



Muswellbrook Shire Council

Development Servicing Plan for Water Supply

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Executive Summary

Developer Charges are an integral part of the fair pricing of water supply and sewerage services. They are up-front charges levied on developers to recover part of the infrastructure costs incurred in servicing new developments or changes to existing development. Section 64 of the Local Government Act, 1993 enables a local government council to levy developer charges for water supply, sewerage and stormwater services.

This document covers the Development Servicing Plan (DSPs) for water supply service areas of Muswellbrook Shire Council (MSC) and has been prepared in accordance with the NSW Developer Charges Guidelines for Water Supply, Sewerage and Stormwater 2016 issued by the Minister for Lands and Water, pursuant to Section 306 (3) of the Water Management Act, 2000.

The maps of the water supply service areas, namely the Muswellbrook service area and the Denman – Sandy Hollow service area, are shown in Appendix A. The existing water supply assets serving the Council's service areas, and the timing and expenditure of assets planned for the next 10-years based on the adopted IWCM Strategy, are presented in Section 4. The levels of service to be provided in the DSP areas are summarised in Section 5.

The details of calculation of capital charges for the two services areas are presented in Appendix B and are summarised below.

Water supply service area	Capital charge for EXISTING assets 2020/21 (\$ per ET)	Capital charge for FUTURE assets 2020/21 (\$ per ET)	Total capital charge 2020/21 (\$ per ET)	Percentage of highest capital charge
Denman – Sandy Hollow	10,474	4,775	15,249	100%
Muswellbrook	7,302	1,521	8,823	58%

Under the guidelines, the above two services areas could not be agglomerated for the purpose of applying uniform developer charges as the calculated capital charges for the two service areas are not within 30% of each other.

In order to facilitate new developments, Council has decided to levy less than the calculated capital charge for Denman-Sandy Hollow service area and cap the same at 61% of the calculated value for the existing assets. The details of capping and the resulting cross-subsidy are described in Section 0. The recalculated capital charges, reduction amount and the developer charges for the areas covered by this DSP are as follows: .

Water supply DSP area	Service areas	Calculated capital charge 2020/21 (\$ per ET)	Reduction Amount 2020/21 (\$ per ET)	Calculated developer charge before capping 2020/21 (\$ per ET)	Developer charges after capping 2020/21 (\$ per ET)	Cross-subsidy: Resulting increase in Typical Residential Bill (\$ p.a.)
Water supply DSP area 1	Denman - Sandy Hollow	15,249	832	14,417	7,997	5
Water supply DSP area 2	Muswellbrook	8,823	832	7,991	7,991	

The public exhibition and adoption of calculated developer charge for implementation will be in 2021/22, so the recalculated developer charges after capping have been adjusted for CPI of 2.9%

p.a. for Sydney. The adjusted water supply developer charges applicable from 1st July 2021 are as shown below.

Water supply DSP area	Service areas	Adjusted Developer charge from 1 July 2021 (\$ per ET)	Adopted Developer charge from 1 xxx 2021 (\$ per ET)
Water supply DSP area 1	Denman - Sandy Hollow	8,229	8,229
Water supply DSP area 2	Muswellbrook	8,223	8,223

As the developer charges for the two DSP areas are very close, it is prudent for Council to set the developer charge as equal to Muswellbrook DSP area and adopt a uniform shire-wide developer charge of \$8,223 per ET for the year 2021/22.

The developer charges calculated in the DSP will be reviewed after 4 to 8 years, unless required otherwise. In the period between any reviews, the developer charges will be indexed annually on the basis of movements in the consumer price index (CPI) for Sydney, excluding the impact of GST.

The DSPs have been adopted by Council after public exhibition on **[insert date]** and the adopted developer charges are effective from **[insert date]**.

Developers shall be responsible for the full cost of the design and construction of water supply reticulation works within subdivisions.

The background documents for the water supply DSP are listed in Appendix B. The electronic copy of these documents containing all the critical data and calculation models behind this DSP will be made available on request.

Contents

1. Introduction	1
2. Administration	2
2.1 DSP areas and names	2
2.2 DSP boundaries	2
2.3 Application of developer charges	2
2.4 Effective commencement date for this DSP	2
2.5 Timing and payment of developer charges	2
2.6 Method of payment	3
2.7 Exemptions from developer charges	4
2.8 Out-of-sequence development	4
2.9 “Works-in-kind” contributions	4
2.10 Indexation	5
2.11 Dispute resolution	5
3. Demographics, growth projections and land use	7
3.1 Existing services	7
3.2 Service areas	7
3.3 Growth Projections for the service areas	7
3.4 Land use information	8
4. Infrastructure	9
4.1 Water supply schemes overview	9
4.2 Existing water supply assets	9
4.3 Future water supply assets and renewals	10
5. Levels of service	13
6. Design parameters for water supply	15
7. Developer charges calculation methodology	16
7.1 Developer charge concept	16
7.2 Capital charge	16
7.3 Exemption	17
7.4 Reduction amount	17
8. Water supply developer charges	18
8.1 Water supply capital charge	18
8.2 Water supply DSP areas	18
8.3 Reduction amount	19
8.4 Water Supply Developer Charge	19
8.5 Water supply DC cross-subsidy	19
8.6 TRB impact of cross-subsidy	20
9. Reviewing/updating of calculated developer charges	22
10. Background documents	23
11. Other DSPs and related contribution plans	24
Appendix A DSP service areas	A-1
Appendix B Water supply DSP background document	B-1
Appendix C Outline of legislation	C-1

Tables

Table 2-1: DSP names and areas covered.....	2
Table 3-1: Muswellbrook Shire Council water supply schemes.....	7
Table 3-2: Historical urban centre population of service areas.....	7
Table 3-3: Water supply service areas	7
Table 3-4: Water supply Service areas ET projections.....	8
Table 4-1: Summary of existing water supply assets	10
Table 4-2: 10-year total future water supply capital works summary (2020/21\$)	10
Table 4-3: 10-year water supply capital works program	12
Table 5-1: Muswellbrook Shire Council water supply levels of service	13
Table 7-1: Discount rates used in capital charges calculations	16
Table 7-2: Assets included and excluded in capital charges calculations	17
Table 8-1: Water supply capital charges	18
Table 8-2: Water supply capital charges (after capping)	18
Table 8-3: Reduction amount calculation summary.....	19
Table 8-4: Water supply developer charges	19
Table 8-5: Water supply developer charge adjusted for CPI	19
Table 8-6: Estimation of DC revenue reduction due to cross-subsidy	20
Table 8-7: Calculation of required water TRB increase	21
Table 8-8: Impact of cross-subsidy on water TRB.....	21

Figures

Figure 4-1: Timing of 10-year water supply capital works program – Muswellbrook	11
Figure 4-2: Timing of 10-year water supply capital works program – Denman-Sandy Hollow	11
Figure 8-1: TRB impact of developer charges cross-subsidy	21

Glossary

Term	Definition
Annual bill	Local Water Utility's annual water bill for an annual demand of 1 ET
Asset	An asset (or part of an asset) including land and headworks assets that directly provides, or will provide, the developer services to developments within the DSP area for which the Developer Charge is payable
Annual demand	The total water demand over a year. Used to size headworks components
Capital cost	The Present Value (MEERA basis) of all expenditure on assets used to service the development
Capital charge	Capital cost of assets per ET adjusted for commercial return on investment (ROI)
CPI	Consumer price index
CRC	Current replacement cost
Developer charge	Charge levied on developers to recover part of the capital cost incurred in providing infrastructure to new development
Development area	See DSP area
Discount rate	The rate used to calculate the present value of money arising in the future
DPIE Water	Department of Planning, Industry and Environment - Water
DSP	Development Servicing Plan
DSP area	That is part of a water utility's area covered by a particular Development Servicing Plan. Also referred to as Development Area
ET	Equivalent tenement. The annual demand a detached residential dwelling will place on the infrastructure in terms of the water consumption
LGA	Local Government Area
LWU	Local water utility (NSW). Excludes Sydney Water Corporation, Hunter Water Corporation, Gosford Council, Wyong Council, Essential Water and Fish River Water Supply
MEERA	Modern Equivalent Engineering Replacement Asset
MSC	Muswellbrook Shire Council
Net income	Annual bill minus OMA cost per ET
NPV	Net present value means the difference between the Present Value of a revenue stream and the Present Value of a cost stream
OMA	Operation, maintenance and administration (cost)
Operating cost	In relation to a DSP is the operation, maintenance and administration cost (excluding depreciation and interest) of a LWU in providing Customer services to a DSP area
Post-1996 asset	An asset that was commissioned by a LWU on or after 1 January 1996 or that is yet to be commissioned
Pre-1996 asset	An asset that was commissioned by a LWU before 1 January 1996
PV	Present value. The current value of future money or ETs

Term	Definition
Reduction amount	The amount by which the capital charge is reduced to arrive at the developer charge. This amount reflects the capital contribution that will be paid by the occupier of a development as part of future annual bills
Reticulation assets	Reticulation is defined as the local pipes connecting water supply service for individual properties. Reticulation assets are excluded from the calculation of developer charges as the developers are responsible for the full cost of the design and construction of water supply reticulation works within subdivisions
ROI	Return on investment. Represents the income that is, or could be, generated by investing money
Service area	An area serviced by a separate water supply system, a separate small town or village, or a new development of over 500 ETs
TRB	Typical residential bill, which is the principal indicator of the overall cost of a water supply system and is the bill paid by a residential customer using the utility's average annual residential water supplied per connected property
WTP	Water treatment plant

1. Introduction

The developer charges are up-front charges levied by urban water utilities to recover part of the infrastructure costs incurred in servicing new developments or additions or changes to the existing developments.

