

Aerotropolis Integrated Stormwater

**Draft Development Servicing Plan
Information session 13 May 2026**



Acknowledgement of Country

We respectfully acknowledge
the Traditional Custodians of
the land and waters on which
we work, live and learn.

We pay respect to Elders past
and present.



Wianamatta - South Creek

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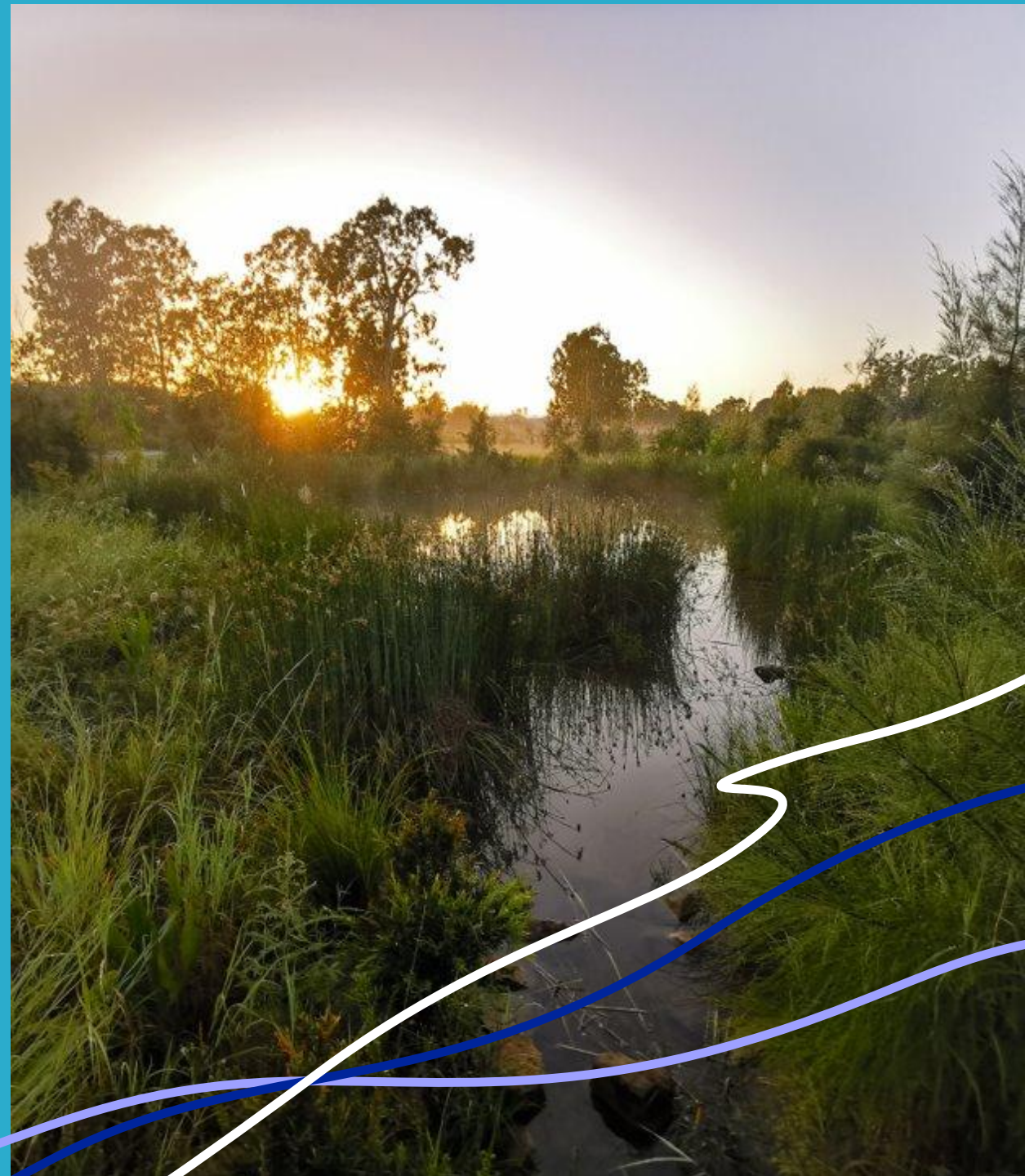
Q&A with panel

06

Close

Meet our panel

- **Paul Higham** – Head of Business Development
- **Daniel Cunningham** – Wianamatta Program Lead
- **Kate Beatty** – Senior Regulatory Advisor
- **Madeline Rincheval** – Commercial Projects Manager



Purpose of this session

- Understand the DSP and the public exhibition process
- Understand the DSP methodology
- Modelling assumptions





**This exhibition is an
opportunity to comment
on how we've applied the
2018 Determination
pricing method as part of
the draft Development
Servicing Plan**

Draft Infrastructure Contribution Rates for 2026–27

Indicative contribution rates

The draft rate for the Aerotropolis integrated stormwater service is

\$124,748.88 per Equivalent Tenement

to be charged as

\$1,188,548.15 per net developable hectare.

(These values assume 2.6% cost escalation rate and
may be updated before registration)

Basis of rate calculation

Rates reflect the efficient cost of delivering stormwater and recycled water infrastructure minus forecast revenue from new connections.

Draft status and updates

Rates are draft. Submissions will be considered and costs will be updated with the latest cost escalation prior to submission to IPART.



Public exhibition period

The Draft DSP is open for public submissions from 28 April to 9 June 2026 via website or email.

Stakeholder feedback review

Sydney Water reviews submissions and shows IPART how every submission has been considered.

