



# **Ordinary Meeting of Council**

**24 June 2020**

**UNDER SEPARATE COVER  
ATTACHMENTS**

**ITEMS 9.5 TO 9.8**



**QUEANBEYAN-PALERANG REGIONAL COUNCIL  
ORDINARY MEETING OF COUNCIL**

**ATTACHMENTS – 24 June 2020 Page i**

Item 9.5	Staging Options for Embellishment of Proposed Park - 16 Agnes Avenue, Crestwood - Project Estimates	
	<i>Attachment 1</i>	<i>Ross Park Queanbeyan Preliminary Design Cost Estimates for Stage 1 and Stage 2 .....2</i>
	<i>Attachment 2</i>	<i>Staging Plan for Embellishment of Park at 16 Agnes Avenue . 14</i>
Item 9.7	Palerang Community Development Servicing Plans for Water & Sewerage	
	<i>Attachment 1</i>	<i>Palerang Communities Water Supply Development Servicing Plan (amended 11 June 2020)..... 16</i>
	<i>Attachment 2</i>	<i>Palerang Communities Sewerage Development Servicing Plan (amended 11 June 2020).....54</i>
Item 9.8	Review of the Waterwise Initiative	
	<i>Attachment 1</i>	<i>Draft Water Wise Policy ..... 94</i>



# QUEANBEYAN-PALERANG REGIONAL COUNCIL

## Council Meeting Attachment

24 JUNE 2020

ITEM 9.5 STAGING OPTIONS FOR EMBELLISHMENT OF PROPOSED  
PARK - 16 AGNES AVENUE, CRESTWOOD - PROJECT  
ESTIMATES

ATTACHMENT 1 ROSS PARK QUEANBEYAN PRELIMINARY DESIGN COST  
ESTIMATES FOR STAGE 1 AND STAGE 2

## Full Estimate Summary

<b>Job Name :</b> 4220 ROSS PARK	<b>Job Description</b>
<b>Client's Name:</b> Indesco	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
1	ROSS PARK QUEANBEYAN PRELIMINARY COST ESTIMATE					
2	Stage 1					
3	Preliminaries and Site Establishment	1.98	6.78	15,000		15,000
4	Earthworks Including Erosion and Sediment Control	3.70	12.65	28,000		28,000
5	Pavements and Surface Finishes	1.46	4.97	11,000		11,000
6	Furniture, Fixtures and Structures - Excluded					
7	Multi-Use Court Surfacing and Play Equipment	10.05	34.33	76,000		76,000
8	Landscape Topsoil/Subgrade	1.72	5.87	13,000		13,000
9	Planting	2.38	8.13	18,000		18,000
10	Lighting	2.65	9.03	20,000		20,000
11	Irrigation	1.98	6.78	15,000		15,000
12	Landscape Maintenance	1.98	6.78	15,000		15,000
13	Subtotal - Trade Works					<u>211,000</u>
14	Consultant Fees (7%)	1.98	6.78	15,000		15,000
15	Escalation to December 2020 (3.2% per annum)	0.66	2.26	5,000		5,000
16	Contingency (10%)	3.17	10.84	24,000		24,000
17	Total Outturn Costs Excl GST - Stage 1					<u>255,000</u>
18						
19	Stage 2					
20	Preliminaries and Site Establishment	3.57	12.20	27,000		27,000
21	Earthworks including Erosion and Sediment Control	1.46	4.97	11,000		11,000
22	Pavements and Surface Finishes	8.33	28.46	63,000		63,000
23	Furniture, Fixtures and Structures	29.76	101.63	225,000		225,000
24	Play Equipment	4.63	15.81	35,000		35,000
25	Landscape Topsoil/Subgrade	0.79	2.71	6,000		6,000
26	Planting	1.46	4.97	11,000		11,000
27	Lighting	2.65	9.03	20,000		20,000
28	Irrigation	0.66	2.26	5,000		5,000
29	Landscape Maintenance	0.93	3.16	7,000		7,000

## Full Estimate Summary

<b>Job Name :</b> <u>4220 ROSS PARK</u>	<b>Job Description</b>
<b>Client's Name:</b> <u>Indesco</u>	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
30	Subtotal - Trade Works					<u>410,000</u>
31	Consultant Fees (7%)	3.84	13.10	29,000		29,000
32	Escalation to June 2021 (3.2% per annum)	2.12	7.23	16,000		16,000
33	Contingency (10%)	6.08	20.78	46,000		46,000
34	Total Outturn Costs Excl GST - Stage 2					<u>501,000</u>
35						
36	Total Outturn Costs Excl GST - Stage 1 and 2					<u>756,000</u>
37						
38	BASIS OF ESTIMATE:-					
39	Ross Park Queanbeyan Landscape Concept Design dated March 2020					
40	Staging Plan					
41	Ross Park Preliminary Costing					
42	Indesco Emails dated 18 May and 19 May 2020 (Response to Wilde and Woollard Queries)					
43						
44	INCLUSIONS:-					
45	Assumed coloured asphalt playing surface to the basketball court only and the remaining area in the multi-use court as coloured concrete.					
46	Assumed coloured concrete to the secondary pathway and the shaded BBQ/picnic area.					
47	Assumed plain concrete to the accessible pathway					
48	Assumed 50mm sub-base and 50mm base course to asphalt playing surface to level it against the adjoining concrete surface.					
49	Assumed 50mm sub-base course to 100mm plain and 100mm coloured concrete surfaces.					
50	Allowed for off-form concrete finish to planter boxes and garden bed.					

## Full Estimate Summary

<b>Job Name :</b> <u>4220 ROSS PARK</u>	<b>Job Description</b>
<b>Client's Name:</b> <u>Indesco</u>	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
51	Allowed for connection/ meterings/ approvals/ commissioning to potable water and sewer to BBQ and water fountain.					
52	Allowed for irrigation to turf, planter boxes and garden beds.					
53	Allowed for 5 solar powered light poles each in stage 1 and 2.					
54	Allowed for consultant fees at 7% of trade cost including preliminaries					
55	Allowed for 10% contingency.					
56	The costings for the following items have been taken from the Ross Park Preliminary Costing provided:					
57	Supply and install viro tube: \$6,800					
58	Supply and install shade sail: \$50,000					
59	Supply and install wall mounted benches: \$10,000					
60	Supply and install basketball/netball hoops: \$10,000					
61	Supply and install table tennis tables: \$20,000					
62	Supply and install water fountain: \$4,000					
63	Supply and install sculptural elements and signage: \$10,000					
64	Play equipment and fitness equipment: \$35,000					
65	Supply and install Bike Racks: \$1,500					
66						
67	EXCLUSIONS:-					
68	GST					
69	Escalation beyond December 2020 for Stage 1 works and beyond June 2021 for Stage 2 works					
70	Excavation in rock					



## Full Estimate Summary

<b>Job Name :</b> <u>4220 ROSS PARK</u>	<b>Job Description</b>
<b>Client's Name:</b> <u>Indesco</u>	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Trd No.	Trade Description	Trade %	Cost/m2	Sub Total	Mark Up %	Trade Total
71	Remediation of contaminated ground					
72	Relocation of existing services					
73	Authority and statutory fees					
74	Contribution cost					
75	Legal costs					
76	Any works to the perimeter of the site.					
<b>GFA: 2,214 m2.</b>		<b>100.00</b>	<b>341.46</b>	<b>755,999</b>		<b>756,000</b>
<b>Final Total : \$</b>						<b>756,000</b>

## Trade Breakup

<b>Job Name :</b> 4220 ROSS PARK	<b>Job Description</b>
<b>Client's Name:</b> Indesco	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Item No.	Item Description	Quantity	Unit	Rate	Mark Up %	Amount
<i>Trade : 2 <u>Stage 1</u></i>						
1						
<u>Stage 1</u>						<b>Total :</b>
<i>Trade : 3 <u>Preliminaries and Site Establishment</u></i>						
<u>Preliminaries and Site Establishment</u>						
1	Site establishment incl amenities, plant on site, etc	1.00	item	15,000.00		15,000.00
2	Preparation of 'as built' documentation					INCL
3	Implement OH&S Plan, Safety Management Plan, Environmental Management Plan, Quality					INCL
4	Protection of work from builders					INCL
5	Subtotal					<u>15,000.00</u>
<u>Preliminaries and Site Establishment</u>						<b>Total :</b> 15,000.00
<i>Trade : 4 <u>Earthworks Including Erosion and Sediment Control</u></i>						
<u>Earthworks Including Erosion and Sediment Control</u>						
1	Clearing and grubbing	1,597.00	m2	0.15		239.55
2	General earthworks to achieve design levels	1,597.00	m2	15.00		23,955.00
3	Allowance for erosion and sediment control measures including maintenance and repair of erosion and sedimentation controls	1.00	item	3,000.00		3,000.00
4	Rounding	1.00	item	805.45		805.45
5	Subtotal					<u>28,000.00</u>
<u>Earthworks Including Erosion and Sediment Control</u>						<b>Total :</b> 28,000.00
<i>Trade : 5 <u>Pavements and Surface Finishes</u></i>						
<u>Pavements and Surface Finishes</u>						
1	Supply and install 100mm plain concrete to accessible pathway including granular sub-base (50mm)	91.00	m2	115.00		10,465.00
2	Supply and install 100mm coloured concrete to walk/run/ bike track (secondary pathway) including granular sub-base (50mm)	4.00	m2	115.00		460.00
3	Rounding	1.00	item	75.00		75.00
4	Subtotal					<u>11,000.00</u>
<u>Pavements and Surface Finishes</u>						<b>Total :</b> 11,000.00

## Trade Breakup

<b>Job Name :</b> 4220 ROSS PARK	<b>Job Description</b>
<b>Client's Name:</b> Indesco	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Item No.	Item Description	Quantity	Unit	Rate	Mark Up %	Amount
<b>Trade : 6 <u>Furniture, Fixtures and Structures - Excluded</u></b>						
<u>Furniture, Fixtures and Structures - Excluded</u>						<b>Total :</b>
<b>Trade : 7 <u>Multi-Use Court Surfacing and Play Equipment</u></b>						
<b>1 Multi-Use Court Surfacing and Play Equipment</b>						
<b>Surfacing</b>						
2	Supply and install 100mm coloured concrete to multi-use court including granular sub-base (50mm)	299.00	m2	115.00		34,385.00
3	Supply and install coloured asphalt playing surface (basketball court) including granular sub-base (50mm) and base course (50mm)	361.00	m2	80.00		28,880.00
4	Supply and install playing court linemarking	1.00	item	2,000.00		2,000.00
5	Rounding	1.00	item	735.00		735.00
6	Subtotal - Surfacing					<u>66,000.00</u>
<b>Play Equipment</b>						
7	Supply and install basketball/netball hoops	2.00	no	5,000.00		10,000.00
8	Subtotal - Play Equipment					<u>10,000.00</u>
<u>Multi-Use Court Surfacing and Play Equipment</u>						<b>Total :</b> <u>76,000.00</u>
<b>Trade : 8 <u>Landscape Topsoil/Subgrade</u></b>						
<u>Landscape Topsoil/ Subgrade</u>						
1	Subgrade preparation	842.00	m2	1.00		842.00
2	Excavate tree pits	33.00	no	55.00		1,815.00
3	Site topsoil testing	1.00	item	1,000.00		1,000.00
4	Allowance for top soil of 100mm to turf	842.00	m2	10.00		8,420.00
5	Rounding	1.00	item	923.00		923.00
6	Subtotal					<u>13,000.00</u>
<u>Landscape Topsoil/Subgrade</u>						<b>Total :</b> <u>13,000.00</u>
<b>Trade : 9 <u>Planting</u></b>						
<u>Planting</u>						
1	Supply and install tree backfill (allow 1m3 to trees)	23.00	m3	98.00		2,254.00
2	Supply and install turf	842.00	m2	15.00		12,630.00

## Trade Breakup

<b>Job Name :</b> 4220 ROSS PARK	<b>Job Description</b>
<b>Client's Name:</b> Indesco	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Item No.	Item Description	Quantity	Unit	Rate	Mark Up %	Amount
<i>Trade : 9 <u>Planting</u></i>						<i>(Continued)</i>
3	Supply and install trees (100L) including mulch	23.00	no	115.00		2,645.00
4	Rounding	1.00	item	471.00		471.00
5	Subtotal					<u>18,000.00</u>
<u>Planting</u>						<b>Total :</b> <b>18,000.00</b>
<i>Trade : 10 <u>Lighting</u></i>						
<u>Lighting</u>						
1	Allowance for solar light posts including controller and poles (allowed for 5no.)	1.00	item	20,000.00		20,000.00
2	Subtotal					<u>20,000.00</u>
<u>Lighting</u>						<b>Total :</b> <b>20,000.00</b>
<i>Trade : 11 <u>Irrigation</u></i>						
<u>Irrigation</u>						
1	Allowance for irrigation to turf including controller	1.00	item	15,000.00		15,000.00
2	Subtotal					<u>15,000.00</u>
<u>Irrigation</u>						<b>Total :</b> <b>15,000.00</b>
<i>Trade : 12 <u>Landscape Maintenance</u></i>						
<u>Landscape Maintenance</u>						
1	Plant establishment (3 months)	3.00	months	1,300.00		3,900.00
2	Maintain the landscape work for a period of 12 months (defects and liabilities)	12.00	months	900.00		10,800.00
3	Rounding	1.00	item	300.00		300.00
4	Subtotal					<u>15,000.00</u>
<u>Landscape Maintenance</u>						<b>Total :</b> <b>15,000.00</b>

## Trade Breakup

<b>Job Name :</b> 4220 ROSS PARK	<b>Job Description</b>
<b>Client's Name:</b> Indesco	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Item No.	Item Description	Quantity	Unit	Rate	Mark Up %	Amount
<i>Trade : 19 <u>Stage 2</u></i>						
1						
<u>Stage 2</u>						<b>Total :</b>
<i>Trade : 20 <u>Preliminaries and Site Establishment</u></i>						
<u>Preliminaries and Site Establishment</u>						
1	Site establishment incl amenities, plant on site, etc	1.00	item	27,000.00		27,000.00
2	Preparation of 'as built' documentation					INCL
3	Implement OH&S Plan, Safety Management Plan, Environmental Management Plan, Quality					INCL
4	Protection of work from builders					INCL
5	Subtotal					<u>27,000.00</u>
<u>Preliminaries and Site Establishment</u>						<b>Total :</b> <u>27,000.00</u>
<i>Trade : 21 <u>Earthworks including Erosion and Sediment Control</u></i>						
<u>Earthworks Including Erosion and Sediment Control</u>						
1	Clearing and grubbing	617.00	m2	0.15		92.55
2	General earthworks to achieve design levels	617.00	m2	15.00		9,255.00
3	Allowance for erosion and sediment control measures including maintenance and repair of erosion and sedimentation controls	1.00	item	1,500.00		1,500.00
4	Rounding	1.00	item	152.45		152.45
5	Subtotal					<u>11,000.00</u>
<u>Earthworks including Erosion and Sediment Control</u>						<b>Total :</b> <u>11,000.00</u>
<i>Trade : 22 <u>Pavements and Surface Finishes</u></i>						
<u>Pavements and Surface Finishes</u>						
1	Supply and install 100mm coloured concrete to walk/run/ bike track (secondary pathway) including granular sub-base (50mm)	184.00	m2	115.00		21,160.00
2	Supply and install 100mm coloured concrete to areas around planter boxes (not included in stage 1) including granular sub-base (50mm)	101.00	m2	115.00		11,615.00
3	Supply and install 100mm coloured concrete to shaded BBQ/ picnic area including granular sub-base (50mm)	170.00	m2	115.00		19,550.00
4	Allow extra over for terraced steps	1.00	item	10,000.00		10,000.00