Section 64 of the Local Government Act 1993 enables a local government council to levy developer charges for water supply, sewerage and stormwater. This derives from a cross-reference in that Act to Section 306 of the Water Management Act, 2000.

A Development Servicing Plan (DSP) details the water supply / sewerage developer charges to be levied on developments utilising a water utility's water supply, sewerage and stormwater infrastructure.

The aims and objectives of this DSP are to:

- Provide an overall administrative framework under which specific water assets may be co-ordinated and constructed
- Ensure that adequate water infrastructure is provided for as part of the new development
- Provide a comprehensive strategy for the assessment, collection, expenditure accounting and review of contributions on an equitable basis
- Ensure that the existing community is not burdened by the provision of water infrastructure as a result of future development
- Enable Council to be both publicly and financially accountable in its assessment and administration of the Development Servicing Plans.

This DSP covers water supply developer charges for the service areas of Muswellbrook Shire Council (MSC). Maps of the water supply DSP areas are shown in Appendix A.

This DSP has been prepared in accordance with the 2016 NSW Developer Charges Guidelines for Water Supply, Sewerage and Stormwater issued by the Minister for Lands and Water, pursuant to Section 306 (3) of the Water Management Act, 2000.

Once adopted, this DSP supersedes any other requirements related to water supply developer charges for the development areas covered by the DSP. The DSP takes precedence over any of Council's codes or policies where there are any inconsistencies relating to water supply developer charges.

The developer charges should be indexed based on movements in the consumer price index (CPI) for Sydney, excluding the impact of GST. The developer charges calculated in this DSP will be reviewed after eight years.

2. Administration

2.1 DSP areas and names

Muswellbrook Shire Council currently operates and manages three water supply schemes to serve the townships of Muswellbrook, Denman and Sandy Hollow. From 2024 onwards, Council will service Sandy Hollow and the Yarraman abattoir development through the planned Denman – Hollydeen - Sandy Hollow pipeline, and the augmented headworks at Denman WTP. Sandy Hollow scheme has been, therefore, included as part of Denman – Sandy Hollow service area.

This DSP is applicable to all land within the DSP areas serviced by the water supply infrastructure of the Council. The DSP names and areas covered are presented in Table 2-1.

Table 2-1: DSP names and areas covered

DSP details	Schemes covered	Area covered
WDSP 1 – Denman – Sandy Hollow Water Supply DSP Area 1	Muswellbrook	The maps of the water supply service areas covered by this DSP are shown in Appendix A.
WDSP 1 – Muswellbrook Water Supply DSP Area 2	Denman - Sandy Hollow	

2.2 DSP boundaries

The DSP area boundaries are based on the existing and future developments to be served by Council’s water supply services. Regarding the new developments outside the water supply DSP area boundaries, Council may:

- apply the developer charges adopted by this Plan to the new development, or
- prepare a new DSP for the new development.

2.3 Application of developer charges

Developer charges will be levied to all new developments within the DSP areas. Council will assess the demand for service in terms of equivalent tenements (ET) and will levy developer charges proportional to the number of ETs. The developer charges will also apply to re-developments (i.e., alterations, additions or change of use for an existing development) on the basis of resulting increase in the ET for the services.

These charges will be calculated and levied on an individual merits’ basis based on a report prepared by the Community Infrastructure Division of the Council.

Developers shall be responsible for the full cost of the design and construction of water reticulation works within subdivisions.

2.4 Effective commencement date for this DSP

This DSP has been adopted by the Council on [insert date] and will be effective from [insert date]. Charges will be levied pursuant to this DSP, as a condition of development consent granted on or after the day this DSP comes into effect.

2.5 Timing and payment of developer charges

The developer charges will be determined and levied in accordance with the provisions of this DSP at the time of considering an application for a compliance certificate under Section 305 of the Water Management Act 2000 or a construction certificate under Section 109C of the Environmental Planning and Assessment Act 1979 or at the time of issuing a notice or other form of written advice e.g., under the SEPP (Exempt and Complying Development Codes) 2008.

The time limit for payment of developer charges will be included in the notice of determination or will be advised to the developer by a separate notice. The amount of any developer charges not paid within the specified time limit will lapse. Any subsequent determination of developer charges will be made in accordance with Council's then current DSP.

The timing of payment of developer charges to MSC is as follows:

- subdivision – prior to the release of the linen plan or approved engineering plans, whichever occurs first;
- dwellings and other buildings – prior to the issue of construction certificate
- other developments – prior to the issuing of a notice of commencement of work, should the proposed development not involve any construction.

Other arrangements for payment are at Council's discretion and depend upon the circumstances of the contributor or the development. Where the applicant can demonstrate that the settlement of the contribution as set out above is unreasonable in the circumstances of the case, the Council may accept deferred or periodic settlement.

Due to the general consistency of subdivisions and dwellings within the Local Government Area, no discount rates apply, and the basic charge as set out in the DSPs will apply unless special circumstances can be established to the satisfaction of Council.

Payment of a developer charge is a precondition to the granting of a Compliance Certificate, which must be obtained in order to complete a development. A Compliance Certificate will not be issued until the developer charge payment has been received.

2.6 Method of payment

Developer charges must be made in the form of monetary payments to Council. The development consents will contain the conditions specifying the developer charges amount payable at the time when the consent is issued. A note will be attached to the consent condition which will advise that the developer charges will be at the rate which applies at the time of payment. That is the rate may increase, through indexation or replacement of this DSP with a new one, from the time the condition appears on the notice of development consent until the time the developer charge is actually paid to Council.

Developers may seek Council's agreement and approval on payment deferment. Where the applicant can demonstrate that the settlement of the contribution as set out by the Council is unreasonable in the circumstances of the case, the Council may accept deferred or periodic settlement. Any request should provide detailed reasons, and should agreement be granted, deferral will be subject to the following requirements:

- The applicant is to arrange for a Bank Guarantee to be prepared to the value of contributions payable as agreed to by Council (this is to include indexation where applicable),
- The Bank Guarantee is to be made in favour of Council,
- Council is to be the custodian of the original Bank Guarantee, and
- The maximum time frame granted for deferment will be determined at the discretion of the Council. Should the contributions not be paid by this time, Council will exercise its right under the agreement to call in the Bank Guarantee without notice. Should the approved deferment overlap into the following financial year, then the contribution(s) payable will be subject to indexation.

Upon Council's approval, the charges will be recorded as a debt against the property and payable at a rate applicable at the time of payment.

2.7 Exemptions from developer charges

Crown Developments:

Under Section 306 (4) and (5) of the Water Management Act 2000, the Minister for Planning may decide in regard to developer charges levied on Crown Developments.

Crown developments for essential community services (education, health, community amenities, and law and order) are exempt from general developer charges. Council may charge these developments only for that portion of the direct connection cost (e.g., for a lead-in main) relating to Crown development.

Other Developments:

The contributions set out in this DSP apply to all forms of development within MSC, except for the following:

- a. Erection of a single dwelling house on an existing vacant allotment of land that has been previously rated for a water access charge
- b. Alterations or additions to a single dwelling house where such alterations do not create additional dwellings
- c. Subdivision of land that does not create any additional allotments

Council will require development applications for non-profit developments, such as schools or senior citizen housing to be accompanied by a statement of public benefit to enable it to assess the extent, if any, of contributions to be paid.

2.8 Out-of-sequence development

Council plans infrastructure development in accordance with a desired sequence of development. If developer wishes to proceed with a development which is not in the same sequence, provided that there are no other constraints to the development, Council may approve the construction of the essential assets ahead of time. In such cases, the assets will be sized by the Council in accordance with the requirements of the DSP and the full capital cost would initially be met by this developer.

If the asset funded by this developer will serve other future development, the developer should be reimbursed when the Council collects developer charges from the future development. The Council and the developer will enter into an agreement stating how the developer will be reimbursed in the future.

It is recommended that prospective developers seek further advice from Council on out-of-sequence development.

2.9 “Works-in-kind” contributions

Upon written request, Council will consider an offer by the applicant to contribute developer charges by way of “works-in-kind” in accordance with the Council’s Developer Contributed Water & Sewer Infrastructure Policy (Policy No. W7/1) provided that:

- a. The proposed work satisfies the demands for the kind of public amenities and facilities, for which the contribution is sought,
- b. The proposed work will not prejudice the timing or the manner of the provision of the amenity or facility for which the contribution was required,
- c. The value of the work is at least equal to the value of the contribution assessed in accordance with this plan and that this value is adequately documented,
- d. Agreement has been reached as to the standard of work to be undertaken, and

- e. Where the difference of the value of the work-in-kind is less than the contribution assessed in accordance with this plan, the balance shall be made by way of monetary contribution.