IPART assessment and registration

IPART assesses DSP compliance and contribution rates before registering the plan and the charges apply from Q4 2026

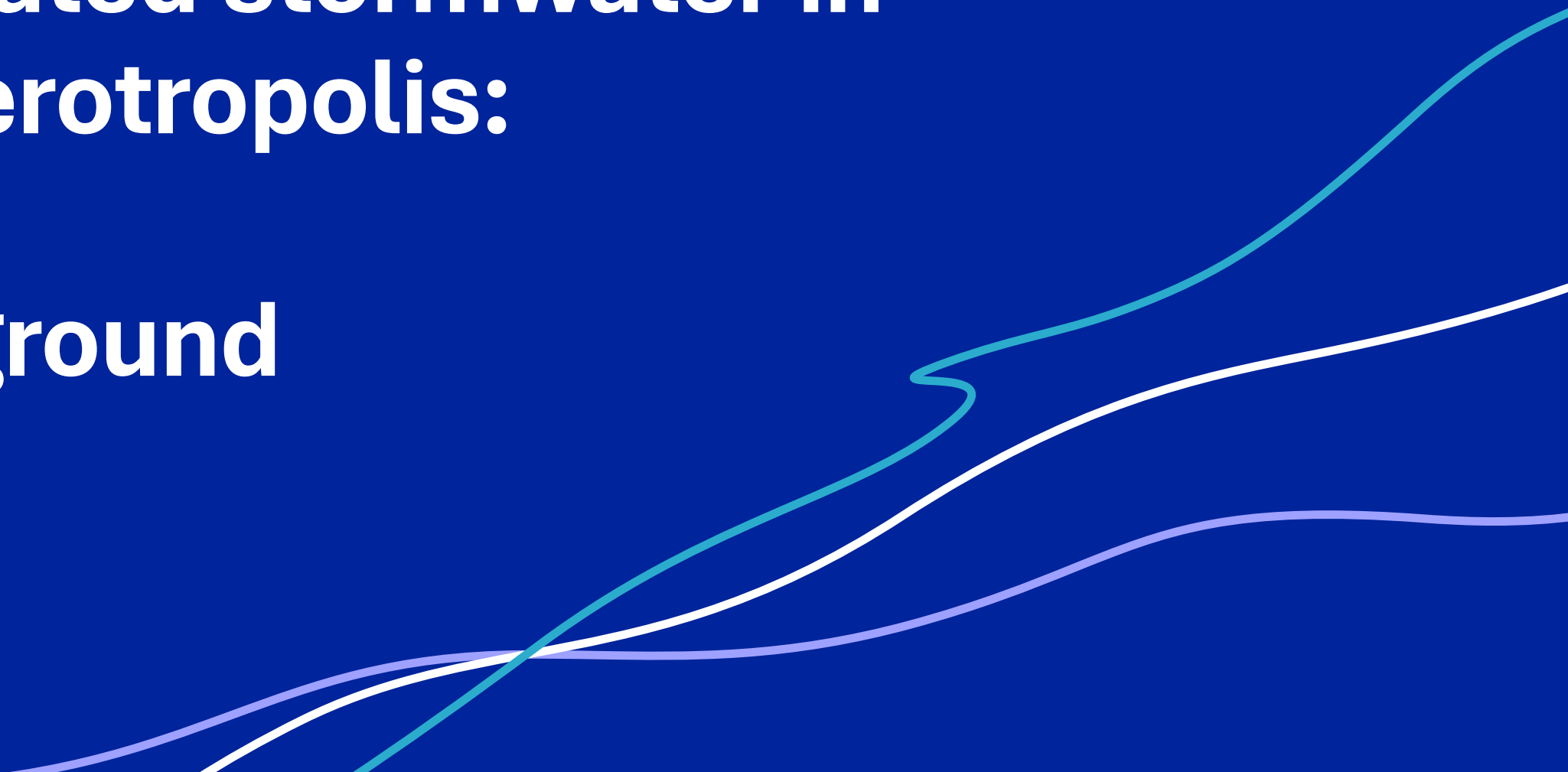
Implementation and review cycle

Once registered in late 2026, the DSP is enforced with contributions payable and reviewed at intervals up to five years.



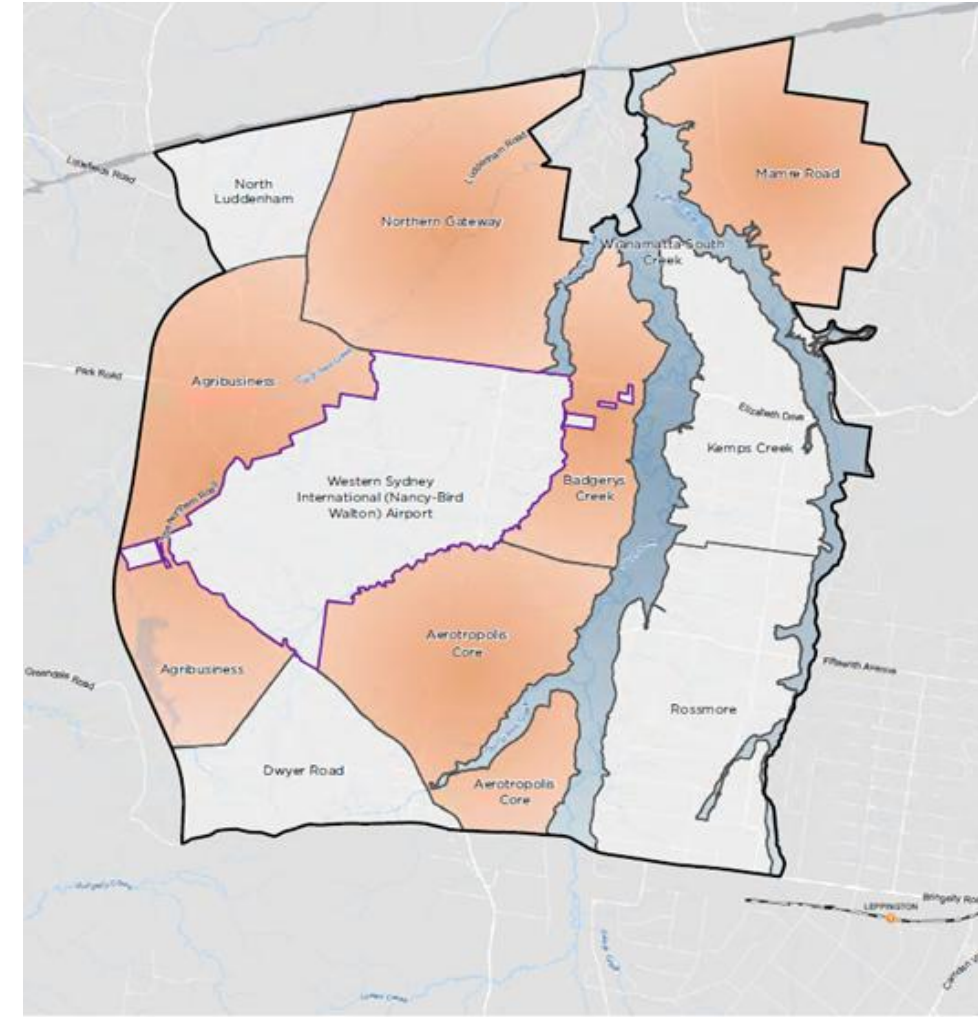
Integrated stormwater in the Aerotropolis:

Background



Sydney Water as the Regional Stormwater Authority

- NSW Government has set the Waterway Health Objectives for the Wianamatta South Creek.
- Sydney Water was appointed by the NSW Government as the Regional Stormwater Authority for the Aerotropolis Initial Precincts, including the Mamre Road Precinct in March 2022
- As the authority we are required to:
 - Plan, construct and deliver regional stormwater solutions, including wetlands, in land areas greater than 15 hectares. Council will continue to manage localized stormwater.
 - Develop scheme plans to outline how Sydney Water expects to fulfil its role.
 - Deliver a reticulation pipe ('purple pipe') to customers for non-potable uses that connects to a recycled water reservoirs (includes water harvested from stormwater ponds).
 - Levy Infrastructure Contributions from developers for stormwater servicing



Initial Precincts
Western Sydney Aerotropolis

- Western Sydney Aerotropolis
- Western Sydney International (Nancy-Bird Walton) Airport
- Initial Precincts
- Wianamatta-South Creek

Achieving the Waterway Health Objectives

NSW Government targets are based on local data to protect the waterways and have been incorporated into planning documents

Sensitive waterway protection results in:



habitat protection for native fish, platypus and endangered ecological communities.



managing stormwater to prevent erosion of creeks and discharge of vast amounts of sediment.



protecting downstream Hawkesbury River as a valuable fishery and recreation area.



preserving waterways as the main landscape feature for recognising Country.

Integrated Stormwater and Recycled Water Benefits



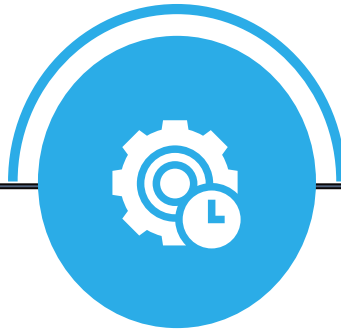
Environmental benefits

- Protecting existing endangered ecological communities
- Surplus run-off reduced by 75%
- 3x more canopy cover



Minimum land used

- Additional land available for development
- Open space increase by 8-10%



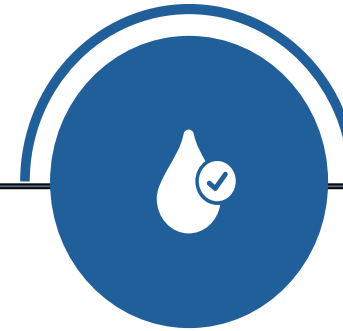
Infrastructure cost

- Regional servicing creates saving on stormwater capex & Opex as well as upstream bulk water cost



Waterway health

- Cooler, greener Western Parkland City with healthy waterways



Recycled Water

- A sustainable water supply independent of climate or rainfall without using water from Warrangamba Dam



Temperature

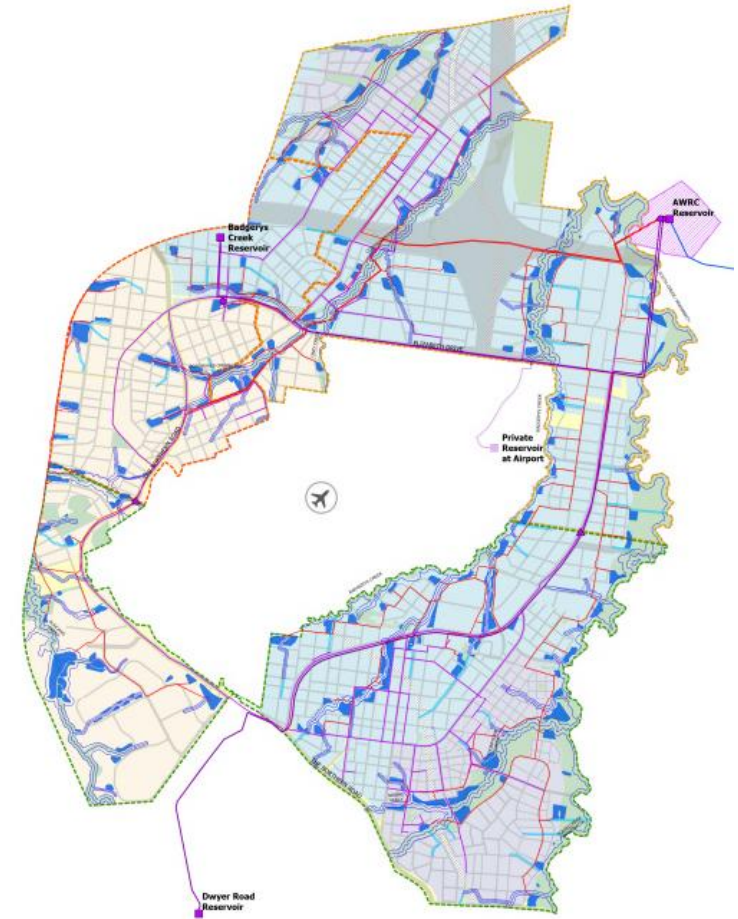
- Doubling of days with no thermal heat stress
- Reduction of 4-5 degrees in maximum temperature on an extreme heat day

What land is included in the DSP

The **DSP** applies to **5650 hectares** across the initial Aerotropolis precincts including:

- Aerotropolis Core
- Badgerys Creek
- Agribusiness and
- Northern Gateway

Approximately **2945 hectares** are developable, excluding infrastructure corridors and protected zones