## Trade Breakup

<b>Job Name :</b> 4220 ROSS PARK	<b>Job Description</b>
<b>Client's Name:</b> Indesco	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Item No.	Item Description	Quantity	Unit	Rate	Mark Up %	Amount
<i>Trade : 22 Pavements and Surface Finishes</i>						<i>(Continued)</i>
5	Rounding	1.00	item	675.00		675.00
6	Subtotal					<u>63,000.00</u>
<b><u>Pavements and Surface Finishes</u></b>						<b>Total : 63,000.00</b>
<i>Trade : 23 Furniture, Fixtures and Structures</i>						
<b><u>Furniture, Fixtures and Structures</u></b>						
1	Supply and install footing for 400mm high concrete wall to planter boxes	167.00	m	150.00		25,050.00
2	Supply and install 400mm high concrete wall (200mm thick) with off form concrete finish to planter boxes	167.00	m	375.00		62,625.00
3	Supply and install footing for concrete wall to garden beds (assumed 900mm high)	22.00	m	175.00		3,850.00
4	Supply and install concrete wall (assumed 900mm high and 200mm thick) with off form concrete finish to garden beds	22.00	m	680.00		14,960.00
5	Supply and install shade sail	2.00	no	25,000.00		50,000.00
6	Supply and install wall mounted benches	5.00	no	2,000.00		10,000.00
7	Supply and install BBQ including connection/ meterings/ approvals/ commissioning to potable water and sewer	1.00	item	16,000.00		16,000.00
8	Supply and install table tennis tables	2.00	no	10,000.00		20,000.00
9	Supply and install water fountain including connection/metering/approvals/commissioning to potable water and sewer	1.00	no	4,000.00		4,000.00
10	Supply and install sculptural elements and signage	1.00	item	10,000.00		10,000.00
11	Supply and install bike racks	3.00	no	500.00		1,500.00
12	Supply and install picnic setting	1.00	no	7,000.00		7,000.00
13	Rounding	1.00	item	15.00		15.00
14	Subtotal					<u>225,000.00</u>
<b><u>Furniture, Fixtures and Structures</u></b>						<b>Total : 225,000.00</b>
<i>Trade : 24 Play Equipment</i>						
<b><u>Play Equipment</u></b>						
1	Supply and install play equipment and fitness equipment	1.00	item	35,000.00		35,000.00
2	Subtotal					<u>35,000.00</u>

## Trade Breakup

<b>Job Name :</b> <u>4220 ROSS PARK</u>	<b>Job Description</b>
<b>Client's Name:</b> <u>Indesco</u>	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Item No.	Item Description	Quantity	Unit	Rate	Mark Up %	Amount
						<b>Total :</b> <b>35,000.00</b>
<b>Trade : 25 <u>Landscape Topsoil/Subgrade</u></b>						
<b><u>Landscape Topsoil/Subgrade</u></b>						
1	Supply and install 300mm top soil as specified to shrub beds (planter boxes)	163.00	m2	30.00		4,890.00
2	Supply and install 800mm top soil to shrub beds (garden beds)	3.00	m2	80.00		240.00
3	Rounding	1.00	item	870.00		870.00
4	Subtotal					<u>6,000.00</u>
						<b>Total :</b> <b>6,000.00</b>
<b>Trade : 26 <u>Planting</u></b>						
<b><u>Planting</u></b>						
1	Supply and install virotube	2,000.00	no	3.40		6,800.00
2	Supply and install 75mm bark mulch (planting bed and garden bed)	166.00	m2	10.00		1,660.00
3	Supply and install tree backfill (allow 1m3 to trees)	10.00	m3	98.00		980.00
4	Supply and install trees (45L) including mulch	10.00	no	55.00		550.00
5	Supply and install shrubs to garden beds (provisional sum)	1.00	item	500.00		500.00
6	Rounding	1.00	item	510.00		510.00
7	Subtotal					<u>11,000.00</u>
						<b>Total :</b> <b>11,000.00</b>
<b>Trade : 27 <u>Lighting</u></b>						
<b><u>Lighting</u></b>						
1	Allowance for solar light posts including controller and poles (allowed for 5no.)	1.00	item	20,000.00		20,000.00
2	Subtotal					<u>20,000.00</u>
						<b>Total :</b> <b>20,000.00</b>
<b>Trade : 28 <u>Irrigation</u></b>						
<b><u>Irrigation</u></b>						
1	Allowance for irrigation to planter boxes and garden beds	1.00	item	5,000.00		5,000.00
2	Subtotal					<u>5,000.00</u>

## Trade Breakup

<b>Job Name :</b> <u>4220 ROSS PARK</u>	<b>Job Description</b>
<b>Client's Name:</b> <u>Indesco</u>	42/20 Ross Park Queanbeyan Preliminary Design Cost Estimate 19 May 2020

Item No.	Item Description	Quantity	Unit	Rate	Mark Up %	Amount
<b><u>Irrigation</u></b>						<b>Total : 5,000.00</b>
<i>Trade : 29 <u>Landscape Maintenance</u></i>						
<b><u>Landscape Maintenance</u></b>						
1	Plant establishment (3 months)	3.00	months	700.00		2,100.00
2	Maintain the landscape work for a period of 12 months (defects and liabilities)	12.00	months	400.00		4,800.00
3	Rounding	1.00	item	100.00		100.00
4	Subtotal					<u>7,000.00</u>
<b><u>Landscape Maintenance</u></b>						<b>Total : 7,000.00</b>



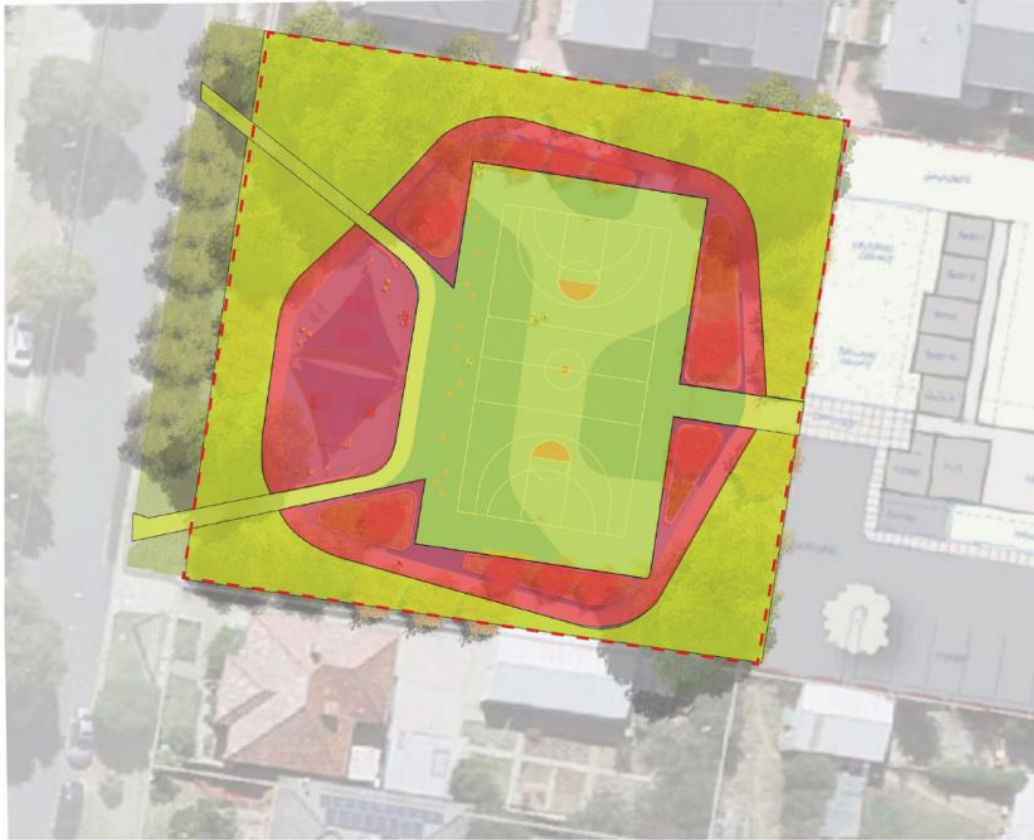
# QUEANBEYAN-PALERANG REGIONAL COUNCIL

## Council Meeting Attachment

24 JUNE 2020

ITEM 9.5 STAGING OPTIONS FOR EMBELLISHMENT OF PROPOSED  
PARK - 16 AGNES AVENUE, CRESTWOOD - PROJECT  
ESTIMATES

ATTACHMENT 2 STAGING PLAN FOR EMBELLISHMENT OF PARK AT 16  
AGNES AVENUE



**LEGEND**

- - - SITE BOUNDARY
- STAGE 1 PRIORITIES
  - Basketball court
  - Accessible pathways
  - Shade/Perimeter Trees
- STAGE 2 PRIORITIES
  - Shade Structure + BBQ
  - Fitness + Play elements
  - Secondary pathways
  - Planter beds



1:400 @ A3



**STAGING PLAN**

DESCRIPTION: CONCEPT DESIGN  
DATE: 17.03.2020

PROJECT NAME: ROSS PARK  
PROJECT NUMBER: 7327



# QUEANBEYAN-PALERANG REGIONAL COUNCIL

## Council Meeting Attachment

24 JUNE 2020

ITEM 9.7 PALERANG COMMUNITY DEVELOPMENT SERVICING PLANS  
FOR WATER & SEWERAGE

ATTACHMENT 1 PALERANG COMMUNITIES WATER SUPPLY DEVELOPMENT  
SERVICING PLAN (AMENDED 11 JUNE 2020)



## Queanbeyan-Palerang Regional Council

### Palerang Community Development Servicing Plan for Water Supply

April 2020

Adopted: *[Insert Date]*

Effective: *[Insert Date]*



Document Control

Version	Author	Reviewer	Approved for Issue	
			Name	Date
Draft 1	C. Chlochaisri	M. Sundar	M. Sundar	-
Draft 2	C. Chlochaisri	M. Sundar	M. Sundar	20/12/2019
Draft 3	C. Chlochaisri	M. Sundar	M. Sundar	14/02/2020
Final Draft	C. Chlochaisri	M. Sundar	M. Sundar	06/04/2020

**Cover photo:** Berlang, "QPRC endorses Tourism Plan", Braidwood Times (2017),  
<https://www.braidwoodtimes.com.au/story/4632416/plan-to-develop-tourist-economy/>

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Palerang Community DSP for Water Supply

## 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 Plans (DSPs) for water supply service areas of the Palerang Community of Queanbeyan-Palerang Regional Council (QPRC). The maps of the development service areas for water supply are shown in Appendix A. For the areas serviced by the Captains Flat water supply scheme, Council's IWCM strategy identified negligible growth, hence has not been included in the DSP.

This DSP has been prepared in accordance with the 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 existing water supply assets serving the Palerang Community, and the timing and expenditures for 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 water supply developer charges for the area covered by this DSP have been determined in 2019/20 dollars and are as follows:

Water DSP Name	Service area covered	Calculated Developer Charge (\$ per ET)	Adopted Developer Charge (\$ per ET)
Water DSP Area 1	Bungendore-Greenfield Developments	18,471	18,471
Water DSP Area 2	Bungendore and Braidwood	7,452	7,452

The developer charges calculated in these DSPs will be reviewed after eight 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 the subdivisions.

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

Palarang Community DSP for Water Supply

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Palerang Community DSP for Water Supply

## Contents

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Executive Summary .....	i
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 system 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.....	15
6.1 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 charges.....	18
8.2 DSP areas.....	18
8.3 Reduction amount calculation.....	18
8.4 Water supply developer charge .....	19



Palerang Community DSP for Water Supply

8.5	Water supply cross-subsidy.....	19
9	Reviewing / updating of calculated developer charges.....	20
10	Background documents.....	21
11	Other DSPs and related contribution plans.....	22
	Glossary.....	23
Appendix A	DSP service areas.....	A-1
Appendix B	Water supply DSP background document.....	B-1
Appendix C	Outline of Legislation.....	C-1

## Figures

Figure 4-1:	Timing of 10-year water supply capital works program.....	11
Figure 4-2:	10-year water supply capital works program for Palerang Community.....	12

## Tables

Table 2-1:	DSP Names and Areas Covered.....	2
Table 3-1:	Palerang Community water supply services.....	7
Table 3-2:	Historical urban centre population of serviced areas.....	7
Table 3-3:	Water supply service areas.....	7
Table 3-4:	Palerang Community water supply DSP areas estimated ET projections.....	8
Table 4-1:	Summary of existing water supply assets in Bungendore and Braidwood.....	10
Table 4-2:	Water supply future capital works.....	10
Table 5-1:	Palerang Community of QPRC's water supply levels of service.....	13
Table 7-1:	Discount rates used in capital charge calculation.....	16
Table 7-2:	Assets included and excluded in capital charges calculations.....	17
Table 8-1:	Water supply capital charge for service areas.....	18
Table 8-2:	Agglomeration of water supply service areas.....	18
Table 8-3:	Summary of Reduction Amount Calculation.....	19
Table 8-4:	Water supply developer charge.....	19

Palerang Community DSP for Water Supply

## 1 Introduction

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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 the Palerang Community of Queanbeyan-Palerang Regional Council (QPRC). The maps of water supply DSP areas serviced by Palerang Community of QPRC are shown in Appendix A.

This DSP has been prepared in accordance with the 2016 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.

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

## 2 Administration

### 2.1 DSP areas and names

The Palerang Community of QPRC operates and manages three reticulated water supply systems to serve townships within the former Palerang Local Government Area (LGA).

This DSP is applicable to all land within the DSP areas which is serviced by the water infrastructure in the Palerang Community of QPRC. 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
<b>WDSP 1</b>	Water Supply DSP Area 1	Bungendore-Greenfield Developments	The maps of the water supply DSP areas covered in this document are shown in Appendix A.
<b>WDSP 2</b>	Water Supply DSP Area 2	Bungendore	
		Braidwood	

### 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 for the Palerang Community. Regarding the new developments outside the water supply DSP areas 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 on all land and 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.

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 QPRC 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

Palerang Community DSP for Water Supply

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 the Council is as follows:

- subdivision – prior to the release of the subdivision linen plan (Subdivision Certificate) by Council to the applicant;
- 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.

Due to the general consistency of subdivisions and dwellings within the Palerang Community no discount rates apply, and the basic charge as set out in the Development Servicing Plans 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 deferral. 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 and shall not be the subject of any expiry date,
- Council is to be the custodian of the original Bank Guarantee, and
- The maximum time frame granted for deferral is six months. 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 deferral 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.

Palerang Community DSP for Water Supply

## **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 the Palerang Community of QPRC, except for the following:

- a. Erection of a single dwelling house on an existing vacant allotment of land
- 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

## **2.8 Out of sequence development**

Council plans infrastructure development in accordance to a desired sequence of development. If a 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 could 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 developments.

