new dwelling, depending on location," Mr Cleary said.

Independent economic analysis has confirmed the charges will not impact the viability of new development.

In recommending the reintroduction, the NSW Productivity Commission found that developer charges were unlikely to put upward pressure on property prices, rather it would encourage more efficient development decision making, and provide certainty to the development community about Hunter Water's servicing plans.

We will exhibit draft charges and associated DSPs from today until Thursday 8 June 2023. Hunter Water will host a series of online community information sessions during the public exhibition period.

To register for a session or for more information on the proposed DSPs, visit www.hunterwater.com.au/developercharges

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