As part of the Council’s decision-making process, a request would only be considered provided the applicant is agreeable to all of the following stipulations:

- An agreement between the applicant and Council on the cost of the works (and value of the work-in-kind) which is to be determined by reference to satisfactory plans, breakdown of costs, review of audited statements and accounts or similar submitted by the applicant. There would be no indexing of the value of the work-in-kind or credits so granted.
- The number of credits for a particular type of contribution will be determined by dividing the agreed value of the proposed work by the rate applying to that contribution at the time of the agreement. The credits so agreed will be progressively reduced as the development proceeds. The agreed works schedule may specify those works that may be considered as works in kind.
- An agreed 12-month Defects Liability Period for the cost of the agreed work.
- An agreed standard of workmanship.
- An agreed timetable for the inspection of the works.
- An agreed program for the completion of works.
- Submission of an itemised statement of costs (including all receipts) of the completed works. Where the final cost of the works is less than the initial agreed cost of works, the balance is to be paid to Council as a monetary contribution. The costs of works are to also include a breakdown of all labour costs.

It should be noted that Council will not acknowledge any costs incurred associated with the agreement of works-in-kind as part of above itemised statement.

The decision to accept settlement of a contribution by way of a work-in-kind is at the sole discretion of Council and will require a Council resolution prior to implementation.

It is Council’s preference that for broadacre release areas, Council accepts works-in-kind and that these are to be fully constructed prior to the release of the Linen Plan or at such time as identified in a “written agreement” between the Council and the developer.

Should works-in-kind that have been agreed to by Council be later withdrawn by the applicant for any reason, then the applicant will be liable for the payment of contributions in accordance with the conditions of development consent or complying development certificate plus any indexations that may have occurred since the approval date.

2.10 Indexation

The developer charges should be indexed annually on the basis of movements in the consumer price index (CPI) for Sydney, excluding the impact of GST.

2.11 Dispute resolution

Council will adopt a transparent and consultative process for determining developer charges for a development. In case of disputes:

- If the dispute is regarding how the Council has calculated the developer charge for a development:
 - The developer may lodge a formal complaint to the Council and the General Manager of the Council will review or cause it to be reviewed

- If not satisfied with the General Manager’s response, the developer may refer the complaint to the NSW Ombudsman, as the Council is not a member of the Energy & Water Ombudsman NSW (EWON)
- If the dispute is regarding the interpretation of the 2016 Developer Charges Guidelines:
 - The developer may refer the complaint to DPIE Water, which will respond to the complaint
 - If warranted, DPIE Water may refer the matter to an expert technical panel, which will include representatives from DPIE Water, IPART, the NSW Water Directorate, the Council and the development industry, and a developer charges expert for responding to the complaint
- If the developer is still dissatisfied, may request the matter to be reviewed by way of arbitration by an arbitrator, who is to be appointed by agreement between the developer and the Council, in accordance with the Commercial Arbitration Act, 2010. Costs of arbitration are to be borne equally by the developer and the Council. The decision of the arbitrator is binding on both the developer and the Council.

3. Demographics, growth projections and land use

3.1 Existing services

MSC provides water supply services to the townships of Muswellbrook, Denman and Sandy Hollow. A summary of the water supply services is included in Table 3-1.

Table 3-1: Muswellbrook Shire Council water supply schemes

Town	Water supply scheme
Muswellbrook	Muswellbrook
Denman	Denman
Sandy Hollow	Sandy Hollow

The historical population for the towns is presented in Table 3-2. These populations are obtained from ABS Census Quickstats data.

Table 3-2: Historical urban centre population of service areas

Urban centre	2001	2006	2011	2016
Muswellbrook	10,010	10,222	11,042	10,404
Denman	1,400	1,385	1,403	1,311
Sandy Hollow	No data*	261	401	169

* No population data existed for the 2001 Census; population counted in a larger statistical area than the urban centre called state suburbs (SSC) for Sandy Hollow.

3.2 Service areas

The water supply service areas and the basis of determination of the service areas are shown in the Table below. Based on the Council's adopted IWCM Strategy, Council will service Sandy Hollow and the Yarraman abattoir and Hollydeen farms development through the planned Denman – Hollydeen - Sandy Hollow pipeline and the augmented headworks at Denman WTP. Hence, Sandy Hollow along with the abattoir development has been combined with Denman and identified as Denman-Sandy Hollow service area.

Table 3-3: Water supply service areas

Name of service area	Basis for determination
Muswellbrook	Separate town with water supply scheme
Denman-Sandy Hollow	Separate water supply scheme servicing Denman, Sandy Hollow and the Yarraman abattoir developments from 2024 onwards

3.3 Growth Projections for the service areas

To apportion the cost of providing water supply services within the Council's DSP areas, the demand in each DSP area is required. The demand in each DSP area is determined in terms of equivalent tenements (ETs). An ET is the annual demand a detached residential dwelling will place on water supply infrastructure in terms of water supplied. The current estimated average annual water demand per ET across all the service areas of the Council is 265 KL/year.

Council's IWCM Strategy considered several population growth scenarios to develop a future population growth strategy and adopted a population and tenement growth forecasts for service planning. For the purpose of this DSP, the IWCM tenement growth forecasts adopted by Council

based on water demand analysis have been used in the calculation of developer charges. The adopted tenement growth is consistent between both the IWCM Strategy and the DSP document.

The estimated ET growth forecasts for the water supply service areas of Muswellbrook, Denman and Sandy Hollow used for the calculation of developer charges are summarised in Table 3-4.

Table 3-4: Water supply Service areas ET projections

Financial Year	Muswellbrook	Denman	Sandy Hollow	Total
1995/96	4,713	657	51	5,421
2020/21	5,699	787	61	6,547
2021/22	5,748	794	62	6,604
2022/23	5,798	1,701*	62	7,561
2023/24	5,849	1,708	63	7,619
2024/25	5,900	1,715	63	7,678
2025/26	5,951	1,722	64	7,737
2026/27	5,999	1,729	64	7,792
2027/28	6,047	1,735	65	7,847
2028/29	6,095	1,742	65	7,903
2029/30	6,144	1,749	66	7,959
2030/31	6,193	1,755	67	8,015
2031/32	6,238	1,762	67	8,067
2032/33	6,284	1,768	68	8,119
2033/34	6,330	1,774	68	8,172
2034/35	6,376	1,780	69	8,225
2035/36	6,422	1,787	69	8,278
2036/37	6,464	1,793	70	8,326
2037/38	6,506	1,798	70	8,374
2038/39	6,548	1,804	71	8,423
2039/40	6,591	1,810	71	8,472
2040/41	6,634	1,816	71	8,521
2041/42	6,677	1,822	72	8,571
2042/43	6,720	1,828	72	8,621
2043/44	6,764	1,834	73	8,671
2044/45	6,808	1,840	73	8,721
2045/46	6,852	1,846	74	8,772
2046/47	6,897	1,852	74	8,823
2047/48	6,942	1,858	75	8,875
2048/49	6,987	1,865	75	8,927
2049/50	7,032	1,871	76	8,979
2050/51	7,078	1,877	76	9,032

* New Yarraman abattoir and feedlot, 900 ET included

3.4 Land use information

Information provided in this Plan should be considered in conjunction with Local Environmental Plan (LEP), Developer Control Plans (DCPs) and other planning instruments used by the Council.

4. Infrastructure

4.1 Water supply schemes overview

MSC provides reticulated drinking water to towns previously mentioned in Table 3-1 through three water supply schemes. Summaries of the water supply schemes in MSC are provided below.

The Muswellbrook water supply scheme sources water from the Hunter River, which is supplied primarily from Glenbawn Dam.

Water from the Hunter River is pumped to the Muswellbrook water treatment plant (WTP) where it undergoes coagulation, flocculation, clarification and filtration followed by disinfection. Treated water is fluoridated and then supplied to North and South Muswellbrook via a distribution network consisting of five reservoirs, trunk water mains and a reticulation network.

The Denman water supply scheme also sources water from the Hunter River, which is supplied primarily from Glenbawn Dam. Water from the Hunter River is pumped to the Denman WTP where it undergoes coagulation, flocculation and filtration followed by disinfection. Treated water is chlorinated and then supplied to the Denman township via a distribution network consisting of a reservoir, trunk water mains and a reticulation network.

The Sandy Hollow water supply scheme sources water from two bores on the Goulburn River. Water is then pumped to the Sandy Hollow WTP where it undergoes filtration, ozonation, chemical dosing and chlorination. Treated water is pumped from the WTP to the town reservoir from which it enters the reticulation network. Council will service Sandy Hollow and the Yarraman abattoir and Holydeen farms development through the planned Denman – Holydeen - Sandy Hollow pipeline and the augmented headworks at Denman WTP. Hence, Sandy Hollow has been included as part of Denman-Sandy Hollow service area in this DSP.

4.2 Existing water supply assets

Existing water supply assets servicing the MSC DSP area and their current MEERA costs as valued and maintained by the Council have been included in the capital charges calculation.

The current replacement cost (CRC) for the existing water supply assets in MSC is \$128.0 Million (2020/21\$). In accordance with the 2016 NSW Developer Charges Guidelines, all existing water supply assets servicing MSC are included in the capital charge calculations except for the following:

- assets older than 30 years as of 2021
- assets which are unlikely to be fully utilised over the planning horizon for calculating developer charges
- reticulation assets, which are typically paid for directly by developers
- gifted assets, which were built by developers and later transferred to Council

The CRC of water supply assets in MSC included for the calculation of capital charge is \$35.7 Million (2020/21\$).