## **2.9 “Works-in-kind” contributions**

Upon written request, Council will consider an offer by the applicant to make a contribution by way of “works-in-kind” 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.

Palerang Community DSP for Water Supply

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 that 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 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 currently not a member of the Energy & Water Ombudsman NSW (EWON)

Palerang Community DSP for Water Supply

- 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.

Palerang Community DSP for Water Supply

## 3 Demographics, Growth Projections and Land Use

### 3.1 Existing services

The Palerang Community of QPRC provides water supply services to Bungendore (Bungendore and Elmslea Estate), Braidwood and Captains Flat (Captains Flat Village and Beverly Hills) within the former Palerang LGA. A summary of the water supply services is shown in Table 3-1. The historical population for the urban centres is presented in Table 3-2 (ABS Census Quickstats data, 2018).

**Table 3-1: Palerang Community water supply services**

Town / Village	Water Supply Scheme
Bungendore	Bungendore and Currandooly
Braidwood	Braidwood
Captains Flat	Captains Flat
Majors Creek, Nerriga, Araluen, Wamboin and Carwoola	Roof rainwater and/or groundwater bores (privately owned)

**Table 3-2: Historical urban centre population of serviced areas**

Area	2001	2006	2011	2016
Bungendore	1,685	2,183	2,754	3,317
Braidwood	996	1,108	1,158	1,273
Captains Flat	419	447	436	449

### 3.2 Service Areas

The water supply service areas and the basis of determining the service areas are shown in the Table below. Council's IWCM Strategy identified negligible growth in the areas serviced by the Captains Flat sewerage scheme; also, the scheme capacity has already been fully taken up. Hence, Captains Flat scheme has not been included in the DSP.

**Table 3-3: Water supply service areas**

Name of service area	Basis for determining the service area
Bungendore	Separate small town
Braidwood	Separate small town
Bungendore – Greenfield Developments	New development area of over 500 lots

### 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.

Council's IWCM Strategy considered a number of population studies to develop a future population growth strategy and adopted a population and tenement growth forecasts for service planning. For the purpose of the Development Servicing Plans, the tenement growth forecasts by the IWCM strategy



Palerang Community DSP for Water Supply

based on demand analysis were further reviewed in light of actual growth observed in the existing serviced areas and the greenfield release areas earmarked to accommodate growth. Accordingly, the timing of growth adopted in the IWCM has been adjusted to be consistent with the observed growth on ground and used for the calculation of developer charges. The estimated equivalent tenements (ET) growth forecasts for the water supply service areas used in the determination of developer charges are presented in Table 3-4.

**Table 3-4: Palerang Community water supply DSP areas estimated ET projections**

Financial Year	Bungendore	Braidwood	Bungendore-Greenfield	Total ET
1995/96	591	670	0	1,262
2019/20	1,383	805	81	2,269
2020/21	1,458	812	158	2,428
2021/22	1,468	819	230	2,516
2022/23	1,477	825	295	2,597
2023/24	1,487	832	351	2,670
2024/25	1,496	839	474	2,809
2025/26	1,506	846	595	2,947
2026/27	1,516	853	714	3,083
2027/28	1,526	860	831	3,217
2028/29	1,536	867	1,045	3,448
2029/30	1,545	875	1,156	3,576
2030/31	1,556	882	1,264	3,701
2031/32	1,563	889	1,368	3,820
2032/33	1,569	897	1,468	3,933
2033/34	1,575	905	1,564	4,043
2034/35	1,581	912	1,658	4,151
2035/36	1,587	920	1,750	4,256
2036/37	1,593	928	1,837	4,358
2037/38	1,599	936	1,920	4,455
2038/39	1,605	944	1,999	4,548
2039/40	1,611	952	2,073	4,637
2040/41	1,618	960	2,144	4,722
2041/42	1,624	969	2,210	4,803
2042/43	1,631	977	2,273	4,880
2043/44	1,637	986	2,331	4,954
2044/45	1,644	994	2,386	5,024
2045/46	1,649	1,003	2,437	5,090
2046/47	1,655	1,012	2,485	5,152
2047/48	1,660	1,021	2,530	5,211
2048/49	1,666	1,030	2,573	5,269
2049/50	1,671	1,039	2,617	5,327

### 3.4 Land use information

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

Palerang Community DSP for Water Supply

## 4 Infrastructure

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### 4.1 Water supply system overview

The Palerang Community Water Supply systems currently provide drinking water to Bungendore (Bungendore and Elmslea Estate), Braidwood and Captains Flat (Captains Flat Village and Beverly Hills).

There are three water treatment plants in the system: Bungendore WTP, Braidwood WTP and Captains Flat WTP, which supply treated water to an estimated serviced total population of over 5,700.

The current Bungendore Water Supply Scheme consists of the original Bungendore water supply scheme and the recently commissioned supplementary water supply scheme at Currandooly. The original Bungendore water supply scheme consists of four bores located around the town, a WTP and a collection tank. The supplementary Currandooly Scheme consists of a bore, a WTP and a clear water transfer system to the town.

The Braidwood Water Supply Scheme is supplied with water sourced from an off-stream storage dam filled from the Shoalhaven River which is fed by a raw water pump station and a submerged rising main to Braidwood WTP. Water from the WTP is then stored in three service reservoirs before being supplied directly to the town.

The Captains Flat Water Supply Scheme sources water from a dam on the Molonglo River. It consists of an intake at the dam and a booster pump piped to Captain Flats WTP. As no growth is forecast within this scheme service area, it is not included in the DSP.

### 4.2 Existing water supply assets

Existing water supply assets servicing the Palerang Community DSP areas 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 Bungendore and Braidwood is \$32.78 Million (2019/20 \$). In accordance with the 2016 NSW Developer Charges Guidelines, all existing water supply assets servicing the Palerang Community are included in the capital charge calculations except for the following:

- assets aged 30 years and older as of 2020
- 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 Bungendore and Braidwood included for the calculation of capital charge is \$21.15 Million (2019/20 \$).

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

Palerang Community DSP for Water Supply

**Table 4-1: Summary of existing water supply assets in Bungendore and Braidwood**

Service Area	Asset Type	Current Replacement Cost (2019/20 \$)	Excluded Assets (2019/20 \$)	Included Assets (2019/20 \$)
Braidwood	Network	4,958,373	3,438,518	1,519,855
	Pump Station	255,070	68,629	186,441
	Reservoir	3,271,301	3,271,301	0
	Treatment	3,471,712	0	3,471,712
<b>Braidwood Total</b>		<b>11,956,456</b>	<b>6,778,448</b>	<b>5,178,008</b>
Bungendore	Network	7,669,106	1,969,019	5,700,087
<b>Bungendore Total</b>		<b>7,669,106</b>	<b>1,969,019</b>	<b>5,700,087</b>
Bungendore Assets shared with Greenfield Developments	Trunk Mains	1,722,857	356,933	1,365,924
	Pump Station	1,988,974	282,521	1,706,452
	Reservoir	2,812,153	1,813,688	998,465
	Treatment	6,631,586	428,929	6,202,657
<b>Shared Assets Total</b>		<b>13,155,570</b>	<b>2,882,072</b>	<b>10,273,498</b>
<b>Grand Total</b>		<b>32,781,132</b>	<b>11,629,539</b>	<b>21,151,593</b>

### 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. In accordance with the Developer Charges Guidelines 2016, the estimated costs of capital works (including contingencies) planned for the next 10 years as adopted by the Council and documented in the Total Asset Management Plan of the Council's IWCM Strategy, 2019, have been further reviewed to be consistent with the Council's adopted Delivery Program 2018-21 and included for the calculation of capital charges.

The Palerang Community water supply capital works program comprises of works for growth, improved standards and renewals. The capital works required for Council to provide water supply to the existing service areas and the new development areas are summarised in Table 4-2 and detailed in Appendix B.

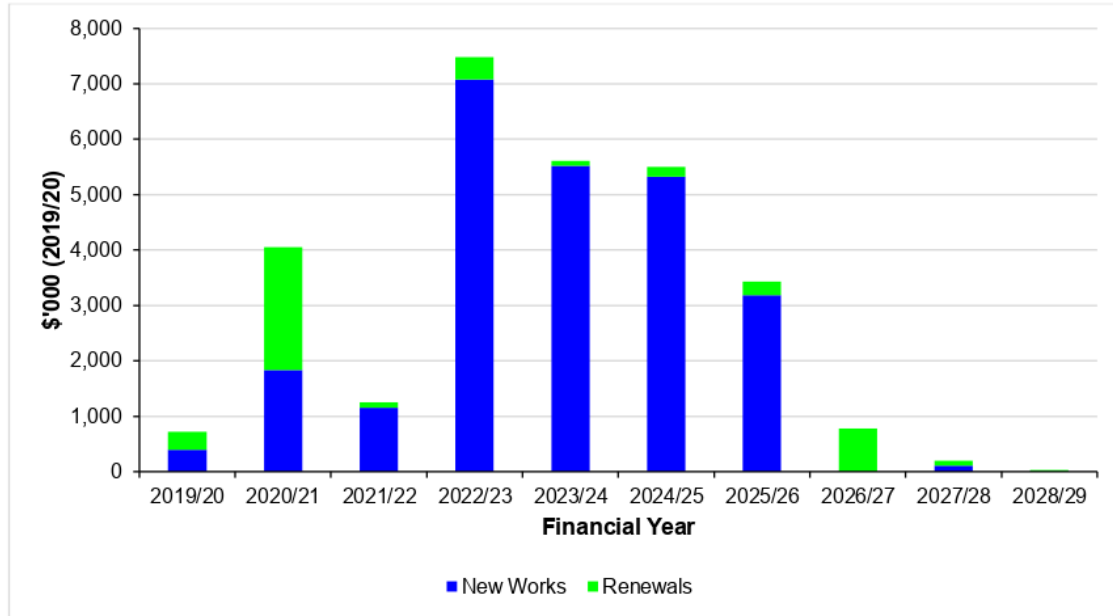
**Table 4-2: Water supply future capital works**

Water supply capital works program	10-year capex total 2019/20 (\$'000)
New/ Upgrade Works	25,443
Renewals	4,425
<b>Total</b>	<b>29,040</b>

(Source: Based on the adopted Palerang Community IWCM Strategy, 2019)

Palerang Community DSP for Water Supply

The timing and expenditure for the 10-year water supply capital works covered by the DSP is shown in Figure 4-1. Details of the 10-year water supply capital works program are presented in Figure 4-2.



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

Timing of works and expenditure are to be reviewed and updated when required. Capital cost for growth planned within the next 10 years is included while the reticulation is excluded in the capital charges calculation in this DSP. The Developer Charges Guidelines for Water Supply, Sewerage and Stormwater (2016) recommend that capital works for renewals and for improving standards of service be excluded from the capital charges calculation.

**Water reticulation**

Reticulation is defined as the local pipes providing water supply to 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. However, LWUs may calculate a reticulation supplement which would be payable by developers that have not provided the reticulation assets.

9.7 Palerang Community Development Servicing Plans for Water & Sewerage  
 Attachment 1 - Palerang Communities Water Supply Development Servicing Plan (amended 11 June 2020) (Continued)

Palerang Community DSP for Water Supply

<b>WATER - 10-Year Capital Works Program</b>														
Current Year		2019	/20											
<b>CAPITAL WORKS IN 2019/20 (\$'000)</b>														
ITEMS	ILOS	GROWTH	RENEW	Total	1	2	3	4	5	6	7	8	9	10
					2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>A - NEW WORKS - BACKLOG</b>														
	100%			0										
<b>B - NEW WORKS - GROWTH</b>														
B'dore WTP Upgrade (2 Mld) - LF Belt Bores - Stage1		100%		11,807				6,807	5000					
B'dore WTP Upgrade (Addl. 2 Mld) - LF Belt Bores - Stage2		100%		0										
Private works, connections, extensions		100%		516	52	52	52	52	52	52	52	52	52	52
New Meters and Connections		100%		206	21	21	21	21	21	21	21	21	21	21
Network development for Greenfield - Bores, mains and reservoirs		100%		10,334		1,000	1,154			5,000	3,180			
Council's Capital Proj Mgmt Charge		100%		1,331	3	43	49	275	203	203	130	3	3	419
<b>C - NEW WORKS - SERVICE IMPROVEMENT / OTHER</b>														
Bungendore - Water Bores		100%		508		508								
Dams (Component) upgrade		100%		0										
Braidwood W.T.P. - Improvements		100%		310					310					
Bungendore W.T.P. - Improvements		100%		722	155	258				310				
Captains Flat W.T.P. - Improvements		100%		0										
Pump Station - (Component) upgrade - Braidwood		100%		0										
Reservoirs - (Component) upgrade		100%		0										
Telemetry System upgrade		100%		103									103	
Council's Capital Proj Mgmt Charge		100%		65	6	31			12	12			4	
<b>E - ASSET / COMPONENT RENEWAL</b>														
<b>Based on Asset Register</b>														
Dams (Captains Flat)		100%		258							258			
Water Treatment Plants - Bungendore M&E		100%		722								722		
Pump Stations		100%		392	10	10	10	10	10	155	155	10	10	10
Replace Cap Flat Steel Reservoir		100%		0										
Water Mains		100%		457		457								
Service Connections		100%		310	62		62		62		62		62	
Captains Flat Dam 10 yearly post stressing lift off test		100%		124			124							
Replace Braidwood rising main		100%		1,651		1,651								
Paint Days Hill reservoir		100%		361			361							
Turallo Reservoirs retaining wall and leak repair		100%		206	206									
Establish Hydraulic model (all three schemes)		100%		108	77	31								
Replace membranes Captains Flat WTP		100%		144			72							72
Chemical storage shed Captains Flat WTP		100%		206	206									
Water loss studies		100%		155	155									
Water Meters		100%		310	31	31	31	31	31	31	31	31	31	31
Telemetry System		100%		103	10	10	10	10	10	10	10	10	10	10
Council's Capital Proj Mgmt Charge		100%		222	30	88	12	17	5	8	21	31	5	5
<b>GRAND TOTAL</b>				<b>31,633</b>	<b>1,025</b>	<b>4,191</b>	<b>1,597</b>	<b>7,584</b>	<b>5,715</b>	<b>5,801</b>	<b>3,919</b>	<b>880</b>	<b>301</b>	<b>620</b>

Figure 4-2: 10-year water supply capital works program for Palerang Community

Palerang Community DSP for Water Supply

## 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 Palerang Community IWCM strategy 2019 are shown in Table 5-1.

**Table 5-1: Palerang Community of QPRC's water supply levels of service**

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Target	Current Performance assessed by Council
<b>Pressure</b>			
Minimum pressure when delivering 0.15 L/s/tenement PID	Metres Head	12	Bungendore - 12 Braidwood - 40
Minimum pressure when delivering 0.10 L/s/tenement with firefighting capability	Metres Head	Positive residual head throughout network	Bungendore - 12 Braidwood - 12
Max. static pressure	Metres head	90	90
<b>Fire-Fighting</b>			
Compliance with The Water Supply Investigation Manual	% area served	95	100
<b>Supply Interruptions to Consumers:</b>			
<b>Planned (95% of time):</b>			
Notice given to domestic customers	Working Days	1	1
Notice given to commercial customers	Working Days	2	3
Notice given to industrial customers	Working Days	2	3
Maximum duration of interruption	Hours	8	2
Total number of interruptions	No./year/1000 tenements	8	5
<b>Unplanned:</b>			
Maximum duration	Hours	6	3
Total number of interruptions	No./year/1000 tenements	10	8
<b>Response Times (Defined as time to have staff on-site to rectify problem)</b>			
Supply Failure: Note: Times apply for 95% of occasions			
<b>All Customers:</b>			
During working hours	Hours	1	1
Out of working hours	Hours	2	2
<b>Minor Problems &amp; General Inquiries:</b>			
Oral inquiry	Working Days	2	2

Palerang Community DSP for Water Supply

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Target	Current Performance assessed by Council
Written inquiry	Working Days	10	15
<b>Service Provided</b>			
Time to provide an individual connection to water supply in serviced area (90% of times)	Working days	5	5
<b>Water Quality</b>			
Number of boil water alerts	No./year	0	0
Taste/odour complaints	No./year	0	0

Palerang Community DSP for Water Supply

## 6 Design parameters

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### 6.1 Water supply

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

- Queanbeyan-Palerang Regional Council's levels of service (Refer to Section 5)
- Water Supply Investigation Manual, NSW Public Works (1986)
- WSAA water supply code of Australia – WSA 03 2002
- TAM and Financial Plans of Palerang Community IWCM Strategy, 2019



Palerang Community DSP for Water Supply

## 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 equivalent tenement 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 equivalent tenement (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.