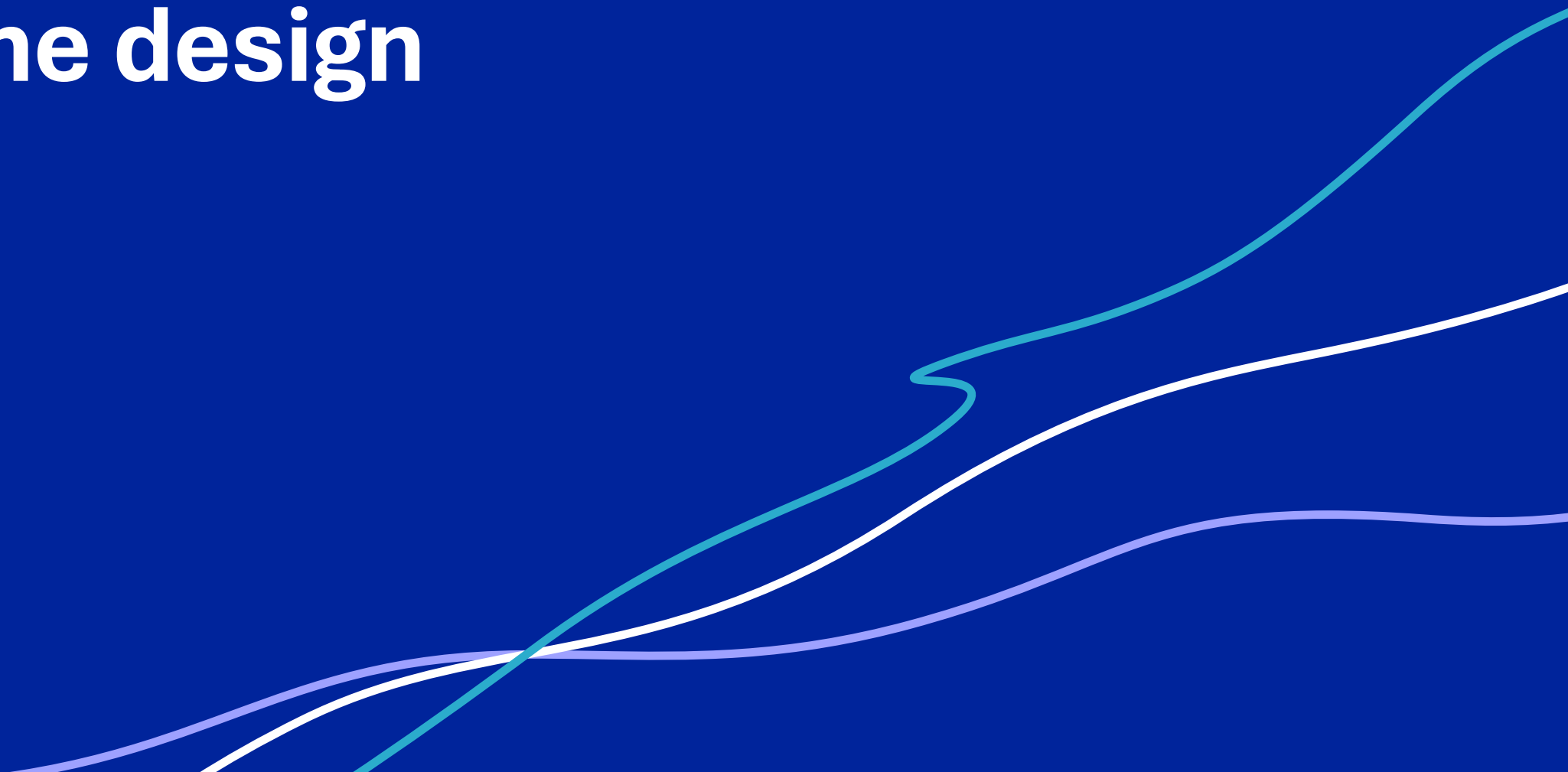


Stormwater developer works policy

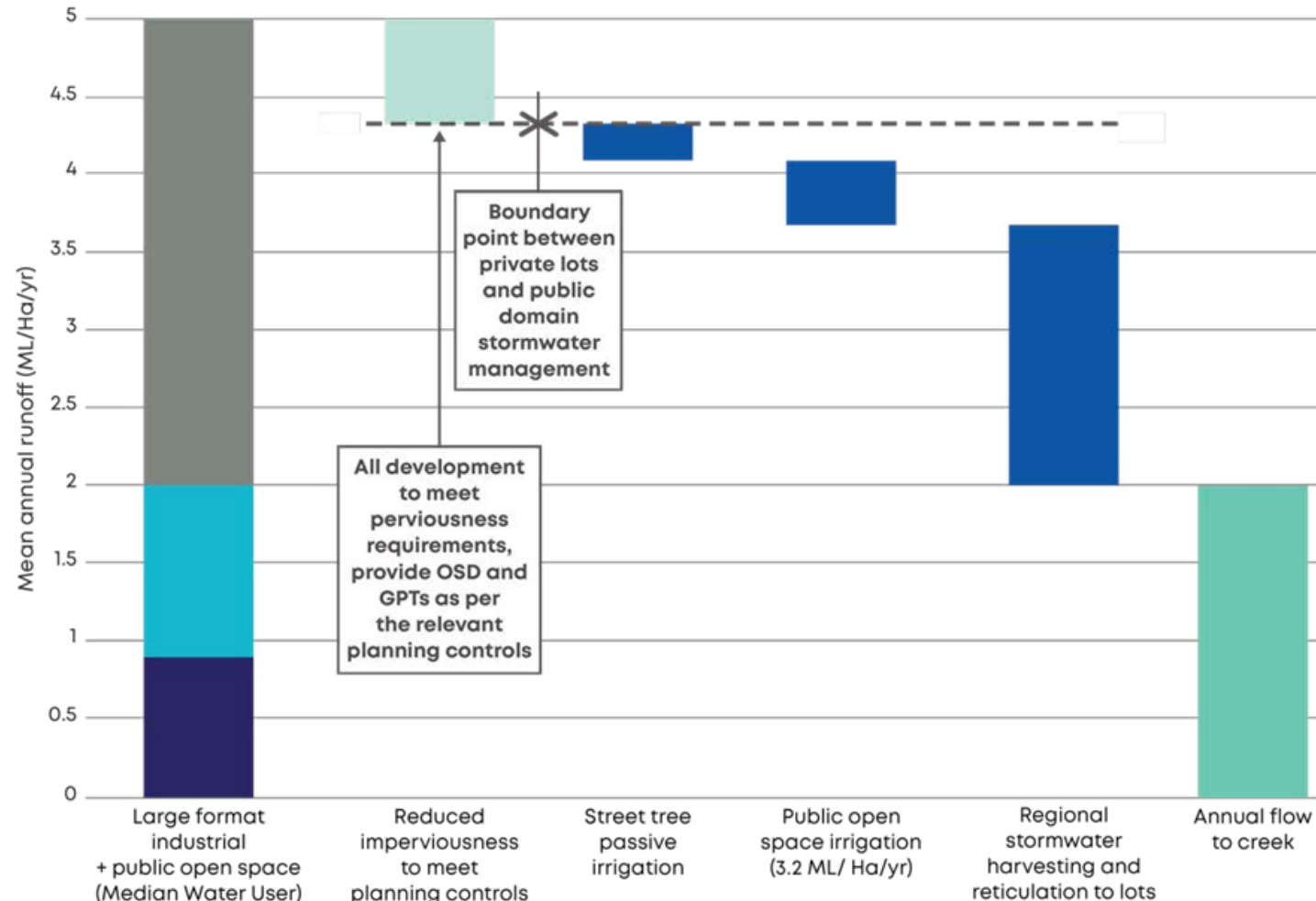
Stormwater developer works are reimbursable