Details of the existing assets servicing the area covered by the water supply DSP are presented in Appendix A. A breakdown summary of the existing assets and their current replacement costs for included and excluded assets for MSC is shown in Table 4-1, with additional water supply DSP background documents included in Appendix B.

Table 4-1: Summary of existing water supply assets

Asset type	Current replacement cost (2020/21\$)	Excluded assets (2020/21\$)	Included assets (2020/21\$)
Muswellbrook water supply scheme			
Pump station	4,079,643	2,742,356	1,337,287
Reservoir	13,794,034	9,783,902	4,010,133
Telemetry	480,817	0	480,817
WTP	23,915,013	17,721,749	6,193,264
Trunk mains	35,839,548	21,982,977	13,856,571
Reticulation	28,394,194	28,394,194	0
Subtotal	106,503,249	80,625,178	25,878,072
Denman water supply scheme			
Pump station	642,038	0	642,038
Reservoir	1,471,498	1,471,498	0
WTP	7,538,169	0	7,538,169
Trunk mains	4,787,295	3,153,195	1,634,100
Reticulation	5,421,086	5,421,086	0
Subtotal	19,860,086	10,045,779	9,814,307
Sandy Hollow water supply scheme*			
Reservoir	140,752	140,752	0
Reticulation	1,540,080	1,540,080	0
Subtotal	1,680,832	1,680,832	0
Grand total	128,044,167	92,351,789	35,692,379

* Sandy Hollow WTP excluded as the town will be supplied through the proposed Denman-Hollydeen-Sandy Hollow pipeline that will also supply the new Yarraman abattoir and feedlot development from 2024 onwards.

4.3 Future water supply assets and renewals

Where DSP areas are expected to make use of future assets, the capital cost of these assets are included in the capital charges calculations. Council considered the estimated costs of capital works (including contingencies) planned for the first 10 years of the Total Asset Management Plan of the adopted IWCM Strategy for the calculation of capital charges. The capital works program comprises of works for growth, improved standards and renewals.

A summary of the future capital works included for the calculation of capital charges is presented in Table 4-2. The detailed program of all the planned capital works for each of the service areas are shown in Table 4-3.

Table 4-2: 10-year total future water supply capital works summary (2020/21\$)

Works	Muswellbrook scheme	Denman-Sandy Hollow scheme
New/upgrade works	5,450,000	22,670,000
Renewals	7,954,200	812,000
Total	13,404,200	23,482,000

The timing and expenditure for the 10-year water supply capital works for the service areas of Muswellbrook and Denman-Sandy Hollow are shown in Figure 4-1 and Figure 4-2 respectively.

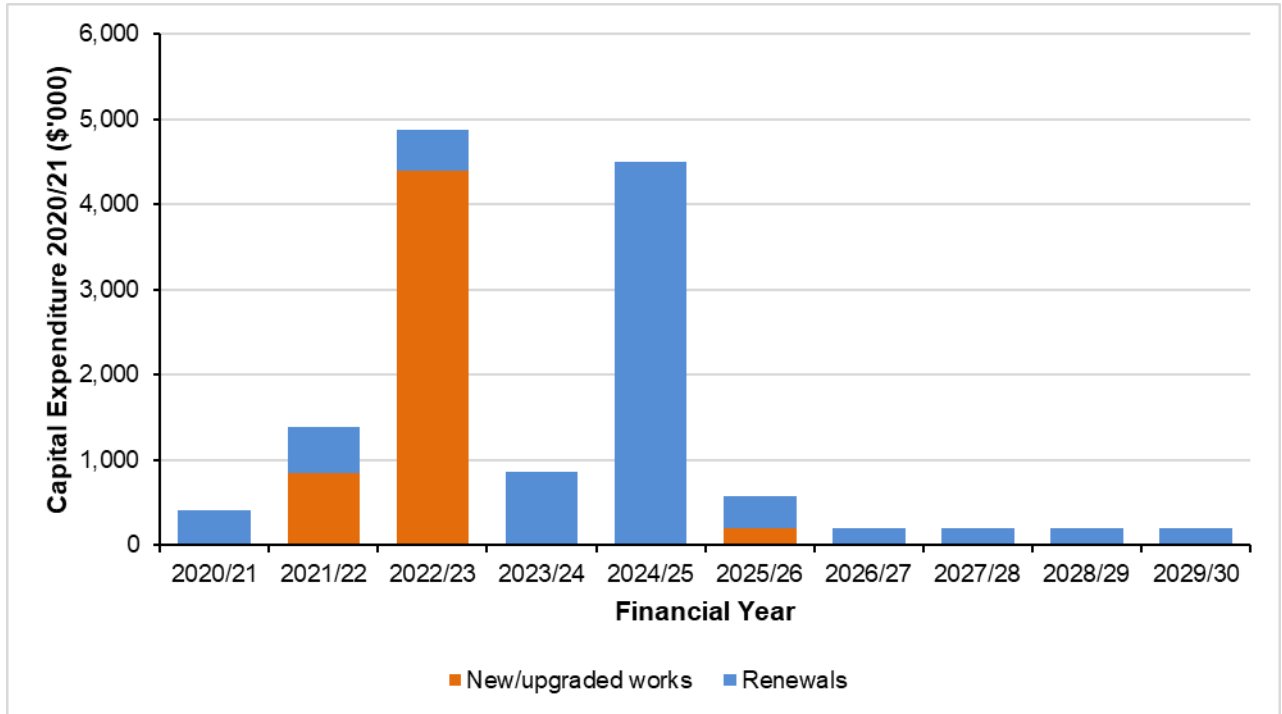


Figure 4-1: Timing of 10-year water supply capital works program – Muswellbrook

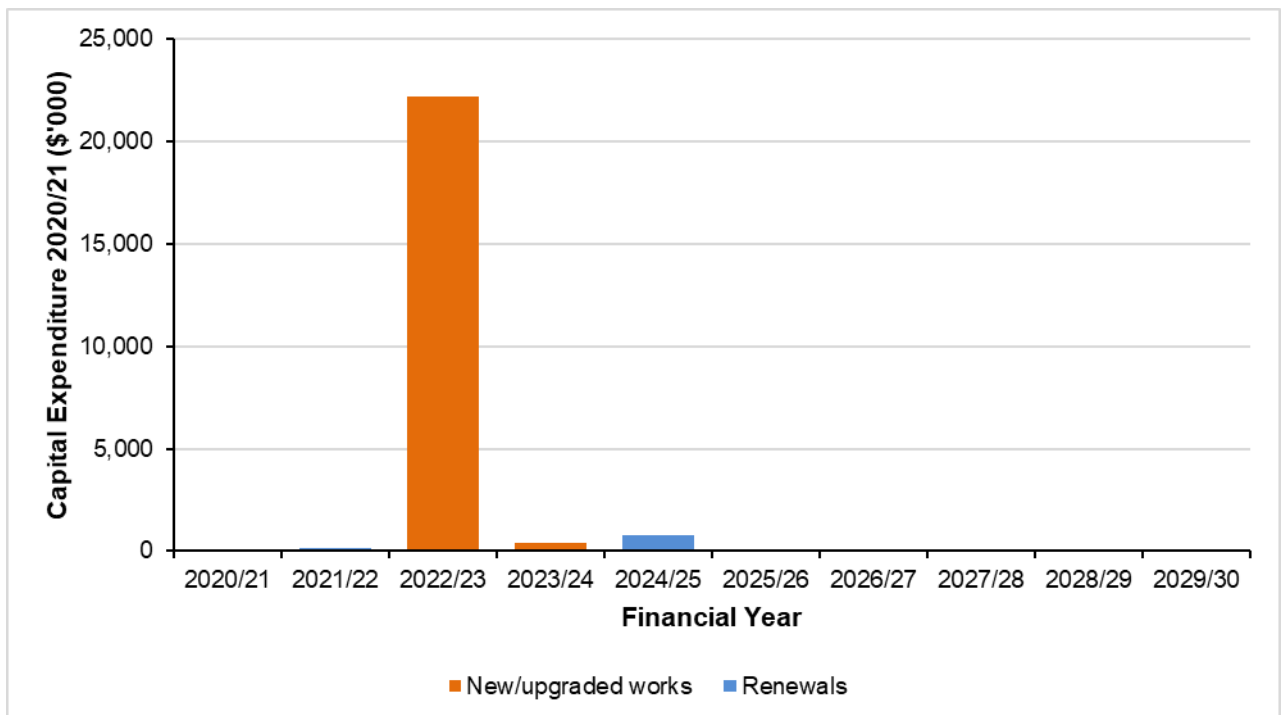


Figure 4-2: Timing of 10-year water supply capital works program – Denman-Sandy Hollow