In accordance with IPART's Determination 9, 2000, the ROI is calculated using the discount rates in Table 7-1.

**Table 7-1: Discount rates used in capital charge calculation**

Assets	Discount rate
For Pre-1996 assets	3% pa
For Post-1996 assets	5% pa

Palerang Community DSP for Water Supply

### 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 works)	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 chargers
Assets for out-of-sequence development	Excluded if the developer is required to meet the full cost of such assets
Developer provided assets	Excluded unless the developer is reimbursed fully or partially

### 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 LWUs expect 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.

Palerang Community DSP for Water Supply

## 8 Water supply developer charges

### 8.1 Water supply capital charges

The details of the calculation of capital charge for the service area covered by this DSP are presented in Appendix B. The calculated water supply capital charges for the three service areas of the Palerang Community are presented in Table 8-1.

**Table 8-1: Water supply capital charge for service areas**

Water Supply Service Area	Capital charge for EXISTING assets 2019/20 (\$ per ET)	Capital charge for FUTURE assets 2019/20 (\$ per ET)	Capital charge 2019/20 (\$ per ET)
Bungendore-Greenfield Developments	4,782	16,442	21,224
Bungendore	4,380	6,195	10,576
Braidwood	7,636	1,797	9,433

### 8.2 DSP areas

When the capital charges for two or more service areas are within 30%, they can be agglomerated into a single DSP area. Capital charge for Bungendore Greenfield Developments is the highest calculated and is not within 30% of any of the other two service areas. Hence, it has been considered as a separate DSP area (WDSP Area 1). The capital charges for Bungendore and Braidwood towns are within 30% of each other, hence have been agglomerated into a single DSP area (WDSP Area 2). A summary of the weighted average capital charges for the service areas after their agglomeration into DSP areas is presented in Table 8-2 and details shown in Table B4 of Appendix B.

**Table 8-2: Agglomeration of water supply service areas**

Water supply Service Area	Capital charge 2019/20 (\$ per ET)	Percentage of highest capital charge DSP Area 1	Percentage of highest capital charge DSP Area 2	Agglomerated DSP area	Weighted average capital charge 2019/20 (\$ per ET)
Bungendore-Greenfield Developments	21,224	100%		Water Supply DSP Area 1	21,224
Bungendore	10,576	50%	100%	Water Supply DSP Area 2	10,205
Braidwood	9,433		89%		

### 8.3 Reduction amount calculation

The reduction amount has been calculated using NPV of annual bill method on a utility-wide basis as Council has adopted a uniform tariff structure. The details of reduction amount calculation are presented in Table B3 of Appendix B and a summary is shown in Table 8-3.

Palerang Community DSP for Water Supply

**Table 8-3: Summary of Reduction Amount Calculation**

Discount rate, p.a.	5%
Annual water charge, 2019/20 (\$/ET)	962
Annual water OMA, 2019/20 (\$/ET)	744
Estimated net operating income (\$/ET)	218
PV of new ETs over 30 years	1,826
PV of net income over 30 years (\$)	5,028,677
Reduction Amount, 2019/20 (\$/ET)	2,754

### 8.4 Water supply developer charge

The developer charge is the capital charge less the reduction amount. The capital charges, the reduction amount and the calculated water supply developer charges for the agglomerated DSP areas in 2019/20 dollars are presented below in Table 8-4.

**Table 8-4: Water supply developer charge**

Water supply DSP area	Service area covered	Weighted average capital charges 2019/20 (\$ per ET)	Reduction amount 2019/20 (\$ per ET)	Calculated developer charge 2019/20 (\$ per ET)
Water Supply DSP Area 1	Bungendore-Greenfield Developments	21,224	2,754	18,471
Water Supply DSP Area 2	Bungendore Braidwood	10,205	2,754	7,452

### 8.5 Water supply cross-subsidy

The calculated developer charges are the maximum that may be levied by a water utility. Council proposes to adopt the calculated developer charges for the water supply DSP areas, hence, no cross-subsidy is involved.

Palerang Community DSP for Water Supply

## 9 Reviewing / updating of calculated developer charges

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Developer charges are to be reviewed by Council every eight years. After adoption of the DSP document, 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 had not been included in the existing DSP, Council may carry out a review in less than four years, subject to DPIE Water's approval.

Palerang Community DSP for Water Supply

## 10 Background documents

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The 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
- Palerang Community IWCM Strategy, 2019

The background information of the water supply developer charges calculations is included in Appendix B. The background information contains details on asset commission dates, asset size, capacity and MEERA values of existing assets. They also include the details of calculations of the capital charges, reduction amount and the developer charges.

Palerang Community DSP for Water Supply

## 11 Other DSPs and related contribution plans

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Council's other related contribution plans include:

- Palerang Community Sewerage Development Servicing Plan
- Palerang Community Development Control Plan
- Palerang Community Section 94B Contributions Plans

Palerang Community DSP for Water Supply

## Glossary

Glossary of Terms	
<b>Annual bill</b>	Local Water Utility's annual water bill for an annual demand of 1 ET
<b>Asset</b>	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
<b>Annual demand</b>	The total water demand over a year. Used to size headworks components
<b>Capital cost</b>	The Present Value (MEERA basis) of all expenditure on assets used to service the development
<b>Capital charge</b>	Capital cost of assets per ET adjusted for commercial return on investment (ROI)
<b>CPI</b>	Consumer price index (All Groups)
<b>CRC</b>	Current replacement cost
<b>Developer charge</b>	Charge levied on developers to recover part of the capital cost incurred in providing infrastructure to new development
<b>Development area</b>	See DSP area
<b>Discount rate</b>	The rate used to calculate the present value of money arising in the future
<b>DPIE Water</b>	Department of Planning, Industry and Environment - Water
<b>DSP</b>	Development Servicing Plan
<b>DSP area</b>	That is part of a water utility's area covered by a particular Development Servicing Plan. Also referred to as Development Area
<b>ET</b>	Equivalent tenement. The annual demand a detached residential dwelling will place on the infrastructure in terms of the water consumption
<b>LGA</b>	Local Government Area
<b>LWU</b>	Local water utility (NSW). Excludes Sydney Water Corporation, Hunter Water Corporation, Gosford Council, Wyong Council, Essential Water and Fish River Water Supply
<b>MEERA</b>	Modern Equivalent Engineering Replacement Asset
<b>Net income</b>	Annual bill minus OMA cost per ET
<b>NPV</b>	Net present value means the difference between the Present Value of a revenue stream and the Present Value of a cost stream
<b>OMA</b>	Operation, maintenance and administration (cost)
<b>Operating cost</b>	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

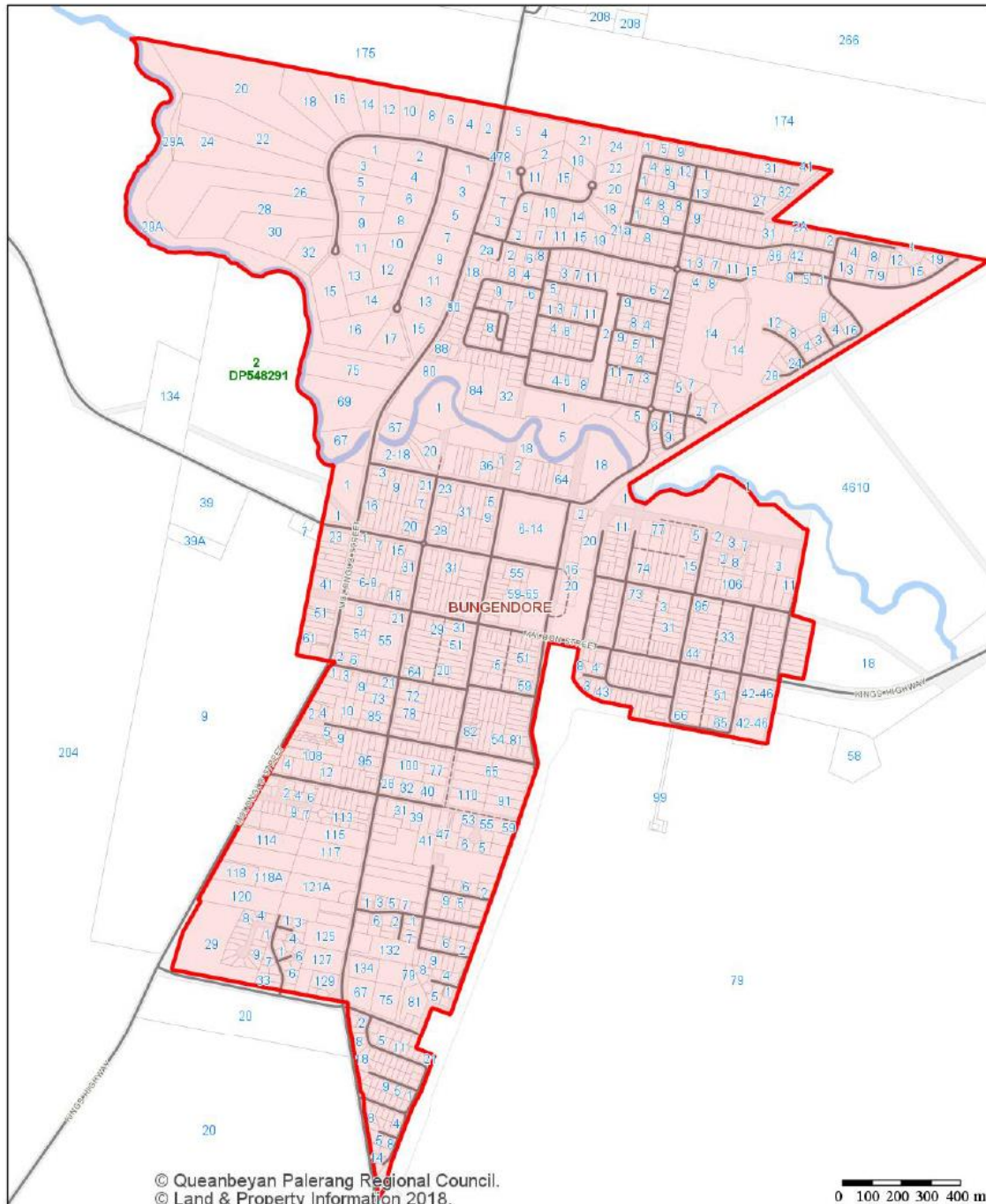


Palerang Community DSP for Water Supply

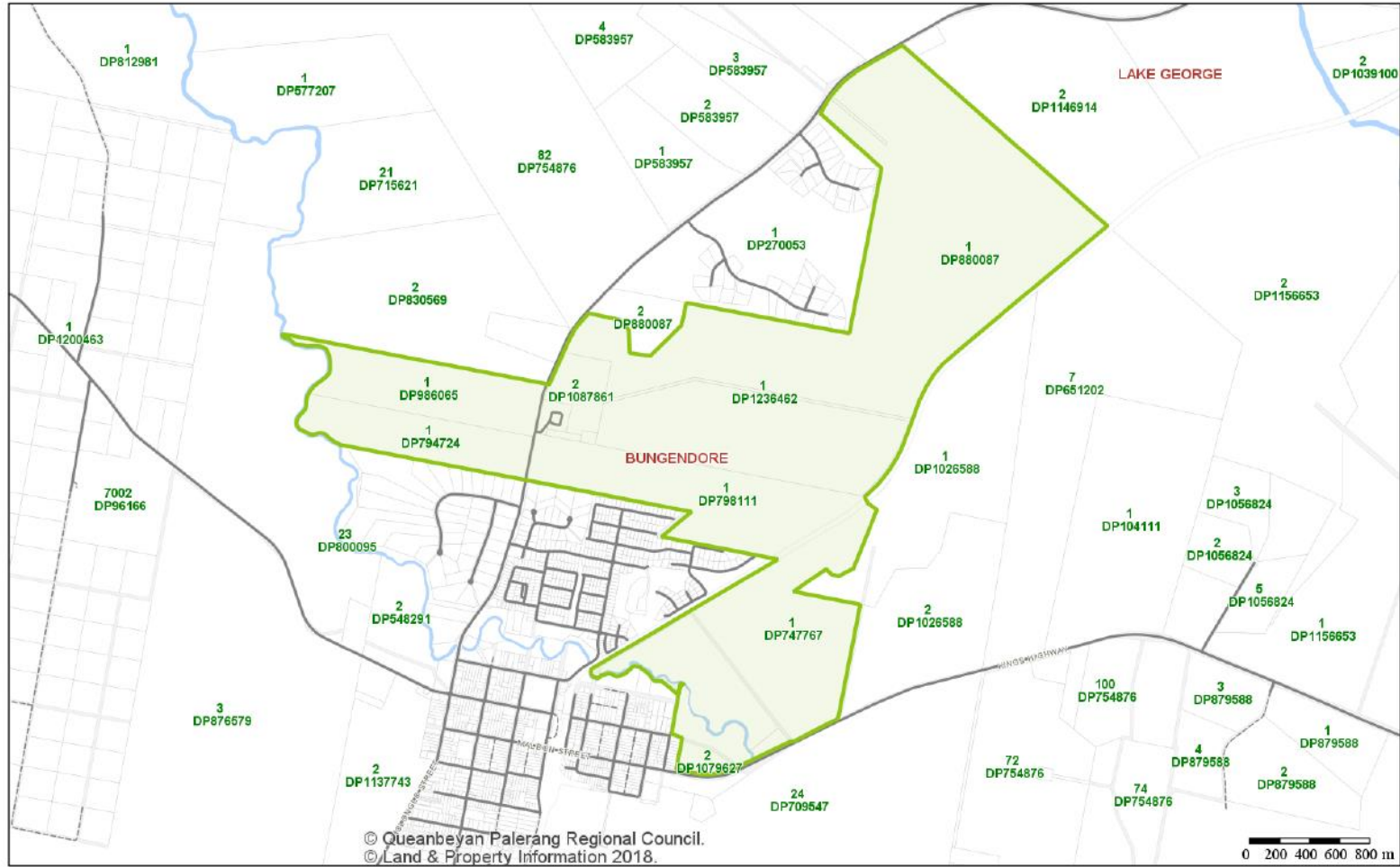
<b>Glossary of Terms</b>	
<b>Palerang Community</b>	Those water supply serviced areas associated with the former Palerang LGA.
<b>Post-1996 asset</b>	An asset that was commissioned by a LWU on or after 1 January 1996 or that is yet to be commissioned
<b>Pre-1996 asset</b>	An asset that was commissioned by a LWU before 1 January 1996
<b>PV</b>	Present value. The current value of future money or ETs
<b>QPRC</b>	Queanbeyan-Palerang Regional Council
<b>Reduction amount</b>	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
<b>Reticulation assets</b>	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
<b>ROI</b>	Return on investment. Represents the income that is, or could be, generated by investing money
<b>Service area</b>	An area serviced by a separate water supply system, a separate small town or village, or a new development of over 500 ETs
<b>TRB</b>	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
<b>WTP</b>	Water treatment plant