- We do not have a “Works in kind” policy, we are developing a framework for Infrastructure Contributions offset
- We do have a policy to reimburse at 100% Share of Works rates for eligible infrastructure
- Please refer to Sydney Water’s Stormwater Developer Works Policy for more detail

Scheme design

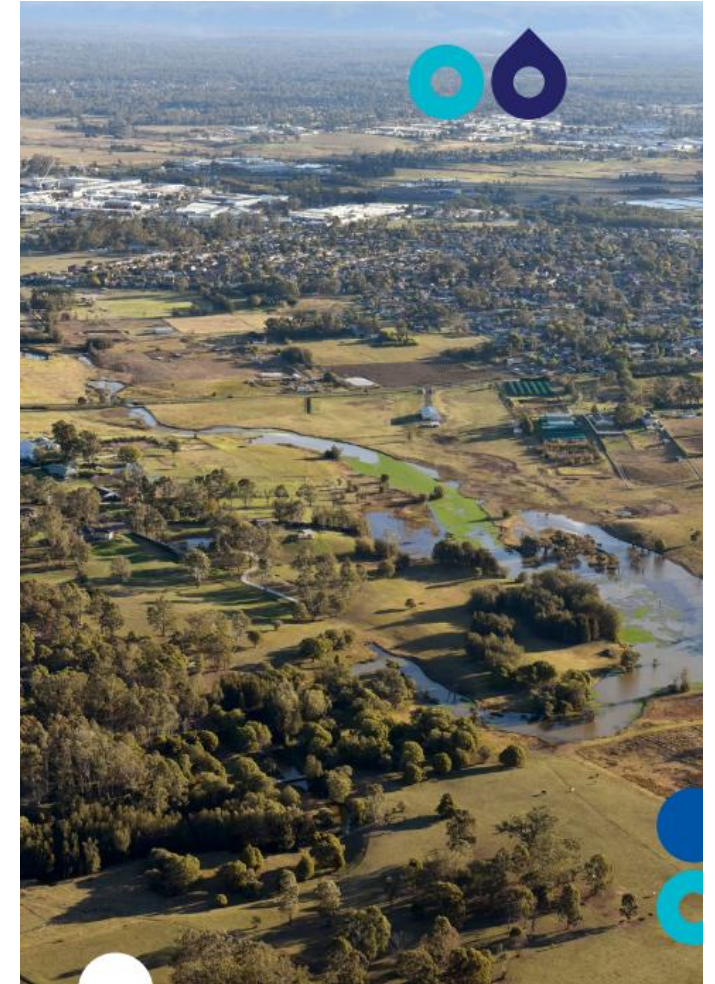


Meeting the targets

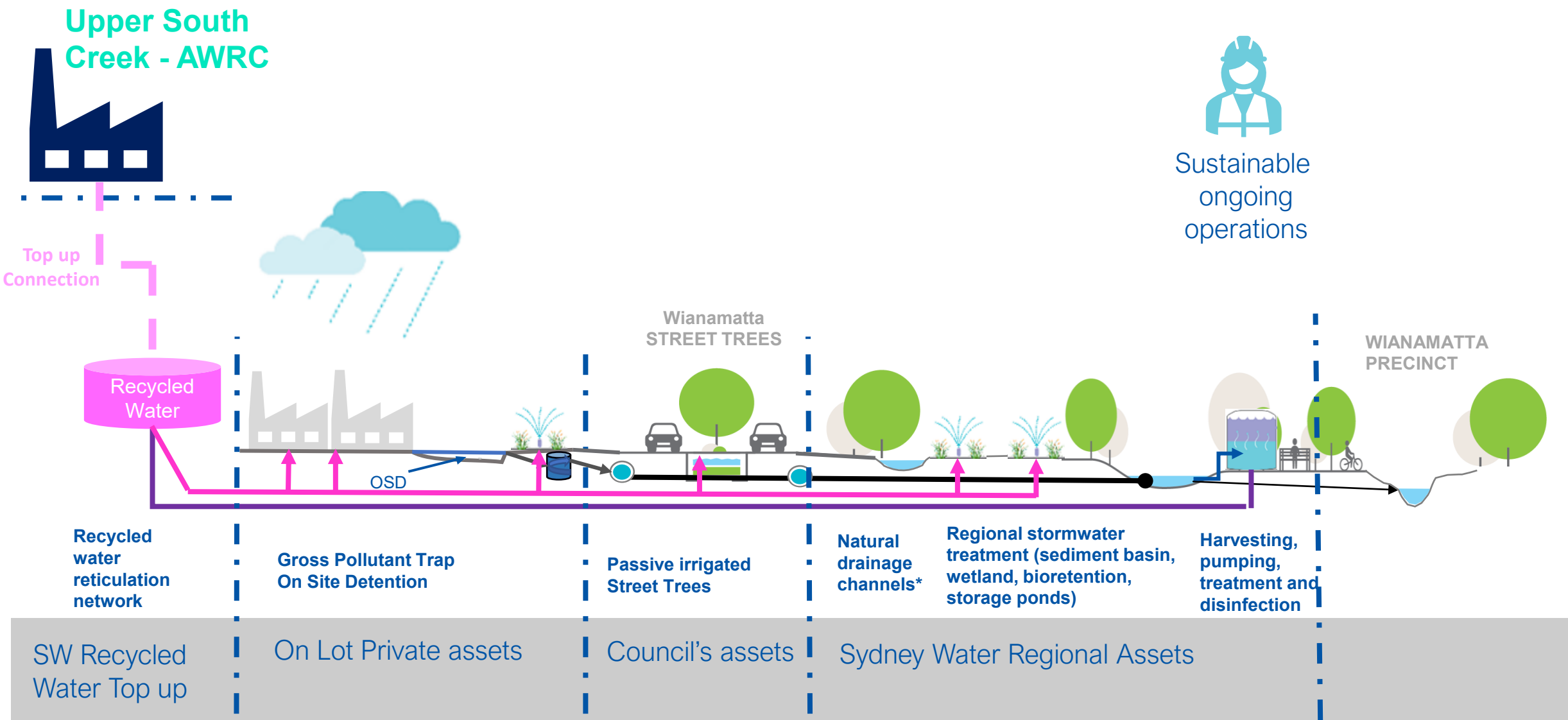


Key

- Runoff – existing conditions (undeveloped)
- Runoff – maximum based on waterway health objectives
- Runoff – typical for urbanised area
- Stormwater management measures – public
