Worked examples

This document explains how we apply drinking water and wastewater infrastructure contributions.

- Drinking water and wastewater infrastructure contributions were reintroduced on 1 July 2024.
- The amount developers pay varies by Development Servicing Plan area and development type.
- You can find more information on our land development page.

Background

Infrastructure contributions

Infrastructure contributions help recover the cost of providing infrastructure to new developments. The Independent Pricing and Regulatory Tribunal (IPART) sets the methodology we must follow to calculate contributions. Prices are set out in Development Servicing Plans (DSPs).

DSPs give a price for one Equivalent Tenement (**ET**). One ET is the annual total demand of an average standalone, single residential dwelling. This document explains how we determine ETs on a development application.

Prices used in examples

Prices vary by DSP area – you can find the relevant price for your development on our website. Worked examples use prices from the *Greater Sydney Drinking Water DSP* ($3,399.99/ET) and the *Malabar Wastewater Services DSP* ($833.68/ET) – the most common areas.

Prices are in 2024-25 dollars and will be adjusted each financial year for changes in the Consumer Price Index (March to March change).

Examples use the full price. Contributions are capped at 25% in 2024-25 and 50% in 2025-26.

Application

Contributions reflect only the **increased** demand your development places on our systems – we calculate a **charge** for your total development, then if applicable, reduce this with a **credit** if the land was occupied and using our services.

The calculation method is different for **residential** and **non-residential** developments as shown in examples.

More information

You can find more information on infrastructure contributions on our land development page.

Residential development

We recognise that denser developments typically use less water than a standalone dwelling. The infrastructure contribution is calculated as the number of dwellings multiplied by the DSP price ($ per ET), considering density.

Density bands

We apply less than one ET per dwelling for more dense developments – see table below. Density is calculated only on developable area – this excludes public open space, roads, etc.

Density band[1] (dwellings per hectare)	ET per dwelling		
	Drinking water	Drinking water (dual supply area[2])	Wastewater
<30	1	0.67	1
30 - 60	0.84	0.50	0.84
61 - 100	0.71	0.50	0.71
101 - 140	0.59	0.50	0.59
>140	0.56	0.50	0.56

Example 1: Dual occupancy

I'm demolishing my house and building an attached dual occupancy. It's a 650sqm lot.

	Charge	Credit	Total
Density	2 dwellings / 0.065ha = 31 *(falls in 30-60 density band)*	1 dwelling / 0.065ha = 16 *(falls in <30 density band)*	
Drinking water	2 dwellings x 0.84ET x $3,399.99/ET = $5,711.98	-1 dwelling x 1ET x $3,399.99/ET = -$3,399.99	$2,311.99
Wastewater	2 dwellings x 0.84ET x $833.68/ET = $1,400.58	-1 dwelling x 1ET x $833.68/ET = -$833.68	$566.90
		Total	**$2,878.89**

Example 2: Apartment complex

An 85-unit apartment complex (0.28ha building footprint), replacing four residential houses (0.30ha total area of lots).

	Charge	Credit	Total
Density	85 dwellings / 0.280ha = 304	4 dwelling / 0.300ha = 14	
Drinking water	85 dwellings x 0.56ET x $3,399.99/ET = $161,839.15	-4 dwellings x 1ET x $3,399.99/ET = -$13,599.96	$148,239.19
Wastewater	85 dwellings x 0.56ET x $833.68/ET = $39,683.10	-4 dwellings x 1ET x $833.68/ET = -$3,334.72	$36,348.38
		Total	**$184,587.57**

Example 3: Greenfield subdivision

We're building a new housing estate on a greenfield site. The current stage has 27 lots (and one reserve lot). The site was previously a large residential property using Sydney Water drinking water services.

	Charge	Credit	Total
Density	27 lots / 0.950ha (developable area) = 29	1 lot / 1.212ha (total area) = 1	
Drinking water	27 lots x 1ET x $3,399.99/ET = $91,799.73	-1 lot x 1ET x $3,399.99/ET = -$3,399.99	$88,399.74
Wastewater	27 lots x 1ET x $833.68/ET = $22,509.36	none	$22,509.36
		Total	**$110,909.10**

[1] Round calculated density up to the nearest whole number when determining density band.
[2] We recognise that customers in dual supply areas (drinking and recycled water available) use less drinking water.

Non-residential development

Infrastructure contributions are based on expected average day development flow rates. Developers must provide flow rates for their development – we will validate submissions. For complex developments, developers may be required to engage a hydraulic consultant to prepare anticipated hydraulic flows. Developers may also choose to engage a hydraulic consultant.

We convert flow rates into ET by dividing by the flow rate of 1 ET – rates shown in the table below. Any non-residential credits will be based on metered usage.

	Single residential forecast average consumption (or discharge)[3] (i.e. flows for 1 ET)
Drinking water	0.43 kL/day
Wastewater	0.38 kL/day

Example 4: Hospital

We're building a new hospital with 300 beds on a vacant site. Our consultant estimates our average water demand will be 35kL/day, and our average wastewater discharge will be 23kL/day.

	Charge
Drinking water	35kL/day / 0.43kL/day x $3,399.99 = $276,743.37
Wastewater	23kL/day / 0.38kL/day x $833.68 = $50,459.58
Total	**$327,202.95**

Example 5: Staged industrial subdivision

We're subdividing vacant land into two industrial lots. Later, another developer will lodge an application for the end-use development.

a) Infrastructure contribution for the initial vacant land subdivision:

	Charge
Drinking water	2 lots x $3,399.99 = $6,799.98
Wastewater	2 lots x $833.68 = $1,667.36
Total	**$8,467.34**

b) Infrastructure contribution for the end-use development. This is calculated using expected average day development flow rates as shown in Example 4. A credit is given to reflect the charge applied in a) above.

[3] See our How we implement IPART's pricing method, Section 5.2 for more information on these rates.

Mixed-use development

We calculate the residential and non-residential components separately using the same approaches described above. For mixed developments, residential density is calculated using building footprint size.

Example 6: Mixed-use development

Our development will have 56 apartments, and a ground floor supermarket and small retail suite (0.155ha building floor area). The non-residential component has estimated flows of 20kL/day drinking water and 18kL/day wastewater. The existing office block will be demolished – meter records show the property used 4.36kL/day drinking water and discharged 3.93kL/day wastewater on average.

	Non-residential charge	Non-residential credit	Residential charge	Total
Density	NA	NA	56 dwellings / 0.155ha = 362	
Drinking water	20kL/day / 0.43kL/day x $3,399.99 = $158,139.07	-4.36kL/day / 0.43kL/day x $3,399.99 = -$34,474.32	56 dwellings x 0.56ET x $3,399.99/ET = $106,623.44	$230,288.19
Wastewater	18kL/day / 0.38kL/day x $833.68 = $39,490.11	-3.93kL/day / 0.38kL/day x $833.68 = -$8,622.01	56 dwellings x 0.56ET x $833.68/ET = $26,144.16	$57,012.26
			Total	**$287,300.45**