## Appendix A DSP service areas

### A.1 Bungendore water supply scheme service area (WDSP 2-Part 1)

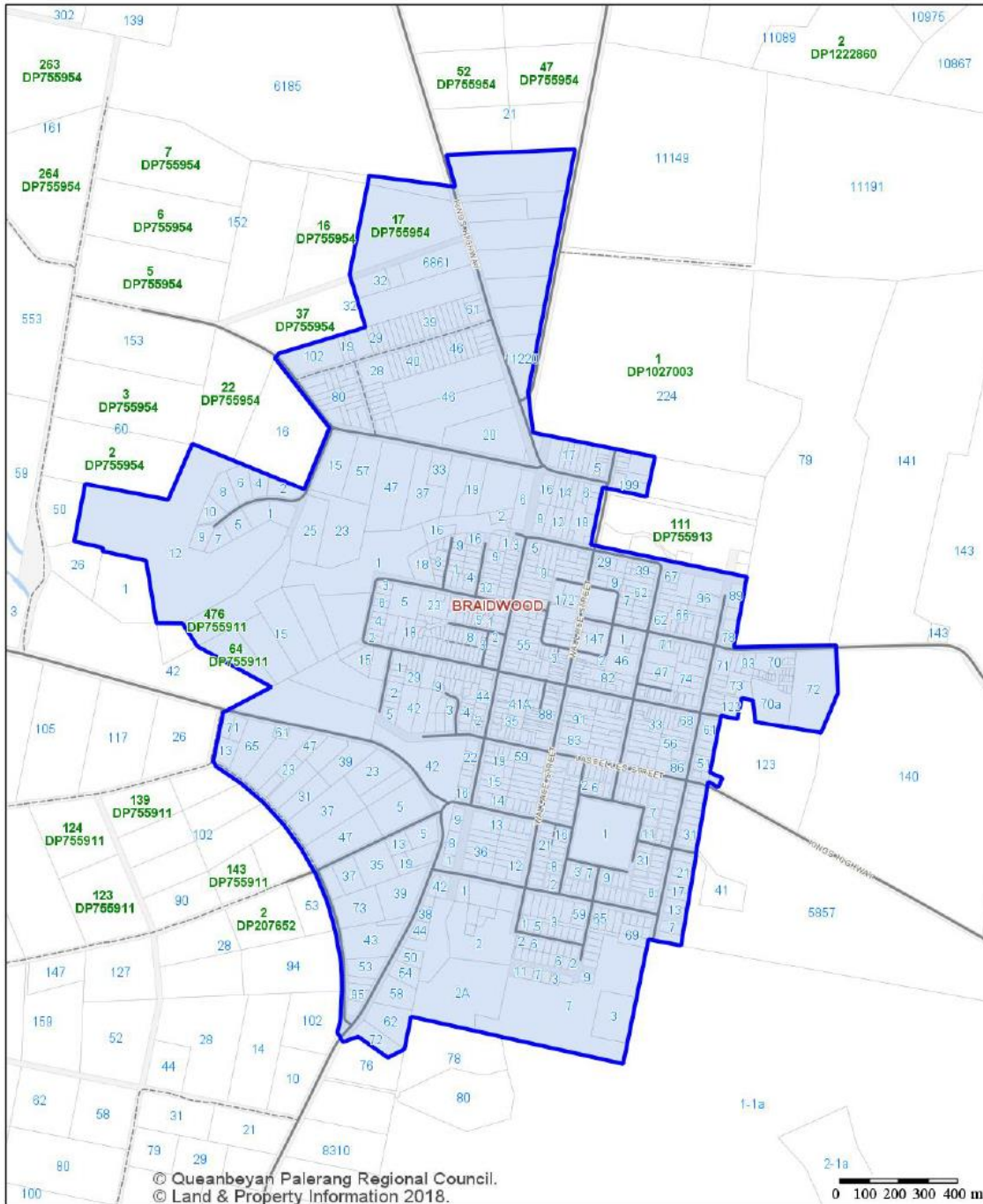


### A.2 Bungendore - Greenfield developments service area (WDSP 1)



A-1

**A.3 Braidwood water supply scheme service area (WDSP 2-Part 2)**



## Appendix B Water supply DSP background document

## Appendix C Outline of Legislation

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### 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.



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# QUEANBEYAN-PALERANG REGIONAL COUNCIL

## Council Meeting Attachment

24 JUNE 2020

ITEM 9.7 PALERANG COMMUNITY DEVELOPMENT SERVICING PLANS  
FOR WATER & SEWERAGE

ATTACHMENT 2 PALERANG COMMUNITIES SEWERAGE DEVELOPMENT  
SERVICING PLAN (AMENDED 11 JUNE 2020)



## Queanbeyan-Palerang Regional Council

### Palerang Community Development Servicing Plan for Sewerage

April 2020

Adopted: *[Insert Date]*

Effective: *[Insert Date]*



Document Control

Version	Author	Reviewer	Approved for Issue	
			Name	Date
Draft 1	C. Chlochaisri	M. Sundar	M. Sundar	-
Draft 2	C. Chlochaisri	M Sundar	M Sundar	20/12/2019
Draft 3	C. Chlochaisri	M Sundar	M Sundar	14/02/2020
Draft 4	C. Chlochaisri	M Sundar	M Sundar	04/03/2020
Draft 5	C. Chlochaisri	M Sundar	M Sundar	25/03/2020
Final Draft	C. Chlochaisri	M Sundar	M Sundar	06/04/2020

**Cover photo:** Berlang, "QPRC endorses Tourism Plan", Braidwood Times (2017), <https://www.braidwoodtimes.com.au/story/4632416/plan-to-develop-tourist-economy/>

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Palerang Community DSP for Sewerage

## 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 Plans (DSPs) for sewerage service areas of the Palerang Community of Queanbeyan-Palerang Regional Council (QPRC). The maps of the development service areas for sewerage are shown in Appendix A. For the areas serviced by the Captains Flat sewerage scheme, Council's IWCM strategy identified negligible growth, hence has not been included in the DSP.

This DSP has been prepared in accordance with the 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 existing sewerage assets serving the Palerang Community, and the timing and expenditures for 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.

Council has elected to levy less than the calculated maximum capital charge for Braidwood and cap the same at 75% of the calculated value for the existing assets. The service areas have been agglomerated for the calculation of developer charges with the capped level of capital charges for Braidwood in accordance with the 2016 Developer Charges Guidelines. The details of capping and the resulting cross-subsidy are presented in Section 8.5. The calculated sewerage developer charges for the agglomerated DSP area have been determined in 2019/20 dollars and are as follows:

Sewerage DSP Name	Service area covered	Calculated Developer Charge (\$ per ET)	Adopted Developer Charge (\$ per ET)	Cross-subsidy by existing customers (\$'000)	Resulting increase in Typical Residential Bill (\$ per ET)
Sewerage DSP Area	Braidwood	23,030	10,411	581	18
	Bungendore	10,066			
	Bungendore-Greenfield Developments				

The developer charges calculated in this DSP will be reviewed after eight 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 sewerage reticulation works within the subdivisions.

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

Palerang Community DSP for Sewerage

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Palerang Community DSP for Sewerage

## Contents

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Executive Summary .....	i
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 Sewerage schemes overview .....	9
4.2 Existing sewerage assets .....	9
4.3 Future sewerage assets and renewals .....	10
5 Levels of service .....	13
6 Design parameters.....	15
6.1 Sewerage .....	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 Sewerage developer charge .....	18
8.1 Sewerage capital charges .....	18
8.2 DSP areas.....	18
8.3 Reduction amount calculation.....	19

Palerang Community DSP for Sewerage

8.4	Sewerage developer charge.....	19
8.5	Sewerage cross-subsidy .....	19
9	Reviewing / updating of calculated developer charges .....	22
10	Background documents.....	23
11	Other DSPs and related contribution plans.....	24
	Glossary .....	25
Appendix A	DSP service areas.....	A-1
Appendix B	Sewerage DSP background document.....	B-1
Appendix C	Outline of Legislation.....	C-1

## Figures

Figure 4-1:	Timing of 10-year sewerage capital works program .....	11
Figure 4-2:	10-year sewerage capital works program for Palerang Community.....	12
Figure 8-1:	Impact of developer charges options on the typical residential bill .....	21

## Tables

Table 2-1:	DSP Names and Areas Covered.....	2
Table 3-1:	Palerang Community sewerage services .....	7
Table 3-2:	Historical urban centre population of serviced areas .....	7
Table 3-3:	Sewerage service areas.....	7
Table 3-4:	Palerang Community sewerage DSP area estimated ET projections .....	8
Table 4-1:	Summary of existing sewerage assets in the Palerang Community.....	10
Table 4-2:	Sewerage future capital works .....	10
Table 5-1:	Palerang Community of QPRC’s sewerage levels of service.....	13
Table 7-1:	Discount rates used in capital charge calculation .....	16
Table 7-2:	Assets included and excluded in capital charges calculations .....	17
Table 8-1:	Sewerage capital charge for service areas.....	18
Table 8-2:	Agglomeration of sewerage service areas.....	18
Table 8-3:	Agglomeration of sewerage service areas – after capping .....	19
Table 8-4:	Summary of Reduction Amount Calculation .....	19
Table 8-5:	Sewerage developer charge .....	19
Table 8-6:	Developer charges options and cross-subsidy .....	20
Table 8-7:	Impact of cross-subsidy on annual sewerage bill .....	20

Palerang Community DSP for Sewerage

## 1 Introduction

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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 DSPs are to:

- Provide an overall administrative framework under which specific sewerage assets may be co-ordinated and constructed
- Ensure that adequate sewerage 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 sewerage 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 sewerage developer charges for the service areas of the Palerang Community of Queanbeyan-Palerang Regional Council (QPRC). The maps of sewerage DSP areas serviced by Palerang Community of QPRC are shown in Appendix A.

This DSP has been prepared in accordance with the 2016 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 sewerage 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 sewerage 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.

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



Palerang Community DSP for Sewerage

## 2 Administration

### 2.1 DSP areas and names

The Palerang Community of QPRC operates and manages three reticulated sewerage schemes to serve townships within the former Palerang Local Government Area (LGA).

This DSP is applicable to all land within the DSP areas which is serviced by the sewerage infrastructure in the Palerang Community of QPRC. 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
SDSP	Sewerage DSP Area	Braidwood	The maps of the sewerage DSP areas covered in this document are shown in Appendix A.
		Bungendore	
		Bungendore-Greenfield Developments	

### 2.2 DSP boundaries

The DSP area boundaries are based on the existing and future developments to be served by Council's sewerage services for the Palerang Community. Regarding the new developments outside the sewerage 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 on all land and 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.

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

### 2.4 Effective commencement date for this DSP

This DSP has been adopted by QPRC 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.

Palerang Community DSP for Sewerage

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 the Council is as follows:

- subdivision – prior to the release of the subdivision linen plan (Subdivision Certificate) by Council to the applicant;
- 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.

Due to the general consistency of subdivisions and dwellings within the Palerang Community no discount rates apply, and the basic charge as set out in the Development Servicing Plans 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 and shall not be the subject of any expiry date,
- Council is to be the custodian of the original Bank Guarantee, and
- The maximum time frame granted for deferment is six months. 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.

Palerang Community DSP for Sewerage

## **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 the Palerang Community of QPRC, except for the following:

- a. Erection of a single dwelling house on an existing vacant allotment of land
- 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

## **2.8 Out of sequence development**

Council plans infrastructure development in accordance to a desired sequence of development. If a 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 could 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 developments.

## **2.9 “Works-in-kind” contributions**

Upon written request, Council will consider an offer by the applicant to make a contribution by way of “works-in-kind” 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.

Palerang Community DSP for Sewerage

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 that 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 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 currently not a member of the Energy & Water Ombudsman NSW (EWON)

Palerang Community DSP for Sewerage

- 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

The Palerang Community of QPRC provides sewerage services to Bungendore (Bungendore and Elmslea Estate), Braidwood and Captains Flat within the former Palerang LGA. A summary of the sewerage services is shown in Table 3-1. The historical population for these urban centres is presented in Table 3-2 (ABS Census Quickstats data, 2018).

**Table 3-1: Palerang Community sewerage services**

Town / Village	Sewerage Scheme
Bungendore	Bungendore
Braidwood	Braidwood
Captains Flat	Captains Flat
Majors Creek, Nerriga, Araluen, Wamboin and Carwoola	Septic tanks (privately owned)

**Table 3-2: Historical urban centre population of serviced areas**

Area	2001	2006	2011	2016
Bungendore	1,685	2,183	2,754	3,317
Braidwood	996	1,108	1,158	1,273
Captains Flat	419	447	436	449

### 3.2 Service Areas

The sewerage service areas and the basis of determining the service areas are shown in the Table below. Council's IWCM Strategy identified negligible growth in the areas serviced by the Captains Flat sewerage scheme; also, the scheme capacity has already been fully taken up. Hence, Captains Flat scheme has not been included in the DSP.

**Table 3-3: Sewerage service areas**

Name of service area	Basis for determining the service area
Bungendore	Separate small town
Braidwood	Separate small town
Bungendore – Greenfield Developments	New development area of over 500 lots

### 3.3 Growth Projections for the Service Areas

To apportion the cost of providing sewerage 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 sewerage infrastructure in terms of sewage discharged.

Council's IWCM Strategy considered a number of population studies to develop a future population growth strategy and adopted a population and tenement growth forecasts for service planning. For the purpose of the Development Servicing Plans, the tenement growth forecasts by the IWCM strategy

Palerang Community DSP for Sewerage

based on sewer load analysis were further reviewed in light of actual growth observed in the existing serviced areas and the greenfield release areas earmarked to accommodate growth. Accordingly, the timing of growth adopted in the IWCM has been adjusted to be consistent with the growth observed on ground for the calculation of developer charges. The estimated equivalent tenements (ET) growth forecasts for the sewerage services used in the determination of developer charges are summarised in Table 3-4.