- Stormwater management measures – private
- Runoff – compliance with waterway health objectives



Integrating stormwater and recycled water



Scheme design

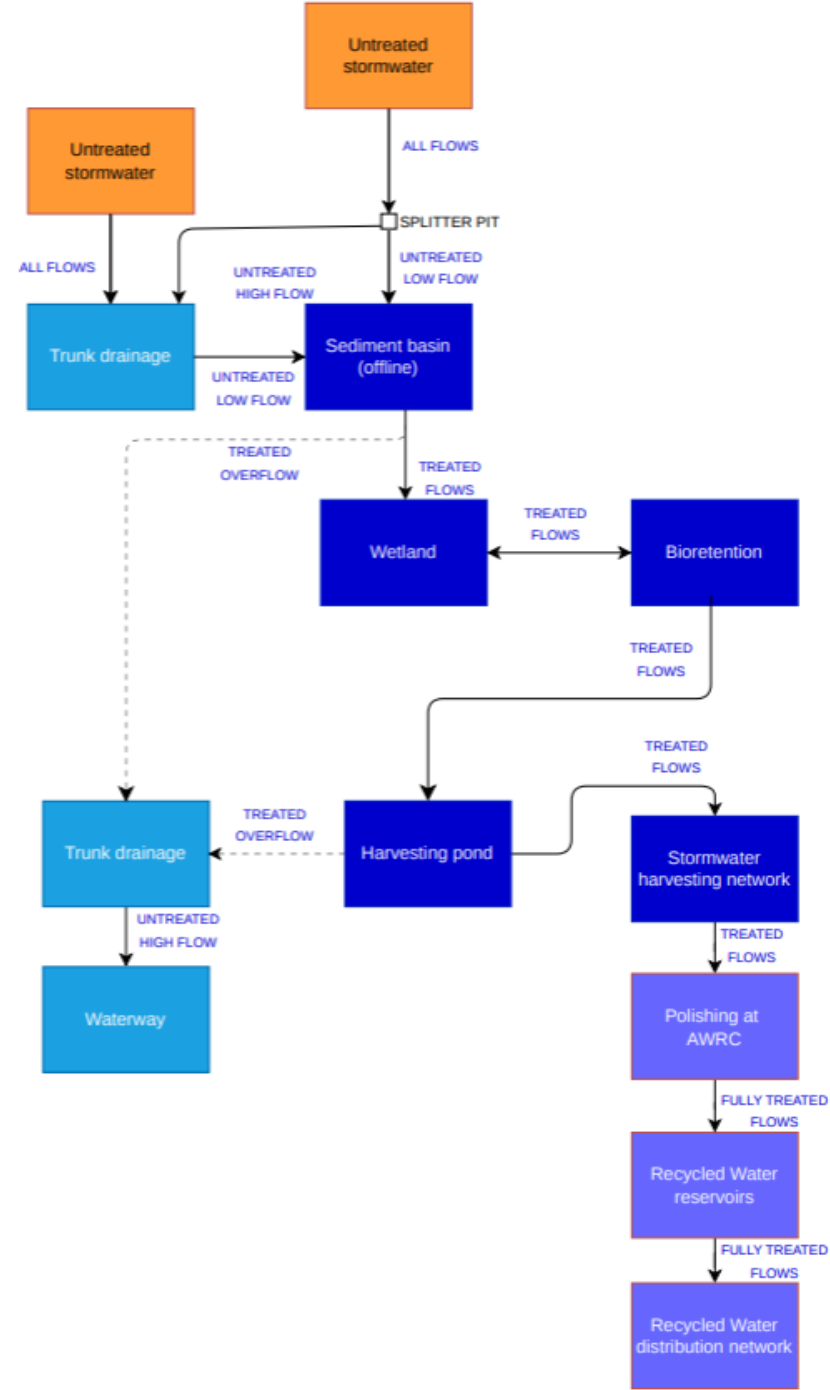


Stormwater basin

Natural waterways

Harvesting pipeline

Natural trunk drainage channel



Aerotropolis Integrated Stormwater Scheme

Aerotropolis Integrated Stormwater Schemes

The Aerotropolis is a once-in-a-generation opportunity to create a thriving, sustainable city. As the Regional Stormwater Authority, we're committed to supporting the delivery of regional stormwater infrastructure to service the Aerotropolis.