Table 4-3: 10-year water supply capital works program

WATER - 10-Year Capital Works Program														
Current Year 2020 /21														
CAPITAL WORKS IN 2020/21 (\$'000)														
ITEMS	ILOS	GROWTH	RENEW	10-Yr Total	1	2	3	4	5	6	7	8	9	10
					2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
MUSWELLBROOK														
Water Security - Purchase additional High Security Licence	100%			3,175										3,175
Water Quality - Stage 1 - Optimise coagulation and flocculation process including pH correction (2022)	100%			100		100								
Water Quality - Stage 2 - Blend groundwater with river water during high turbidity events (2024)	100%			3,100			3,100							
Water Quality - Stage 3 - Construct a lamella clarifier (2030) and refurbish existing clarifier	100%			0										
Service Reliability - new 375 mm main from the South Mbrk PS to South Mbrk reservoir	100%			0										
Service Reliability - 5 ML reservoir in South Muswellbrook	100%			0										
Service Reliability - Mbrk WTP replacement at end of life (22 ML/d)		25%	75%	0										
Filter upgrade			100%	550				550						
Lime dosing system replacement			100%	3,100					3,100					
New polymer dosing system	100%			200						200				
Backwash system upgrade			100%	180						180				
WTP electrical upgrade			100%	800					800					
South Muswellbrook main 2 from common reservoirs		100%		2,000		750	1,250							
Trunk main to Industrial area		100%		0										
Pinaroo PS		100%		0										
Existing Reservoirs - Renewals			100%	700		150	150		400					
Trunk main to Ironbark Ridge		100%		0										
Aged meter replacement			100%	70	70	70	70	70	70	70	70	70	70	70
Mains replacement/renewals - Reticulation			100%	4,988	488	750	750	750	375	375	375	375	375	375
Mains replacement/renewals - Trunk			100%	1,662	162	250	250	250	125	125	125	125	125	125
Other system assets replacement (Asset Manager recommended)			100%	262	187	75								
Water vehicles - Capital		100%		50			50							
DENMAN														
Water Quality - Hardness - Package Iron Exchange System	100%			500			500							
Water Quality - Turbidity - Optimise coagulation and pH control (2022)	100%			95		95								
Water Quality - Turbidity - Commission bore water as emergency alternate source (2024)	100%			350			350							
Water Quality - Turbidity - Construct clarifier - for raw water clarification (2030)	100%			1,800			1,800							
Water Quality - Turbidity - Connect Denman water supply to Muswellbrook	100%			0										
Water Quality - Turbidity - Denman WTP replacement (2 ML/d) at end of design life (2040)		25%	75%	0										
New disinfection pumps			100%	26		26								
Reservoir upgrade - Roof			100%	36		36								
Backwash and supernatant recovery system upgrade			100%	750					750					
New filtration unit for Hollydeen and Sandy Hollow in Denman WTP site	100%			3,000			3,000							
Inlet upgrades for Hollydeen and Sandy Hollow	100%			900			900							
New reservoirs for Hollydeen and Sandy Hollow	100%			2,500			2,500							
Pipeline to Hollydeen and then to Sandy Hollow	100%			9,000			9,000							
Booster PSs	100%			400			400							
Miscellaneous - Rechlorination and amenities	100%			75			75							
High Security Water Licence for new works	100%			4,000			4,000							
Reservoir repairs			100%	0										
SANDY HOLLOW														
Water Quality - Hardness - Denman to Hollydeen pipeline to supply Sandy Hollow (2024)				0										
Water Quality - Rechlorinate at Sandy Hollow	100%			50			50							
GRAND TOTAL				45,049	907	2,302	27,795	2,020	5,620	950	570	570	570	3,745

5. Levels of service

Water supply system design capacity and operation are based on providing the adopted levels of service (LOS). The LOS for the water supply services, adopted following consultation with the Project Reference Group including community representatives as part of the development of the Muswellbrook IWCM Strategy 2021 are shown in Table 5-1.

Table 5-1: Muswellbrook Shire Council water supply levels of service

Description	Unit	Muswellbrook	Denman	Sandy Hollow
New Services				
Time to provide an individual connection to water supply in serviced areas (90% of time)	Working Days	15	15	15
Fire Fighting				
Base Design Flow (all property types)	% demand	95%	95%	95%
Fire Flow (residential and rural)	L/s	10	10	10
Fire Flow (commercial/industrial properties)	L/s	20	20	20
Residual Pressure (all property types)	metres head	15	15	15
Pressure				
Minimum pressure at meter when conveying 0.15 L/s to tenement	metres head	20	20	20
Max Static Pressure	metres head	85	85	85
Water Restrictions in Drought				
Supply interruptions to customers – 95% of the time				
Planned interruptions		0	0	0
Notice given to res customers	days	5	5	5
Notice to Non res customers	days	5	5	5
Maximum duration of interruption	Hours	8	8	8
No of interruption	No/year	1 per 1000 customers	1 per 1000 customers	1 per 1000 customers
Unplanned interruptions (Due to replacements repairs)				
Maximum duration of interruption	Hours	4	4	4
Maximum no per year - Excludes service lines	No	50	50	50
Total no of interruption per connection per year	No	1	1	1
Response Times				
<i>Time to have staff on site to commence rectification after notification or compliant for 95% of the time for all customers</i>				
During working hours	Hours	1	1	1

Description	Unit	Muswellbrook	Denman	Sandy Hollow
Outside working hours	Hours	1	1	1
Service restored	Hours	4	4	4
Customer Complaints and General Enquiries				
Customer complaints regarding LOS issues – pressure, flow issues	No/Year	10	10	10
General complaints – leaks etc.	No/Year	75	75	75
Complaints investigated	Day	1	1	1
Action Taken	Day	1	1	1
Oral Inquiry	Day	Same day	Same day	Same day
Written Inquiry	Day	3	3	3
Water Quality – Comply with ADWG 2011				
Microbiological				
Coliforms*	No/100mL	0	0	0
Faecal Coliforms*	No/100mL	0	0	0
Long Term Compliance*	%	100	100	100
Physical Quality				
pH	unit	6.5-8.5	6.5-8.5	6.5-8.5
Colour	Hazen units	<15	<15	<15
Turbidity	NTU	1	1	1
Taste and Odour	Complaints/ 1000 customers	<1	<1	<1
Chlorine-Reticulation System	mg/L	0.5-0.7	0.5-0.7	0.5-0.7
Dirty Water	Complaints/ year	0	0	0
Free Chlorine Residual in reservoirs	mg/L	<3	<3	<3
Chemical Quality				
Total iron	mg/L	<0.3	<0.3	<0.3
Total Manganese	mg/L	<0.1	<0.1	<0.1
Total Hardness	mg/L	<200	<200	<200
Total THM	mg/L	<0.25	<0.25	<0.25

* in 95% of samples

Source: Muswellbrook Shire Council Integrated Water Cycle Management Strategy, Public Works Advisory, March 2021

6. Design parameters for water supply

Investigation and design of water supply system components are based on the following technical documentations:

- Muswellbrook Shire Council's levels of service (see Section 5)
- Water Supply Investigation Manual, NSW Public Works (1986)
- WSAA Water Supply Code of Australia: WSA 03–2002
- TAM and Financial Plans of Muswellbrook IWCM Strategy, 2021

7. Developer charges calculation methodology

7.1 Developer charge concept

The developer charges calculation methodology is based on the net present value (NPV) approach with a view to fully recover the capital cost invested for servicing a development area. The investment is recovered as the up-front developer charges and the net income over time from the annual bills/ charges.

The calculation of developer charges is a two-step process. First, the capital charge is calculated as the present value of the capital cost of assets required over time to service the development area. The capital charge will include the capital cost component that will be recovered through annual bills, which needs to be reduced from the calculated capital charge. Hence, the second step is to calculate the reduction amount, which is the present value of the expected annual charges over time to be paid by the development in excess of operation, maintenance and administration (OMA) costs i.e. net income from annual bills.

The developer charge per ET is defined as the capital charge less the reduction amount.

$$\text{Developer Charge (\$/ET)} = \text{Capital Charge (\$/ET)} - \text{Reduction Amount (\$/ET)}$$

7.2 Capital charge

The calculated capital charge represents the efficient capital cost of assets used in providing water supply services in the DSP areas. This includes the cost of both existing and future assets per ET to be used to service the DSP areas.

Generally, the capacity of a water supply asset would not be fully utilised until some years after construction of the asset. The calculation takes into account the time to full take-up of the capacity of an asset over the planning horizon (30 years).

The Return on Investment (ROI) is based on the cost of early investment and the recovery of the investment over time. The annual payments have to provide a return of investment to reflect the discounting of future payments.

For pre-1996 assets, the discount rate for calculating the ROI In accordance with IPART's Determination 9, 2000, and for post-1996 assets, the ROI is calculated using the discount rates in accordance with the 2013 IPART Determination for Gosford and Wyong Councils. These are shown in Table 7-1.

Table 7-1: Discount rates used in capital charges calculations

Assets	Discount rate
Pre-1996 assets	3% p.a.
Post-1996 assets	5% p.a.

7.3 Exemption

The assets groups included and excluded from the capital charges calculations are shown in Table 7-2.

Table 7-2: Assets included and excluded in capital charges calculations

Group	Capital charge calculation inclusion
Existing assets	Assets less than 30 years old at the commencement of this Plan are included.
Future assets (new growth)	Assets planned within the next 10 years as adopted by Council are included.
Future assets (renewals)	Assets planned for renewal within the next 10 years are included, if replacing assets older than 30 years.
Reticulation (existing and future)	Reticulation assets are excluded from the calculation of developer charges.
Assets for out-of-sequence development	Excluded if the developer is required to meet the full cost of such needs.
Developer provided assets	Excluded unless the developer is reimbursed fully or partially.

Water reticulation

Reticulation is defined as the local pipes providing water supply to individual properties. Reticulation mains, if removed from the network, should not have a significant adverse impact on the successful operation of the network beyond the removed mains.