**Table 3-4: Palerang Community sewerage DSP area estimated ET projections**

Financial Year	Bungendore	Braidwood	Bungendore-Greenfield	Total ET
1995/96	577	506	0	1,083
2019/20	1,363	631	81	2,075
2020/21	1,438	638	158	2,234
2021/22	1,447	644	230	2,321
2022/23	1,456	651	296	2,403
2023/24	1,465	658	352	2,475
2024/25	1,474	665	475	2,613
2025/26	1,482	672	596	2,749
2026/27	1,492	678	715	2,885
2027/28	1,501	685	832	3,018
2028/29	1,510	693	947	3,150
2029/30	1,519	700	1,058	3,277
2030/31	1,529	707	1,166	3,402
2031/32	1,536	714	1,270	3,520
2032/33	1,541	722	1,370	3,633
2033/34	1,546	729	1,466	3,741
2034/35	1,552	737	1,560	3,849
2035/36	1,557	745	1,652	3,953
2036/37	1,562	753	1,739	4,054
2037/38	1,568	761	1,822	4,151
2038/39	1,574	769	1,901	4,243
2039/40	1,579	777	1,975	4,331
2040/41	1,585	785	2,046	4,416
2041/42	1,591	793	2,112	4,496
2042/43	1,597	801	2,175	4,573
2043/44	1,603	810	2,233	4,646
2044/45	1,608	818	2,288	4,715
2045/46	1,613	827	2,339	4,780
2046/47	1,618	836	2,387	4,841
2047/48	1,623	845	2,432	4,899
2048/49	1,627	854	2,475	4,956
2049/50	1,632	863	2,519	5,013

### 3.4 Land use information

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

Palerang Community DSP for Sewerage

## 4 Infrastructure

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### 4.1 Sewerage schemes overview

Council operates the following three reticulated sewerage services to service townships within the former Palerang LGA:

- Bungendore sewerage scheme
- Braidwood sewerage scheme
- Captains Flat sewerage scheme

For the Captains Flat sewerage scheme, as the forecast growth was negligible, developer charges were not calculated and have not been included in the DSP.

#### **Bungendore sewerage scheme**

Bungendore STP is located approximately 700 m west from the centre of Bungendore. The scheme is serviced by a conventional gravity sewage collection system comprising 10 pump stations serving small areas within the catchment. The STP has a capacity of 5,000 EP that utilises two IDEA tanks for secondary treatment and chemical phosphorus removal to treat sewage. Effluent is discharged into Mill Post Creek or undergoes chlorination for on-site purposes at the STP and for off-site reuses for end users.

#### **Braidwood sewerage scheme**

Braidwood STP is located approximately 1.5 km from the centre of Braidwood. The scheme is serviced by a conventional gravity sewage collection system comprising seven pump stations. The plant receives sewage from the township of Braidwood. The STP is a 2,000 EP capacity STP that utilises one IDEA reactor for secondary treatment and chemical phosphorus removal to treat sewage. Effluent is treated using UV disinfection prior to discharge to Flood Creek.

### 4.2 Existing sewerage assets

Existing sewerage assets servicing the Palerang community DSP areas 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) of the existing sewerage assets in Bungendore and Braidwood is \$46.17 Million (2019/20 \$). In accordance with the 2016 NSW Developer Charges Guidelines, all existing sewerage assets servicing the Palerang community are included in the capital charge calculations except for the following:

- assets aged 30 years and older as of 2020
- 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 the existing sewerage assets in Bungendore and Braidwood included in the calculation of capital charge is \$33.97 Million (2019/20 \$).

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



Palerang Community DSP for Sewerage

**Table 4-1: Summary of existing sewerage assets in the Palerang Community**

Service Area	Asset Type	Current Replacement Cost (2019/20) (\$)	Excluded Assets (2019/20 \$)	Included Assets (2019/20 \$)
Braidwood	Pump Station	2,361,313	358,036	2,003,277
	Sewer Main	5,122,507	3,276,462	1,846,045
	Treatment	9,217,555	0	9,217,555
<b>Braidwood Total</b>		<b>16,701,375</b>	<b>3,634,498</b>	<b>13,066,877</b>
Bungendore	Pump Station	5,398,585	622,234	4,776,351
	Sewer Main	11,119,799	3,751,797	7,368,002
<b>Bungendore Total</b>		<b>16,518,384</b>	<b>4,374,031</b>	<b>12,144,353</b>
Bungendore Assets shared with Greenfield Developments	Treatment	12,954,383	4,197,789	8,756,594
<b>Shared Total</b>		<b>12,954,383</b>	<b>4,197,789</b>	<b>8,756,594</b>
<b>Grand Total</b>		<b>46,174,141</b>	<b>12,206,317</b>	<b>33,967,824</b>

### 4.3 Future sewerage 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. In accordance with the Developer Charges Guidelines 2016, the estimated costs of sewerage capital works (including contingencies) planned for the next 10 years as adopted by the Council and documented in the Total Asset Management Plan of the Council's IWCM Strategy, 2019, have been further reviewed to be consistent with the Council's adopted Delivery Program 2018-21 and included for the calculation of capital charges..

The Palerang Community sewerage capital works program is comprised of works for growth, improved standards and renewals. The capital works required for Council to provide sewerage service to the existing serviced areas and the new development areas are summarised in Table 4-2 and detailed in Appendix B.

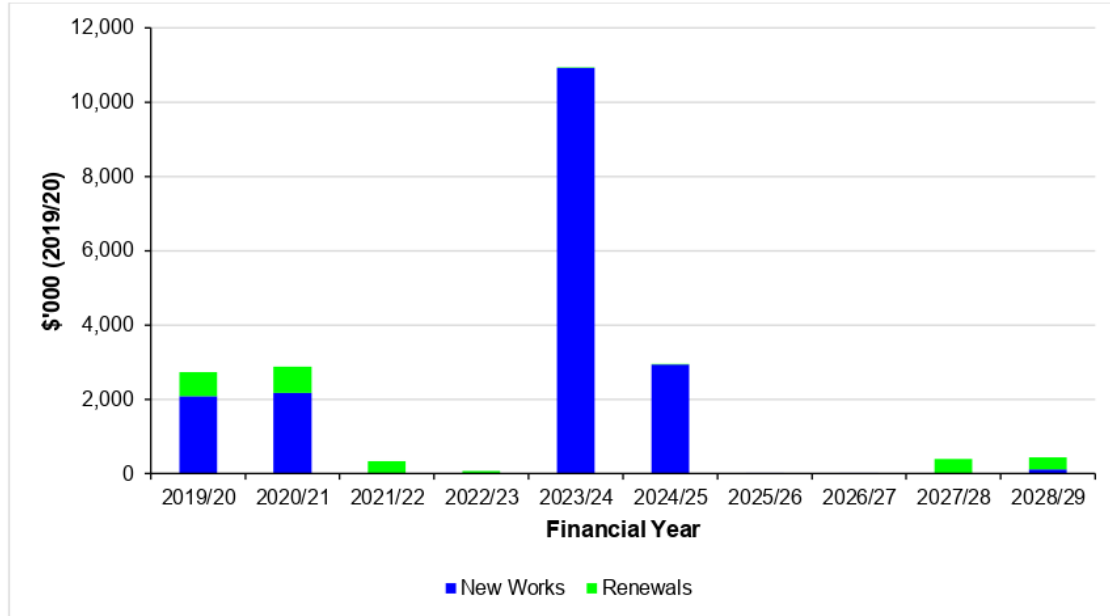
**Table 4-2: Sewerage future capital works**

Sewerage service capital works program	10-year capex total 2019/20 (\$'000)
New/ Upgrade Works	19,066
Renewals	2,515
<b>Total</b>	<b>21,581</b>

(Source: Based on the adopted Palerang Community IWCM Strategy, 2019)

Palarang Community DSP for Sewerage

The timing and expenditure for the 10-year sewerage capital works program (including backlog works) covered by the DSP is shown in Figure 4-1. Details of the 10 years sewerage capital works program are included in Figure 4-2.



**Figure 4-1: Timing of 10-year sewerage capital works program**

Timing of works and expenditure are to be reviewed and updated when required. Capital cost for growth planned within the next 10 years is included while the reticulation is excluded in the capital charges calculation in this DSP. The Developer Charges Guidelines for Water Supply, Sewerage and Stormwater (2016) recommend that capital works for renewals and for improving standards of service are to be excluded from the capital charges calculation.

**Sewerage reticulation**

Reticulation is defined as the local pipes connecting sewerage service from 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 sewerage service reticulation works within subdivisions. However, Council calculate a reticulation supplement which would be payable by developers that have not provided the reticulation assets.

9.7 Palerang Community Development Servicing Plans for Water & Sewerage  
 Attachment 2 - Palerang Communities Sewerage Development Servicing Plan (amended 11 June 2020) (Continued)

Palerang Community DSP for Sewerage

<b>SEWER - 10-Year Capital Works Program</b>															
Current Year				2019	/20										
<b>CAPITAL WORKS IN 2019/20 (\$'000)</b>															
<b>ITEMS</b>	<b>ILOS</b>	<b>GROWTH</b>	<b>RENEW</b>	<b>Total</b>	1	2	3	4	5	6	7	8	9	10	
					2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
<b>A - NEW WORKS - BACKLOG</b>															
	100%			0											
<b>B - NEW WORKS - GROWTH</b>															
Bungendore effluent reuse system	100%	0%		3,802	2,000	1,735									
Bungendore STP upgrade 2023/24		100%		10,403	-				10,403						
Bungendore Greenfield Network Services		100%		3,550						3,550					
Replace rising main and pumps B'dore SPS#2	50%	50%		268		268									
Upgrade pumps at SPS#4 Bungendore		100%		83		83									
Private Works - Extension & connection (infill)		100%		206	21	21	21	21	21	21	21	21	21	21	
Council's Capital Proj Mgmt Charge		100%		734	81	84	1	1	417	146	1	1	1	1	
<b>C - NEW WORKS - OTHER (Performance improvement)</b>															
Upgrade pumps at SPS#1 Braidwood to meet PWWF	100%			0											
Upgrade SPS2 & 7 Bungendore			100%	0											
Upgrade SPS5 at Bungendore			100%	206	206										
Pump Station upgrades / improvements			100%	103				52	-	-	-	-	52	-	
Telemetry System upgrade	100%			206				-	103	-	-	-	-	103	
Council's Capital Proj Mgmt Charge	100%			20	8	-	-	2	4	-	-	-	2	4	
<b>D - RENEWALS</b>															
<b>Based on Asset Register</b>															
STP Assets renewal/ Major refurbishments			100%	0											
Pump station asset renewal			100%	1,238	-	310	310	-	-	-	-	-	310	310	
Inflow study Braidwood - main relining			100%	0	-	-	-	-	-	-	-	-	-	-	
Inflow study Bungendore - initial study/works			100%	361	361	-	-	-	-	-	-	-	-	-	
Replace rising main SPS#3 Braidwood			100%	310		310									
Telemetry component renewal			100%	103	10	10	10	10	10	10	10	10	10	10	
Sewer Manhole Renewals			100%	103	52	52	-	-	-	-	-	-	-	-	
Council's Capital Proj Mgmt Charge			100%	90	18	28	13	1	1	1	1	1	13	13	
<b>GRAND TOTAL</b>				<b>21,581</b>	<b>2,737</b>	<b>2,879</b>	<b>334</b>	<b>66</b>	<b>10,938</b>	<b>3,774</b>	<b>12</b>	<b>12</b>	<b>388</b>	<b>441</b>	

Figure 4-2: 10-year sewerage capital works program for Palerang Community

Palerang Community DSP for Sewerage

## 5 Levels of service

Sewerage system design capacity and operation are based on providing the adopted levels of service (LOS). The LOS for the sewerage services in the Palerang Community adopted following consultation with the Project Reference Group including community representatives as part of the development of the Palerang Community IWCM strategy 2019 are shown in Table 5-1.

**Table 5-1: Palerang Community of QPRC's sewerage levels of service**

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Target	Current Performance assessed by Council
<b>Frequency of System Failures</b>			
Category 1: Failure due to rainfall and deficient capacity (overflows)	Number/year	0	0
Category 2: Failures due to pump or other breakdown including power failure (overflows)	Number/year	0	0
Category 3: Failures due to main blockages and collapses (overflows)	Number/year	4	2
<b>Response Times</b>			
System Failure: (Defined as the maximum time to have staff on site to commence rectification after notification)			
Priority 1: (Major spill, significant environmental or health impact, or affecting large number of consumers i.e. a major main)			
During working hours	Hours	0.5	0.5
After hours	Hours	1	1
Priority 2: (Moderate spill, some environmental or health impact, or affecting small number of consumers i.e. other mains)			
During working hours	Hours	0.5	0.5
After hours	Hours	1	1
Priority 3: (Minor spill, little environmental or health impact, or affecting a couple of consumers)			
During working hours	Working Day	1	1
After hours	Working Day	1.5	1.5
<b>Customer Complaints</b>			
General Complaints and Inquiries: Note: Applies for 95% of complaints			
Oral complaints	Working Day	2	2
Written complaints	Working Day	10	15
Odour Complaints:			
Treatment works (outside designated buffer zone)	Number/year	2	1

Palarang Community DSP for Sewerage

DESCRIPTION	UNIT	LEVEL OF SERVICE	
		Target	Current Performance assessed by Council
Pumping Stations	Number/year	2	0
Reticulation system	Number/year	2	0

Palerang Community DSP for Sewerage

## 6 Design parameters

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### 6.1 Sewerage

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

- Queanbeyan-Palerang Regional Council's levels of service (Refer to Section 5)
- Manual of Practice: Sewer Design (1984)
- Manual of Practice: Sewage Pumping Station Design (1986)
- WSAA Gravity Sewerage Code of Australia V3.1 – WSA 02-2014
- WSAA Pressure Sewerage Code of Australia V1.1 – WSA 07 – 2007
- TAM and Financial Plans of Palerang Community IWCM Strategy, 2019

Palerang Community DSP for Sewerage

## 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 equivalent tenement 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 effective capital cost of assets used in providing sewerage services in the DSP areas. This includes the cost of both existing and future assets per equivalent tenement (ET) to be used to service the DSP areas.

Generally, the capacity of a sewerage 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 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.

In accordance with IPART's Determination 9, 2000, the ROI is calculated using the discount rates in Table 7-1.

**Table 7-1: Discount rates used in capital charge calculation**

Assets	Discount rate
For Pre-1996 assets	3% pa
For Post-1996 assets	5% pa

Palerang Community DSP for Sewerage

### 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 works)	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 chargers
Assets for out-of-sequence development	Excluded if the developer is required to meet the full cost of such assets
Developer provided assets	Excluded unless the developer is reimbursed fully or partially

### 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 effective cost of assets LWUs expect 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.



Palerang Community DSP for Sewerage

## 8 Sewerage developer charge

### 8.1 Sewerage capital charges

The details of calculation of capital charge for the service area covered by this DSP are presented in Appendix B. The calculated sewerage capital charges for the three service areas of the Palerang Community are presented in the Table 8-1.

**Table 8-1: Sewerage capital charge for service areas**

Sewerage Service Area	Capital charge for EXISTING assets 2019/20 (\$ per ET)	Capital charge for FUTURE assets 2019/20 (\$ per ET)	Capital charge 2019/20 (\$ per ET)
Braidwood	26,153	365	26,519
Bungendore	12,179	4,095	16,274
Bungendore-Greenfield Developments	3,654	9,436	13,091

### 8.2 DSP areas

When the capital charges for two or more service areas are within 30%, they can be agglomerated into a single DSP area. Capital charge for Braidwood is the highest calculated and is not within 30% of any of the other two service areas, whereas the capital charges for Bungendore and the Greenfield Development area are within 30% of each other (refer to Table 8-2 and Table B4 of Appendix B).