Final Scheme Plan now available

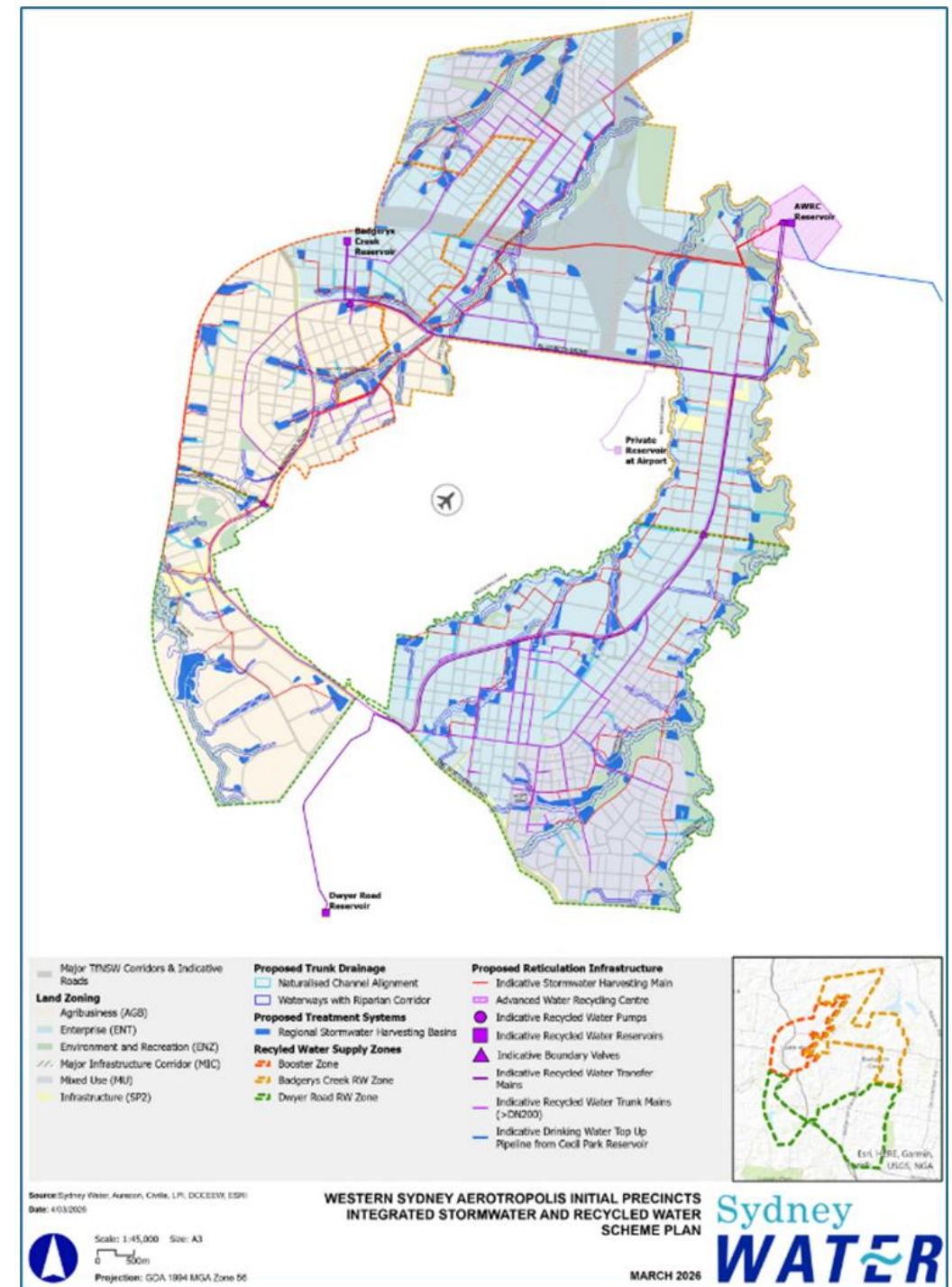
We're pleased to announce the Aerotropolis Integrated Stormwater Scheme for Wianamatta Badgerys, Cosgroves and Duncans Mulgoa catchments are now finalised.

You can view the final stormwater scheme on our [interactive map](#).

Listening to your feedback

In 2025, we released the draft Integrated Stormwater Scheme plans for Wianamatta Badgerys, Cosgroves and Duncans Mulgoa catchments. Thank you to everyone who shared feedback on the draft Integrated Stormwater Scheme Plans. We received more than 100 submissions from private landowners, developers and other stakeholder groups.

Your feedback has helped shape the Final Integrated Stormwater Scheme Plan, refine infrastructure sizing and locations and ensure all technical, environmental and regulatory requirements are met.



DSP process and price methodology



Infrastructure Contributions

Sydney Water's approach to the Productivity Commission's Five Principles



Certain

We want developers to have a reasonable idea about how much their contribution will be, as early as possible



Simple

We know the 70+ regions implemented prior to 2008 was too complicated. We want to make things as simple as possible



Transparent

We want to provide assurance to the development industry that the contributions are being calculated fairly



Consistent

We want the contributions to be applied consistently and equitably across our area of operations



Efficient

We aim for the contributions to be cost reflective, based on efficient costs of delivering infrastructure

The 2018 Determination price setting method



The NSW Government's independent regulator, IPART, uses two models to ensure water utilities can fund prudent and efficient water services:

- the infrastructure contribution (IC) pricing method to calculate developer contributions
- a building block model (BBM) to calculate customer charges.

The basic principle is that the price customers pay for their services should not go up or down because of development.

That is, developers shouldn't subsidise customer bills and customers shouldn't subsidise development.

The IC pricing method works out the 'correct' share to be recovered from developers.

What's ET got to do with it?



2018 Determination price setting method - ETs



The base unit for the IC price is an equivalent tenement (ET), which is the total annual demand expected from a detached, single residential dwelling.

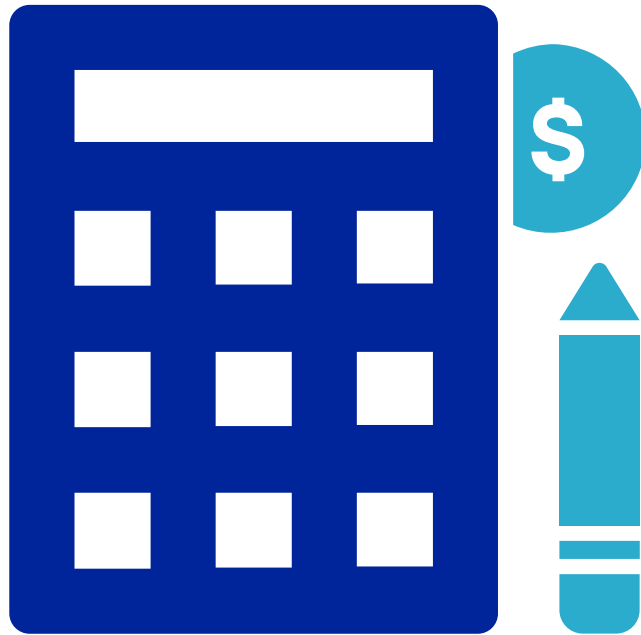
When a development requires a section 73 certificate, we assess demand and convert that to ETs.

The demand that a development places on our integrated stormwater system is directly proportional to net developable area, so we use this to estimate the number of ETs.