Reticulation assets are excluded from the calculation of developer charges as the developers are responsible for the full cost of the design and construction of water supply reticulation works within subdivisions. However, Council may calculate a reticulation supplement which would be payable by developers that have not provided the reticulation assets.

7.4 Reduction amount

The reduction amount is the amount by which the capital charge is reduced to arrive at the developer charge. The reduction amount represents the portion of the efficient cost of assets Council expects to recover from the new developments as part of their future annual bills for the service provision in the DSP areas.

Council has adopted the NPV of annual bills method to calculate the reduction amount. The reduction amount has been calculated using the NPV for 30 years of the future net income from the annual charge (annual bills less OMA cost) per PV of new ETs.

8. Water supply developer charges

8.1 Water supply capital charge

The details of calculation of capital charges for the two service areas, namely the Muswellbrook service area and the Denman – Sandy Hollow service area, covered by this DSP are presented in Appendix B and are summarised in Table 8-1.

Table 8-1: Water supply capital charges

Water supply service area	Capital charge for EXISTING assets 2020/21 (\$ per ET)	Capital charge for FUTURE assets 2020/21 (\$ per ET)	Total capital charge 2020/21 (\$ per ET)	Percentage of highest capital charge
Denman – Sandy Hollow	10,474	4,775	15,249	100%
Muswellbrook	7,302	1,521	8,823	58%

8.2 Water supply DSP areas

When the capital charges for two or more service areas are within 30%, they can be agglomerated into a single DSP area. The calculated capital charge for the Muswellbrook service area is not within 30% of calculated capital charge for the Denman-Sandy Hollow service area, which is the highest of the two areas. Hence, these service areas cannot be agglomerated so as to apply a uniform developer charges across both the service areas.

Council has adopted the strategy of promoting balanced local economic growth through development of new and emerging industry sectors outside of the traditional mining sector, particularly in agri-business. This strategy has been recognised also in the NSW Government's strategic documents such as the Hunter Regional Plan 2036 (Upper Hunter Industry Scenarios Report), and the Hunter Regional Economic Development Strategy 2018-2022 and supported through grant funding of water infrastructure, i.e. the Hollydeen pipeline to enhance economic growth. Consistent with this strategy, Council is not in favour of applying high developer charge in parts of the LGA as it will adversely impact growth and developments from happening in small villages like Denman and Sandy Hollow.

As seen from Table 8-1 above, 69% of the total capital charge for the Denman-Sandy Hollow service area is contributed by the existing assets. As only a part of the existing assets will be utilised by the new developments (including the proposed Yarraman abattoir) in this service area, Council has decided to reduce the capital charges attributable to the existing assets by about 60%. This brings the developer charges for Denman-Sandy Hollow DSP area about the same as that of the Muswellbrook DSP area. The capital charges for Muswellbrook service area, and the Denman – Sandy Hollow service area (after capping) are presented in Table 8-2.

Table 8-2: Water supply capital charges (after capping)

Water supply service area	Capital charge for EXISTING assets 2020/21 (\$ per ET)	Capital charge for FUTURE assets 2020/21 (\$ per ET)	Total capital charge 2020/21 (\$ per ET)	DSP Area
Denman – Sandy Hollow	4,053	4,775	8,829	WDSP Area 1
Muswellbrook	7,302	1,521	8,823	WDSP Area 2

8.3 Reduction amount

The reduction amount for the DSP areas has been calculated using NPV of annual bill method on a shire-wide basis as Council has adopted a uniform tariff structure. The details of reduction amount calculation are presented in Appendix B (Appendix Table B4) and a summary is shown in Table 8-3 below.

Table 8-3: Reduction amount calculation summary

Discount rate, p.a.	5%
Shire-wide total no. of ETs, 2020/21	6,547
Annual water charge, 2020/21 (\$ per ET)	701
Annual water OMA, 2020/21 (\$ per ET)	639
Estimated net operating income (\$ per ET)	62
PV of new ETs over 30 years	1,693
PV of net income over 30 years (\$)	1,408,110
Reduction Amount, 2020/21 (\$ per ET)	832

8.4 Water Supply Developer Charge

The developer charge is the capital charge less the reduction amount. Developer charges calculation are presented in Appendix B (Appendix Tables B5 and B6). The calculated developer charges applicable for 2020/21 are summarised in Table 8-4.

Table 8-4: Water supply developer charges

Water supply Service Area	Water supply DSP area	Total capital charges 2020/21 (\$ per ET)	Reduction amount 2020/21 (\$ per ET)	Calculated developer charge 2020/21 (\$ per ET)
Denman – Sandy Hollow	WDSP Area 1	8,829	832	7,997
Muswellbrook	WDSP Area 2	8,823	832	7,991

The capital charges, reduction amount and the calculated developer charges are in 2020/21 dollars. After adjustment for CPI of 2.9% for Sydney, the calculated water supply developer charges for the areas covered by this DSP from 1st July 2021 are shown in Table 8-5.

Table 8-5: Water supply developer charge adjusted for CPI

Water supply DSP area	Water supply Service Area	Adjusted calculated developer charge from 1 July 2021 (\$ per ET)
Water supply DSP area 1	Denman – Sandy Hollow	8,229
Water supply DSP area 2	Muswellbrook	8,223

As the developer charges for the two DSP areas are very close, it is prudent for Council to set the developer charge as equal to Muswellbrook DSP area and adopt a uniform shire-wide developer charge of \$8,223 per ET.

8.5 Water supply DC cross-subsidy

The capping of the calculated capital charge for Denman-Sandy Hollow service area will result in cross-subsidy to the new developments (including the Yarraman abattoir development) in this

service area. The resulting cross-subsidy must be disclosed in the DSP, Council's Annual Report, annual Operational Plan and in communication materials for consultation with the stakeholders. Details of cross-subsidy calculations undertaken for this purpose are presented as part of the DSP background documents in Appendix B and is briefly described below.

Calculated developer charges before and after capping of capital charges for Denman – Sandy Hollow service area were examined to determine the impact of the adopted cross subsidy, in accordance with the methodology set out in Table 20 of the 2016 Developer Charges Guidelines.

It has been estimated that the adopted capping of capital charges for Denman – Sandy Hollow service area results in an average cross-subsidy of \$3,519 per ET and the estimated total cross-subsidy is \$4,946,000. Details of estimation of cross-subsidy are provided in Appendix B (Appendix Table B6 and B7) and are summarised in Table 8-6 below.

Table 8-6: Estimation of DC revenue reduction due to cross-subsidy

Denman-SH New ETs for next 30-years	206
Abattoir ETs	900
Total new ETs	1,106
PV of new ETs for Denman-SH DSP area	114
PV of Abattoir ETs	777
PV of ALL new ETs for Denman - SH DSP area	891
PV of total cross-subsidy by all existing customers to Denman – Sandy Hollow DSP area (\$'000)	4,946
Proportion of cross-subsidy to Abattoir development in Denman – Sandy Hollow (\$'000)	4,313
Proportion of cross-subsidy to new residential ETs of Denman – Sandy Hollow (\$'000)	633

8.6 TRB impact of cross-subsidy

The impact of the reduction in developer charges revenue due to cross-subsidy will have to be recovered by generating additional revenue from all existing and future customers through an increase of the typical annual residential water bill (TRB).

By enabling the proposed Yarraman abattoir development with a lower level of developer charges, every customer in the Shire will be benefitted. As such, Council considers that it is prudent for every customer in the Council to make a small contribution to facilitate new development that will bring wider economic benefits to the LGA and the region.

Council will be recovering the proportion of cross-subsidy to the abattoir development through the additional bulk water supply revenue that will accrue over and above the TRB revenue of \$701 p.a. per ET for 900 ETs of the abattoir from year 2024 to 2050. The estimated additional revenue of \$325,00 per year from the abattoir will fully offset the proportion of the developer charges cross-subsidy to the abattoir development.

Therefore, the existing customers will be impacted in terms of TRB increase due only to the proportion of cross-subsidy to the new residential ETs in Denman - Sandy Hollow (\$633,000 in 2020/21 \$). Table 8-7 summarises estimated proportions of cross-subsidy, and the required increase in TRB to recover the proportion of cross-subsidy contributed by the existing customers.

Table 8-7: Calculation of required water TRB increase

(1) Proportion of cross-subsidy to Abattoir development (\$'000)	4,313
(2) PV of cross-subsidy to new residential ETs of Denman- SH (\$'000)	633
(3) PV of Total existing ETs in all service areas	128,143
(4) Required TRB increase (\$ 2020/21) $(4) = (2) \times 1000 / (3)$	5

The impact of cross-subsidy on annual customer water bills is shown in Table 8-8 and Figure 8-1.