**Table 8-2: Agglomeration of sewerage service areas**

Sewerage Service Area	Capital charge 2019/20 (\$ per ET)	Percentage of highest capital charge DSP Area 1	Percentage of highest capital charge DSP Area 2	Agglomerated DSP area	Weighted average capital charge 2019/20 (\$ per ET)
Braidwood	26,519	100%	-	Sewerage DSP Area 1	26,519
Bungendore	16,274	61%	100%	Sewerage DSP Area 2	13,554
Bungendore-Greenfield Developments	13,091	-	80%		

Developer charge for Braidwood based on the calculated level of capital charge will be unaffordable for a small village. Higher developer charge will also stall tenement growth in Braidwood, particularly in the context of the proposed lower developer charges for the other two service areas within the Palerang community and will likely lead to the underutilisation or stranding of the Braidwood sewerage asset capacities.

It has been identified that 99% of the capital charge for the Braidwood service area is contributed by the existing assets, particularly the STP asset commissioned in 2010 with a high level of government grants. For this reason, Council has elected to cap the calculated capital charge for the existing sewerage assets of Braidwood at 70%. Accordingly, the capital charges have been recalculated with the adopted level of capping and the service areas have been re-agglomerated after capping in

Palarang Community DSP for Sewerage

accordance with the 2016 Developer Charges Guidelines for the calculation of developer charges (refer to Table 8-3 and Table B5 of Appendix B).

**Table 8-3: Agglomeration of sewerage service areas – after capping**

Sewerage Service Area	Capital charge 2019/20 (\$ per ET)	Percentage of highest capital charge DSP Area 1	Agglomerated DSP area	Weighted average capital charge 2019/20 (\$ per ET)
Braidwood	18,673	100%	Sewerage DSP Area	13,900
Bungendore	16,274	87%		
Bungendore-Greenfield Developments	13,091	70%		

### 8.3 Reduction amount calculation

The reduction amount has been calculated using NPV of annual bill method on a utility-wide basis as Council has adopted a uniform tariff structure. The details of reduction amount calculation are presented in Appendix B and a summary is shown in Table 8-4.

**Table 8-4: Summary of Reduction Amount Calculation**

Discount rate, p.a.	5%
Annual sewerage charge, 2019/20 (\$/ET)	1,074
Annual sewerage OMA, 2019/20 (\$/ET)	1,811
Estimated net operating income (\$/ET)	276
PV of new ETs over 30 years	1,752
PV of net income over 30 years (\$)	6,111,167
Reduction Amount, 2019/20 (\$/ET)	3,489

### 8.4 Sewerage developer charge

The developer charge is the capital charge less the reduction amount. The capital charges, the reduction amount and the calculated sewerage developer charges in 2019/20 dollars are presented in Table 8-5.

**Table 8-5: Sewerage developer charge**

DSP area	Service areas covered	Weighted average capital charges 2019/20 (\$ per ET)	Reduction amount 2019/20 (\$ per ET)	Calculated developer charge 2019/20 (\$ per ET)
Sewerage DSP Area	Bungendore, Braidwood, and Bungendore – Greenfield Developments	13,900	3,489	10,411

### 8.5 Sewerage cross-subsidy

Council has elected to cap the developer charges for Braidwood in order to maintain affordability and to avoid 'stranded' assets in such villages. The cross-subsidy, resulting from capping of capital charge

Palarang Community DSP for Sewerage

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

Following two options were examined to determine the impact of the adopted cross subsidy:

**Option 1** – No cross-subsidy – Calculated maximum developer charge adopted.

**Option 2** – Adopted cross-subsidy – 3.8% reduction to weighted average developer charges.

A summary of the developer charges options and cross-subsidy is shown in Table 8-6 and details provided in Table B6 of Appendix B

**Table 8-6: Developer charges options and cross-subsidy**

Option	Sewerage DSP area	Sewerage service area	PV of new ETs over 30 years	Calculated developer charge 2019/20 (\$ per ET)	Weighted component of developer charge 2019/20 (\$)	Weighted average developer charge 2019/20 (\$ per ET)	Weighted average cross-subsidy to developer charge 2019/20 (\$ per ET)
<b>Option 1:</b> No cross-subsidy	Sewerage DSP Area 1	Braidwood	120	23,030	1,554	10,940	Nil
	Sewerage DSP Area 2	Bungendore	242	10,066	9,387		
		Bungendore-Greenfield Developments	1,419				
<b>Option 2:</b> Adopted cross-subsidy (4.8% reduction)	Sewerage DSP Area	Bungendore	242	10,441	10,441	10,441	529
		Bungendore-Greenfield Developments	1,419				
		Braidwood	120				

Option 2 involves an average cross-subsidy of \$529/ET on calculated maximum developer charges. The impact of the cross-subsidy on the typical annual residential sewerage bill is estimated to be an increase of \$18. The impact of cross-subsidies on the annual sewerage bill for each option is shown in Table 8-7 and Figure 8-1 below.

**Table 8-7: Impact of cross-subsidy on annual sewerage bill**

Option	Required annual sewerage bill 2019/20 (\$/ET)	Resulting increase in annual sewerage bill (%)
<b>Option 1:</b> No cross-subsidy	1,074	Nil
<b>Option 2:</b> Adopted cross-subsidy	1,092	1.67%

Palerang Community DSP for Sewerage

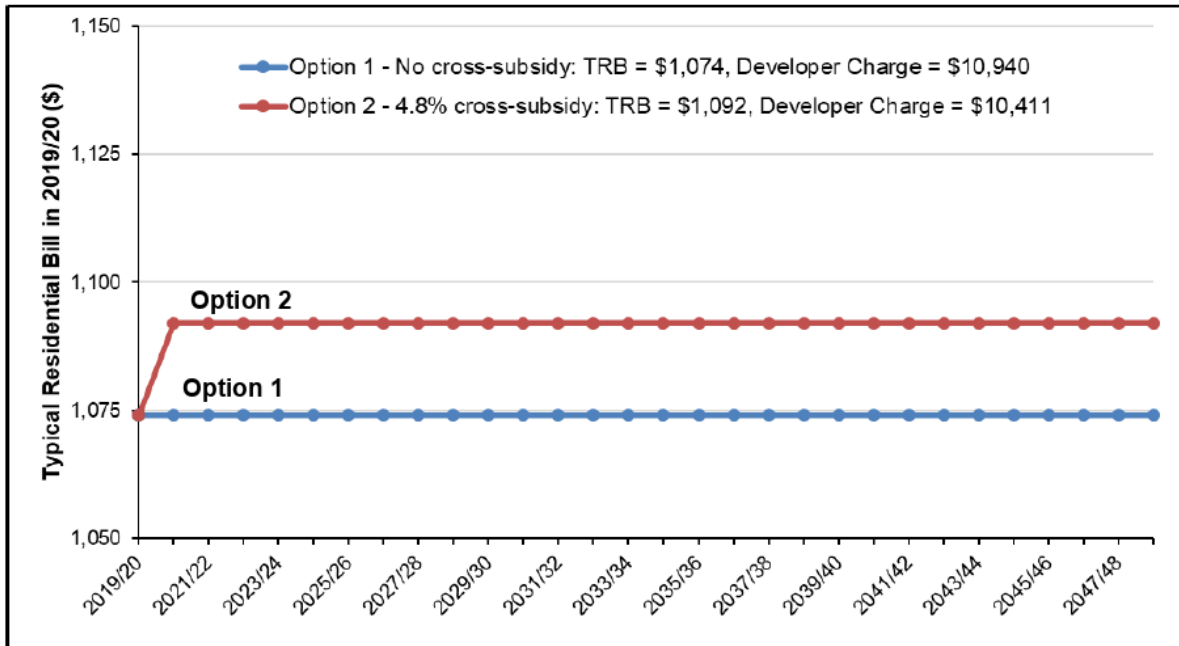


Figure 8-1: Impact of developer charges options on the typical residential bill

Palerang Community DSP for Sewerage

## 9 Reviewing / updating of calculated developer charges

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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.

Palerang Community DSP for Sewerage

## 10 Background documents

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

- Developer Charges Guidelines for Water Supply, Sewerage and Stormwater 2002, DPIE Water
- NSW Water and Sewerage Strategic Business Planning Guidelines, DPIE Water, July 2011
- Palerang Community IWCM Strategy, 2019

The background information of the sewerage developer charges calculations is included in Appendix B. The background information contains details on commission dates, size, capacity and MEERA valuation of existing sewer assets. They also include the details of calculations of the capital charges, reduction amount and developer charges.

Palerang Community DSP for Sewerage

## 11 Other DSPs and related contribution plans

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Council's other related contribution plans include:

- Palerang Community Development Control Plan
- Palerang Community Section 94B Contributions Plans

Palerang Community DSP for Sewerage

## Glossary

Glossary of Terms	
<b>Annual bill</b>	Local Water Utility's annual sewerage bill for an annual demand of 1 ET
<b>Asset</b>	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
<b>ADWF</b>	Average dry weather flow. One of the design parameters for flow in sewers
<b>Capital cost</b>	The Present Value (MEERA basis) of all expenditure on assets used to service the development
<b>Capital charge</b>	Capital cost of assets per ET adjusted for commercial return on investment (ROI)
<b>CPI</b>	Consumer price index (All Groups)
<b>CRC</b>	Current replacement cost
<b>Developer charge</b>	Charge levied on developers to recover part of the capital cost incurred in providing infrastructure to new development
<b>Development area</b>	See DSP area
<b>Discount rate</b>	The rate used to calculate the present value of money arising in the future
<b>DPIE Water</b>	Department of Planning, Industry and Environment - Water
<b>DSP</b>	Development Servicing Plan
<b>DSP area</b>	That is part of a sewerage scheme area covered by a particular Development Servicing Plan. Also referred to as Development Area
<b>EP</b>	Equivalent Persons (or equivalent population). Used as a design parameter for loadings of sewage treatment works
<b>ET</b>	Equivalent tenement. The annual demand a detached residential dwelling will place on the infrastructure in terms of the sewage discharge
<b>LWU</b>	Local water utility (NSW). Excludes Sydney Water Corporation, Hunter Water Corporation, Gosford Council, Wyong Council, Essential Water and Fish River Water Supply
<b>MEERA</b>	Modern Equivalent Engineering Replacement Asset
<b>Net income</b>	Annual bill minus OMA cost per ET
<b>NPV</b>	Net present value means the difference between the Present Value of a revenue stream and the Present Value of a cost stream
<b>OMA</b>	Operation, maintenance and administration (cost)

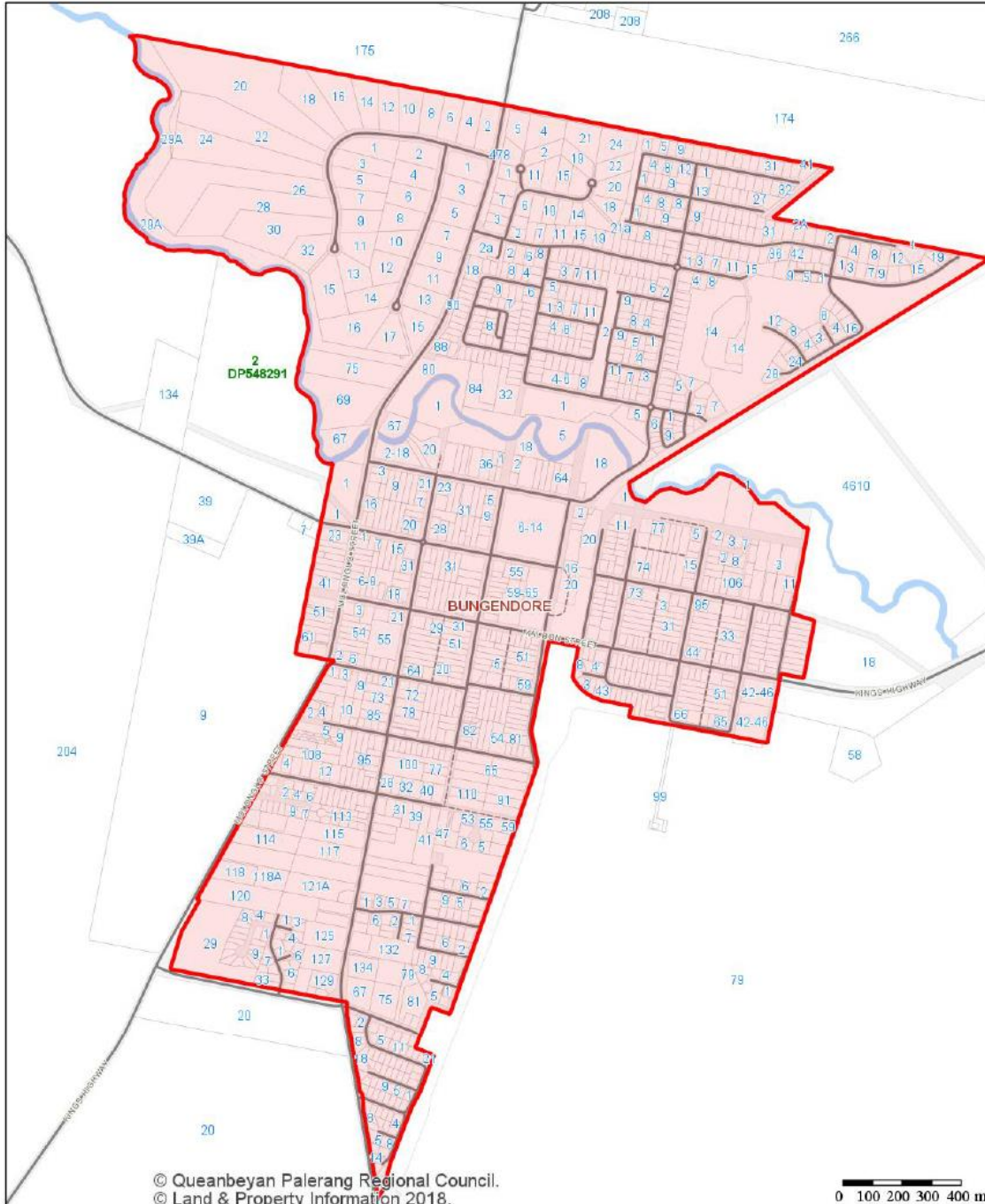


Palerang Community DSP for Sewerage

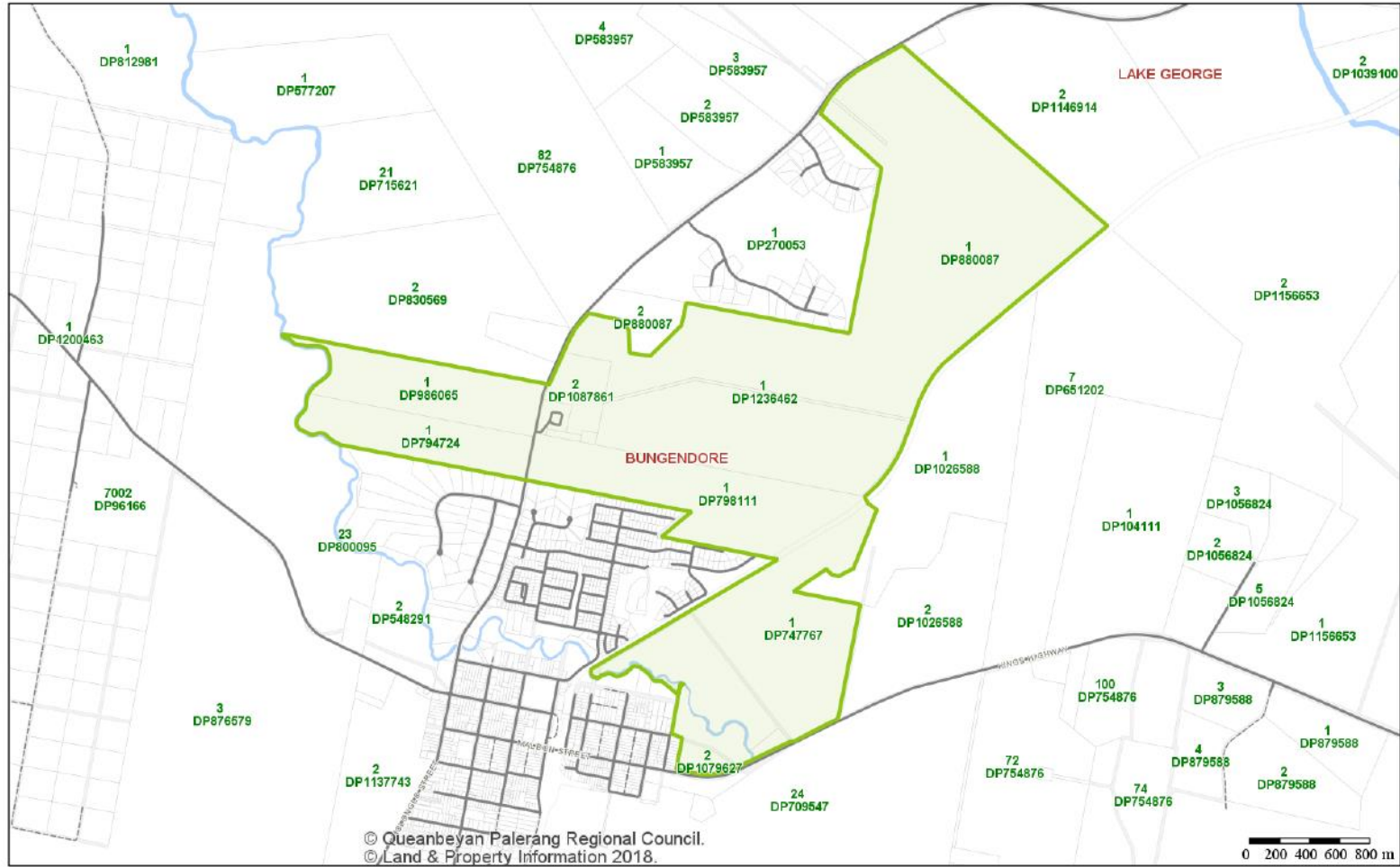
<b>Glossary of Terms</b>	
<b>Operating cost</b>	In relation to a DSP is the operation, maintenance and administration cost (excluding depreciation and interest) of a LWU in providing Customer services to a DSP area
<b>Palerang Communities</b>	Those sewerage serviced areas associated with the former Palerang LGA.
<b>Post-1996 asset</b>	An asset that was commissioned by a LWU on or after 1 January 1996 or that is yet to be commissioned
<b>Pre-1996 asset</b>	An asset that was commissioned by a LWU before 1 January 1996
<b>PV</b>	Present value. The current value of future money or ETs
<b>QPRC</b>	Queanbeyan-Palerang Regional Council
<b>Reduction amount</b>	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
<b>Reticulation assets</b>	Reticulation is defined as the local pipes connecting water supply and sewerage 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 sewerage reticulation works within subdivisions
<b>ROI</b>	Return on investment. Represents the income that is, or could be, generated by investing money
<b>Service area</b>	An area serviced by a separate sewage treatment works, a separate small town or village, or a new development of over 500 ETs
<b>STP</b>	Sewage treatment plant
<b>TRB</b>	Typical residential bill, which is the principal indicator of the overall cost of a sewerage system and is the annual sewerage charge paid by a residential customer.

## Appendix A DSP service areas

### A.1 Bungendore sewerage scheme service area

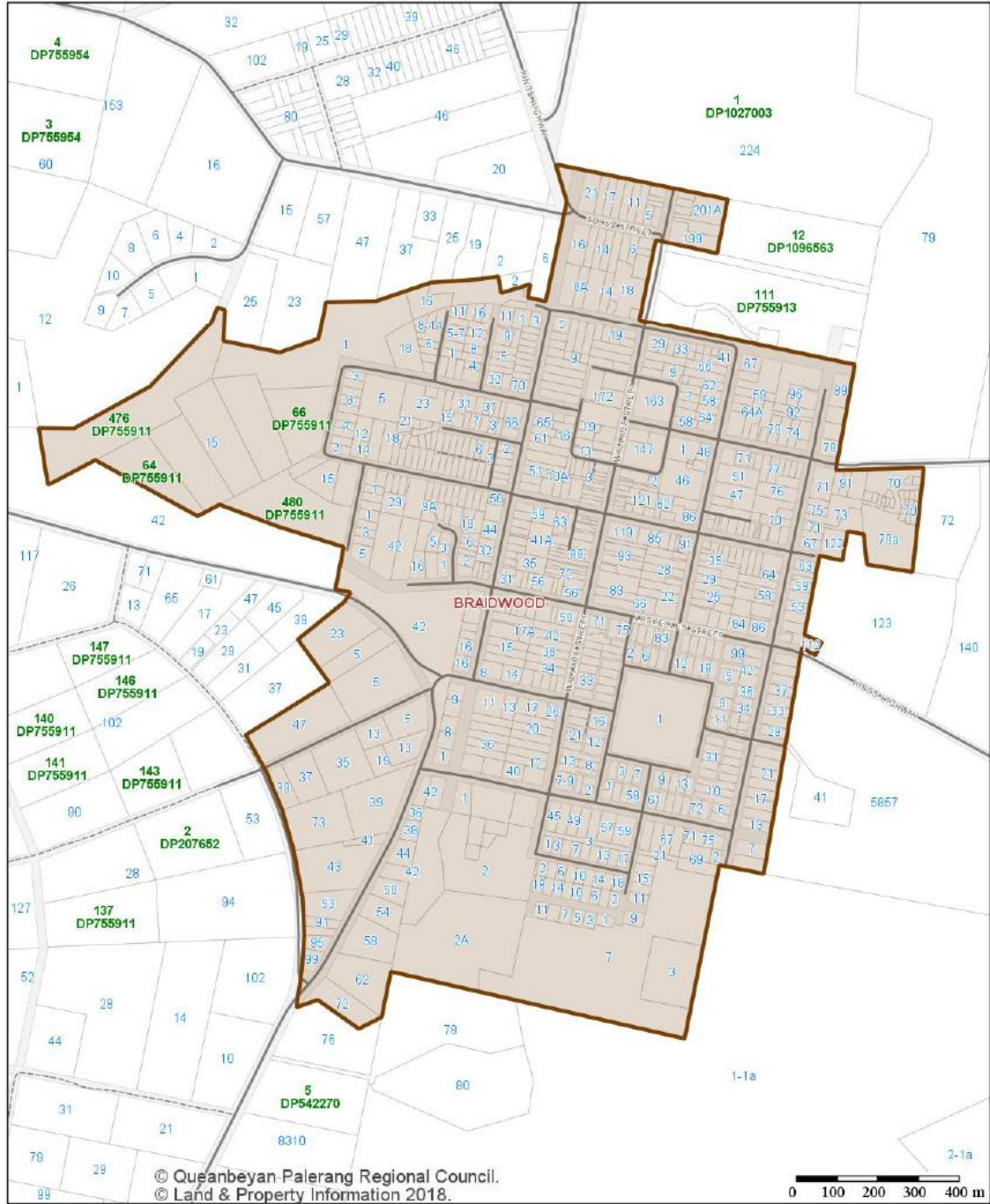


## A.2 Bungendore - Greenfield developments service area



A-1

### A.3 Braidwood sewerage scheme service area



## Appendix B Sewerage DSP background document

## Appendix C Outline of Legislation

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### 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.



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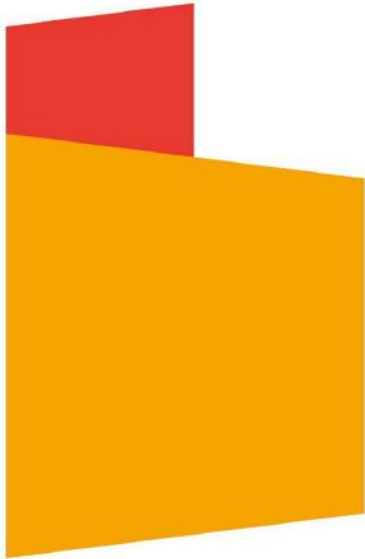
# QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

24 JUNE 2020

ITEM 9.8 REVIEW OF THE WATERWISE INITIATIVE

ATTACHMENT 1 DRAFT WATER WISE POLICY



# Water Wise

<b>Date policy was adopted:</b>		<b>CEO Signature and date</b>
<b>Resolution number:</b>		
<b>Next Policy review date:</b>		
<b>Reference number:</b>		
<b>Strategic Pillar</b>		
<b>Responsible Branch</b>		DD/MM/YYYY

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## Water Wise

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### 1. OUTCOMES:

To establish Council's commitment to its Water Wise initiative and to outline the various programs and incentives that support its goal for improved water efficiency.

### 2. POLICY:

The Water Wise program is designed to increase public awareness about water conservation and to encourage, through various incentives, the more efficient use of water. The aim of the program is to assist in the reduction in use of a scarce resource as well as expenditure in terms of pumping and treatment costs.

### 3. SCOPE OF THE POLICY:

The Water Wise program will offer the incentives outlined in this policy to eligible owner/occupier home owners in Queanbeyan, Bungendore, Braidwood and Captains Flat who are connected to Council's Water Supply. The policy is not available to commercial properties or other non-residential properties.

The Googong Township has been excluded from the provisions of this policy by virtue of its special status as a 5 star Green Star Community rating whereby its IWCM plan already targets a 60% reduction on potable water usage.

### 4. DEFINITIONS:

**BASIX** – Building Sustainability Index

### 5. LEGISLATIVE OBLIGATIONS AND/OR RELEVANT STANDARDS:

Plumbing fixtures to be according to AS3500.1 and AS3500.2

### 6. CONTENT:

#### 6.1 Free Home Tune Up

Home owners may make application for a free Home Tune Up to be carried out by a trained licensed plumber through the Master Plumbers Association. The process includes the following:

- FREE water audit of the home (inside and out) which identifies water use and savings that could be made. A report to be provided to the home owner with copy to Council.
- Installation of a FREE water efficient shower rose (rated WELS 3 or higher).
- Free replacement of up to two (2) leaking tap washers.
- Installation of up to two (2) FREE regulators in basin or kitchen taps.

The cost to Council for this service will be as agreed between Council and its service provider and will be adjusted annually in line with CPI movements (Sydney – All Groups).

The completion of a Home Tune Up is a prerequisite for the toilet suite replacement initiative and each property shall only be eligible for a tune up once in any five year period.



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## Water Wise

### 6.2 Retrofit Toilet Subsidy

Owners who have the Home Tune Up carried out are entitled to have their single flush toilet replaced with a 4.5 litre suite. A similar arrangement is available for homes that have an existing dual flush toilet greater than 6 litres in capacity. This will be subsidised at a maximum of \$275 (\$2019/2020) per toilet (or 50% of the cost for supply and installation – whichever is lower) with a maximum of 2 per household. The subsidy shall be adjusted annually in consideration of both actual historical installation costs for the previous financial year and CPI movements (Sydney – All Groups), whichever is the lesser.

It is expected that eligibility would be determined at the time of the Free Home Tune Up at which time the owner would apply through Council's agent, the Master Plumbers Association.

The works to be undertaken would require approval by Council with arrangements for the works on site to be undertaken by the Master Plumbers Association using a standard suite as agreed by Council. No other alternative suites are available for use under this scheme and no subsidy is available for customer provided suites. The gap between Council's subsidy and the service fee charged by the Master Plumbers Association shall be met by the applicant. The Master Plumbers Association shall invoice the applicant directly for the gap.

The subsidy is available only once per property during the duration of this program.

### 6.3 Rainwater Tank Subsidy

This initiative of the policy has 2 main objectives:

1. To encourage a greater level of community participation in retro-fitting rainwater tanks by having less onerous requirements on tank sizes to be installed
2. To provide necessary incentive to new home-builders to install larger than the minimum size tanks required to satisfy BASIX.

In keeping with these objectives two Categories of rebates are offered:

- **Category 1 Rebates - for retro-fitting rainwater tanks to existing homes**
- **Category 2 Rebates - for rainwater tank installations that exceed the requirements of BASIX for new homes**

The level of rebate is set as detailed in the following tables.

#### **REBATES AVAILABLE FOR RAINWATER TANK(S) RETRO-FITTED TO EXISTING HOMES (Category 1 Rebates)**

<b>Tank Size</b>	<b>Connection to Outside Watering</b>	<b>Connection to Toilet(s)</b>	<b>Connection to Laundry/Washing Machine</b>	<b>Maximum Total Rebate</b>
4,000 – 9,999L	\$128	\$192	\$192	\$512
10,000 – 19,999L	\$192	\$256	\$256	\$704
20,000L	\$256	\$384	\$384	\$1,024



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## Water Wise

<i>Or greater</i>			
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- Notes**
1. Tanks of 10,000 litres and greater size need formal development approval however Council will not charge any development application fees for these applications.
  2. Connection arrangements shall be in accordance with AS.3500.1 and 2 (2018)
  3. The above amounts apply in 2019/2020 and will be adjusted for CPI (Sydney) in subsequent years.

In addition to rebates for retrofitting of rainwater tanks to existing homes the policy also provides rebates to new home-builders who install rainwater tanks that are larger than those required by BASIX (40% savings); in accordance with the following scale.

**REBATES AVAILABLE FOR RAINWATER TANKS THAT EXCEED BASIX REQUIREMENTS FOR NEW HOMES (Category 2 Rebates)**

<b>Water Saving According to BASIX</b>	<b>Provided Water Tank Size <math>\geq</math>10,000L and tank is connected for Toilet Flushing (<math>\geq</math> 3 star), Laundry Use and calculations include <math>&gt;</math>150 sq metres of Outside Watering from the tank</b>
45-50% saving <sup>1</sup>	\$320
$>$ 50% saving <sup>1</sup>	\$640

- Notes:**
1. To demonstrate this level of water saving will require the submission of a BASIX certificate with the application for rainwater tank rebate.
  2. The above amounts apply in 2019/2020 and will be adjusted for CPI (Sydney) in subsequent years.
  3. The rebates do not apply to rainwater tanks that are required as a condition of a subdivision approval..
  4. To be eligible under the category the rainwater tank rebate application needs to be approved by Council before installation.

### 7. REVIEW

This policy will be reviewed every four years or earlier as necessary if:

- a) legislation requires it, or
- b) Council's functions, structure or activities change.



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## Water Wise

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DRAFT



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