Table 8-8: Impact of cross-subsidy on water TRB

Developer Charge Capping	Required annual residential water bill 2020/21 (\$/ET)	Resulting increase in annual water bill (\$)
No capping & cross-subsidy	701	Nil
Adopted capping & cross-subsidy	706	5

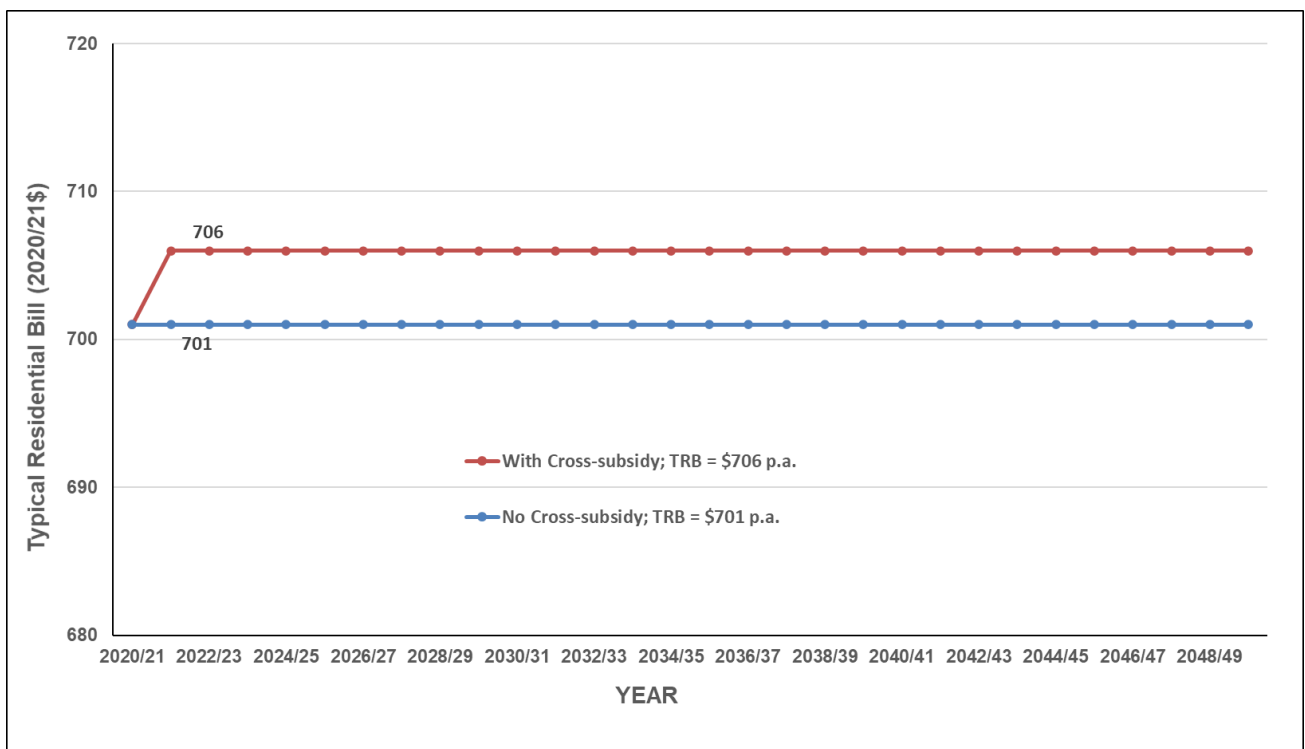


Figure 8-1: TRB impact of developer charges cross-subsidy

9. Reviewing/updating of calculated developer charges

Developer charges are to be reviewed by Council every eight years. The developer charges should be adjusted on 1 July each year on the basis of movements in the Consumer Price Index (CPI) for Sydney in the preceding 12 months to December, excluding the impact of GST.

If there is a major change such as the need for significant capital works that has not been included in the existing DSP, Council may carry out a review in less than four years, subject to DPIE Water's approval.

10. Background documents

The background references used for the development of this DSP are contained in the following documents:

- Developer Charges Guidelines for Water Supply, Sewerage and Stormwater 2016, DPIE Water
- NSW Water and Sewerage Strategic Business Planning Guidelines, DPIE Water, July 2011
- Muswellbrook IWCM Strategy, 2021

The background information of the water supply developer charges calculations are included in Appendix B. The background information contains details on commissioning dates, size, capacity and MEERA values of existing water assets. They also include the details of calculations of the capital charges, reduction amount, the developer charges and impact of cross-subsidy. .

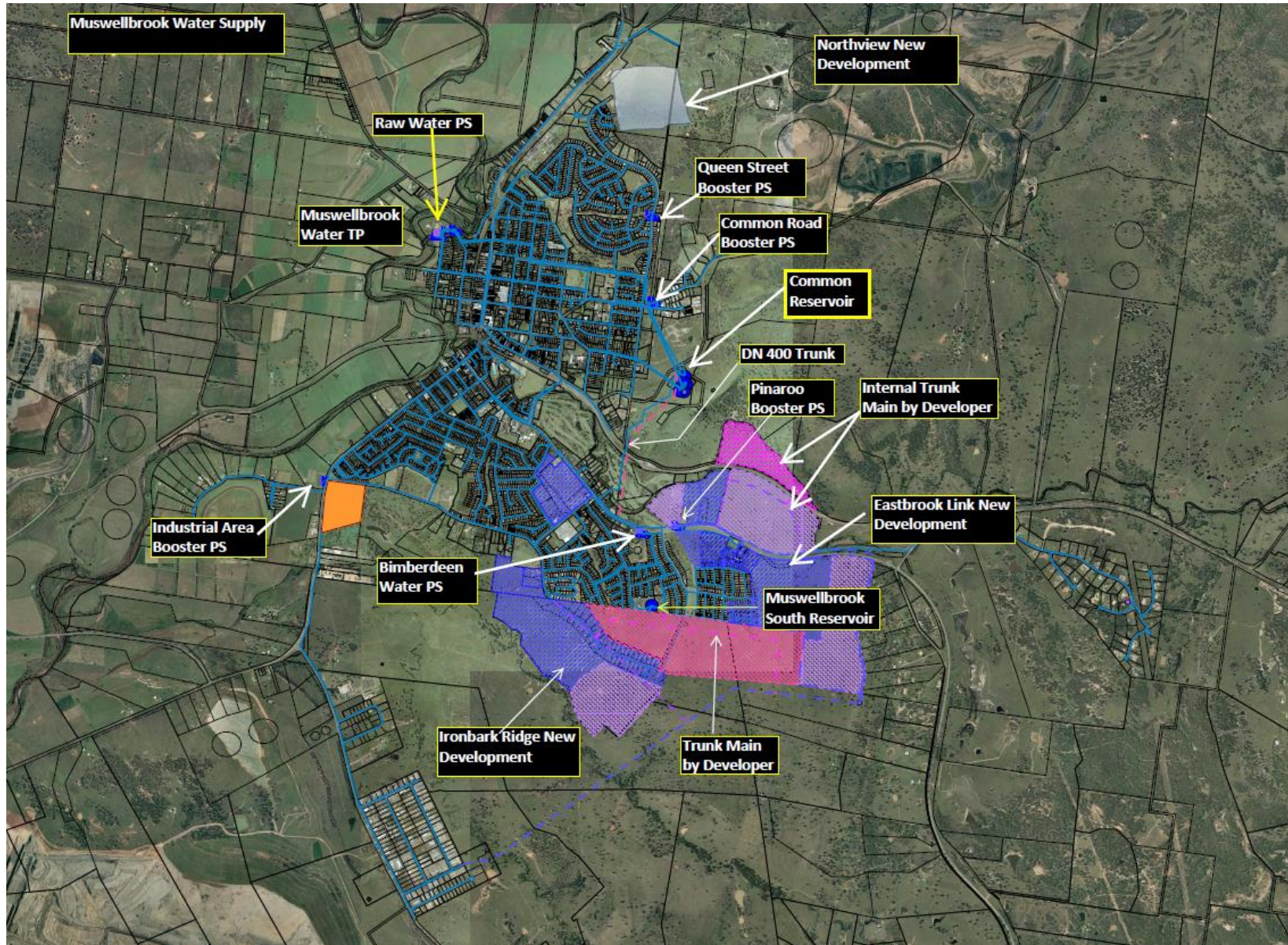
11. Other DSPs and related contribution plans

Council's other related contribution plans include:

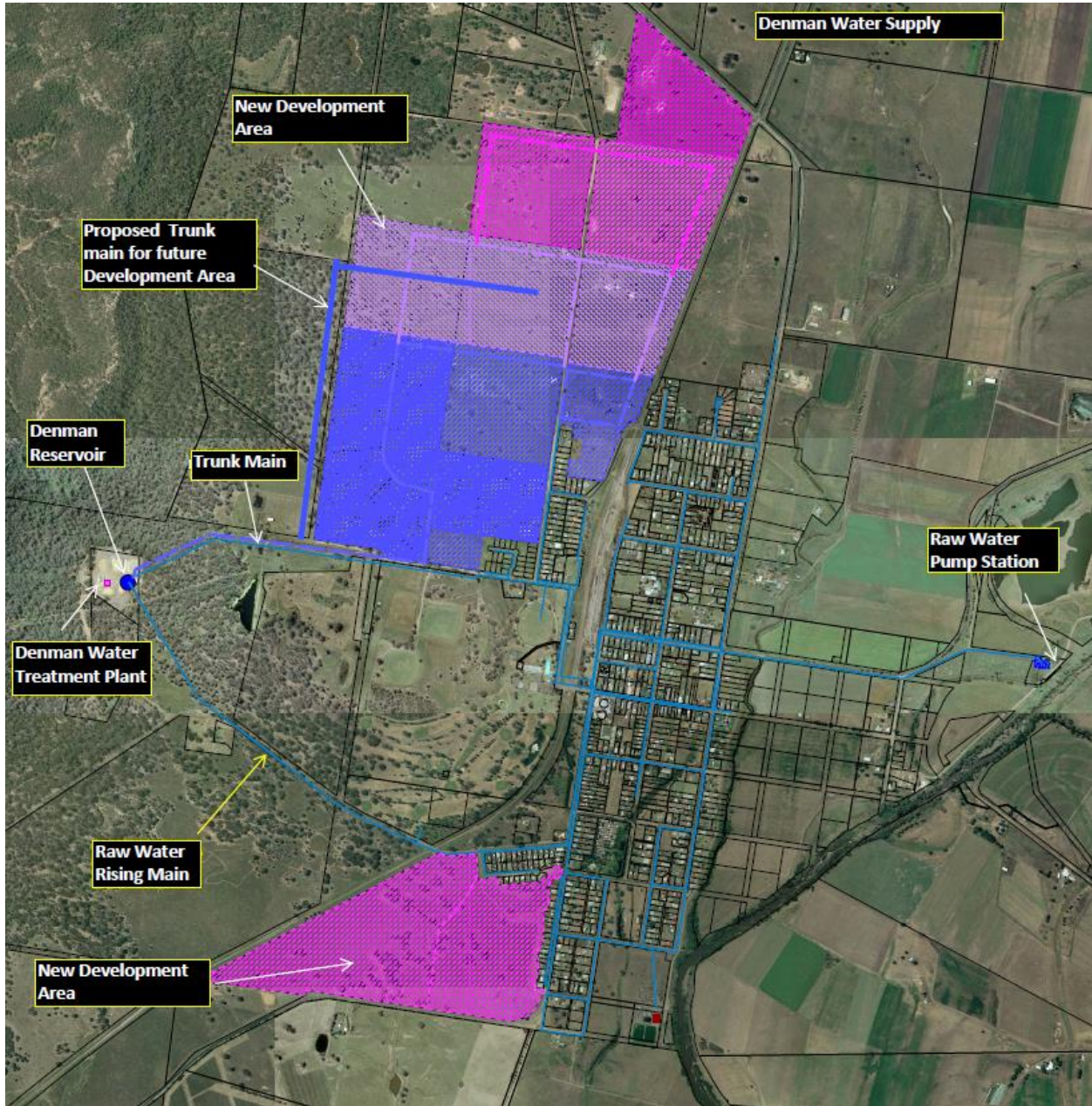
- MSC Water Supply Development Servicing Plan
- MSC Development Control Plan
- MSC Section 94 Contributions Plans

Appendix A DSP service areas

A.1 Muswellbrook water supply service area



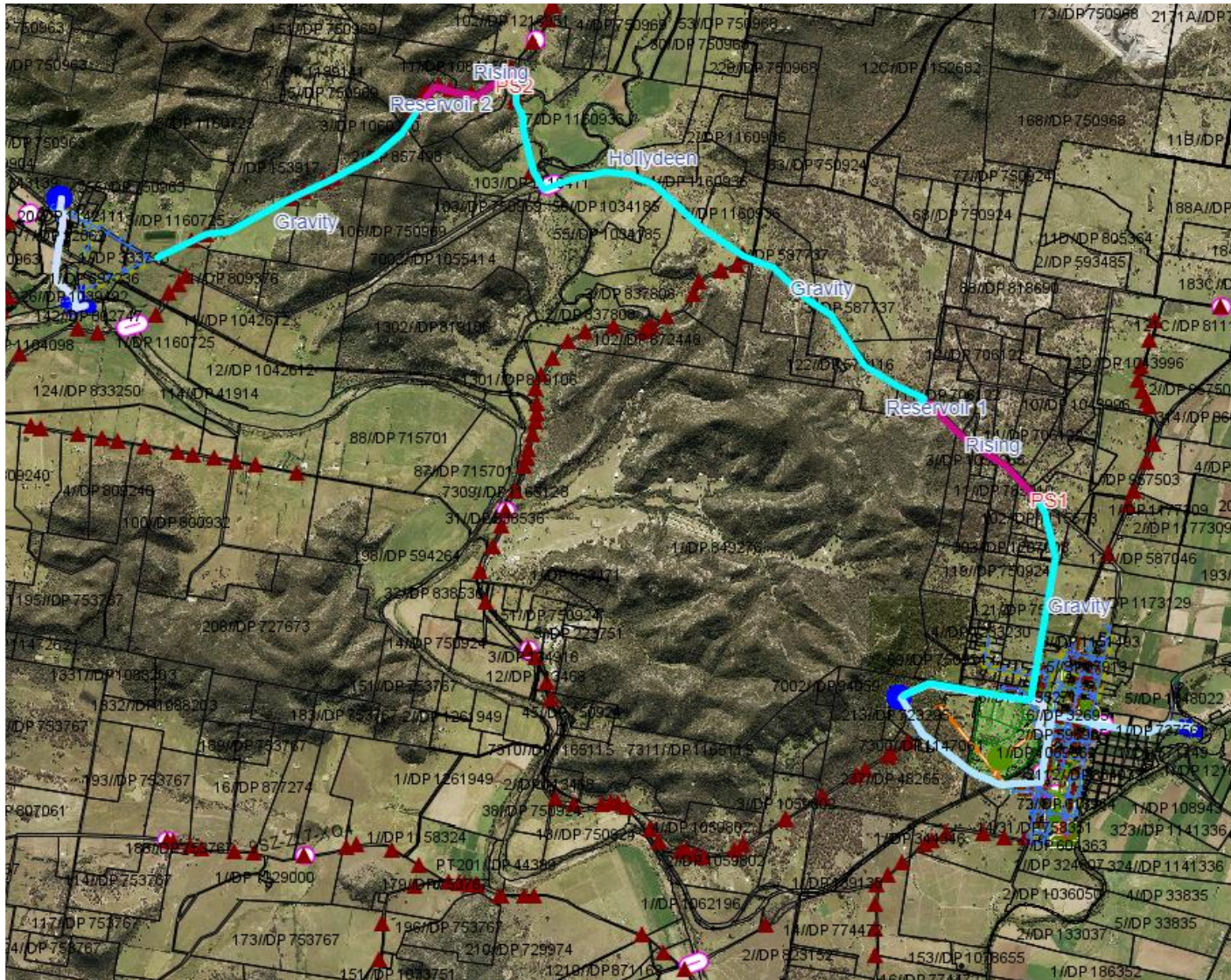
A.2 Denman water supply service area



A.3 Sandy Hollow water supply service area



A.4 Denman - Sandy Hollow service area including abattoir development



Appendix B Water supply DSP background document

Appendix C Outline of legislation

Local Government Act 1993

The power for local government councils to levy developer charges for water supply, sewerage and stormwater derives from Section 64 of the Local Government Act 1993 by means of a cross-reference in that Act to the relevant provisions of the Water Management Act 2000.

Section 64 of the Local Government Act states that:

Division 5 of Part 2 of Chapter 6 of the Water Management Act 2000 applies to a council exercising functions under this Division in the same way as it applies to a water supply authority exercising functions under that Act.

Environmental Planning and Assessment Act 1979

Prior to the introduction of the Local Government Act in 1993, councils used the provisions of Section 94 of the Environmental Planning and Assessment Act 1979 to obtain developer contributions for water supply and sewerage services. As part of the Local Government (Consequential Provisions) Act 1993, amendment was made to the Environmental Planning and Assessment Act so that Section 94 no longer applied for water supply and sewerage services.

However, Councils can levy developer charges for stormwater under either Local Government Act or Water Management Act.

Water Management Act 2000

Section 305 (1) and (2) of the Water Management Act states that:

- 1) A person may apply to a water supply authority for a certificate of compliance for development carried out, or proposed to be carried out, within the water supply authority's area.
- 2) as a pre-condition to granting a certificate of compliance for development, a water supply authority may, by notice in writing served on the applicant, require the applicant to do either or both of the following:
 - a) to pay a specified amount to the Authority by way of contribution towards the cost of such water management works as are specified in the notice, being existing works or projected works, or both,
 - b) to construct water management works to serve the development.

Section 305 (3) of the Water Management Act states that:

- 3) In calculating an amount for the purposes of subsection (2) (a):
 - a) the value of existing water management works and the estimated cost of projected water management works may be taken into consideration, and
 - b) the amount of any government subsidy or similar payment is not to be deducted from the relevant value or cost of the water management works, and
 - c) consideration is to be given to any guidelines issued for the time being for the purposes of this section by the Minister.

In 2011, the Minister for Primary Industries became responsible for non-metropolitan NSW town water services. The Minister is responsible for the issue of guidelines for water utilities on the calculation of water supply, sewerage and stormwater developer charges.

Note: Use of moneys raised from developer charges is discussed in Section 2.7 on page 10 of the guidelines.

Local Government (Savings and Transitional) Regulation 1993

The Local Government (Savings and Transitional) Regulation 1993 covers the matter of developer contributions which had previously been obtained by councils under the Environmental Planning and Assessment Act as follows:

- 9) Any monetary contribution held by a council immediately before the commencement of this Regulation, being a contribution arising from a condition:
 - a) that was imposed under section 94 of the Environmental Planning and Assessment Act 1979; and
 - b) that specifies that the contribution is to be applied towards providing specified water or sewerage services or towards providing water or sewerage services generally, is to be applied towards the construction of works within the meaning of Division 2 of Part 3 of the Water Supply Authorities Act 1987, or towards the repayment of money borrowed for the construction of such works, and is not to be applied towards any other purpose.