The contribution payable = No. of ETs x \$ per ET

All development pays the same \$ per ET or same \$ per net developable hectare.

The 2018 Determination price setting method



The IC method generates a price for all new connections to our services in a region.

The price aims to recover the following costs:

- The use of existing assets, plus
- The need for new assets, minus
- Net revenue from the new connections.

Capex and incremental O&M are both considered.

Everything is measured in present value terms. All else equal, each development pays the same price as every other development regardless of when it occurs.

The 2018 Determination price setting method



All inputs are converted to a present value, which means the revenue set by the method:

1. does not need to match the actual capex year by year (only the present value of the total)
2. includes a rate of return equal to the discount rate (the rate is set in our retail price determinations)
3. achieves full incremental cost recovery on the day the last forecast development connects.

For assets commissioned on or after 1 Jan 1996, the discount rate is equal to the WACC in the prevailing retail price determination.

Types of capital costs that can be recovered

- Must be a 'nexus' to growth
(ie, but for growth, we wouldn't need to make the investment).
- If there are multiple drivers, total cost must be allocated to exclude any non-growth component.
- We can recover the incremental change in present value if growth brings forward an investment.
- Only assets we've paid for (ie, not AFOC).
Costs must be allocated if there has been part-funding.
- Can include investments made since 1970, and **no time limit on future capex.**
- Only 'new' capacity (no double-dipping if spare capacity is created due to changes in land use or reduced demand) – not generally applicable to stormwater.

Reduction to ICs Part 1: Avoided water and wastewater costs

Avoided wastewater treatment

By using recycled wastewater to top up the recycled stormwater system, Sydney Water expects to avoid \$1.3M of wastewater treatment costs each year at the Advanced Water Recycling Centre (AWRC) (\$15.4M present value).

These avoided costs reduce the net operating result in the DSP.

Reduction to ICs Part 2:

Connected customer revenue

National Water Initiative principles for recycled water and stormwater reuse

- **Principle 2 Cost allocation:** When allocating costs, a beneficiary pays approach — typically including direct user pay contributions
 - **Principle 3 Water usage charge:** Prices to contain a water usage (i.e. volumetric) charge
 - **Principle 4 Substitutes:** Regard to the price of substitutes (potable water and raw water) may be necessary when setting the upper bound of a price band
-
- Direct users pay service and usage charges for the connected (local) services they receive
 - Substitute for recycled water is drinking water:
 - Recycled usage price forecast to be sold at 90% of drinking water prices
 - Regulated stormwater service charges:
 - Regulated stormwater service charge per hectare set in Sydney Water's current retail price determination
 - 'Postage stamp' prices reflect the policy where the same customer types pay the same charge for the same service, regardless of location.

The 2018 Determination method distributes the costs based on the net cost of providing services for new connections (new revenue compared to new costs).

Where the cost to serve is above the expected increase in revenue:

- Developers pay a contribution that covers the **gap between revenue and costs**
- This means customer bills remain stable **in the long-run** despite new development having higher servicing costs

\$1,188,549 (\$2026-2027) per hectare
is the net cost to provide the Aerotropolis Scheme services

This is made up of:

- total cost of \$1,352,793
- less \$7,589 avoided water and wastewater costs and
- less \$156,655 connected customer revenue from stormwater service and recycled water usage charges

Servicing cost per hectare



Modelling assumptions for the Aerotropolis Integrated Stormwater DSP



When do we charge?

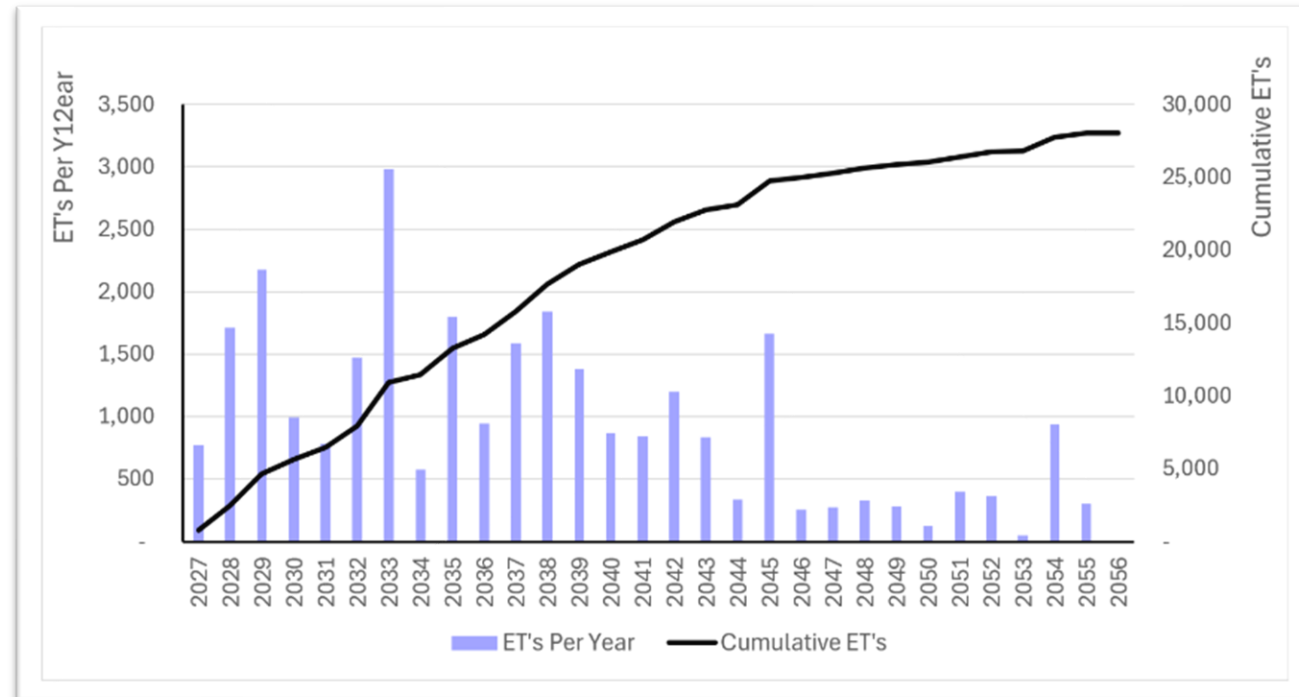
- We charge Infrastructure Contributions when a section 73 certificate is issued for a development which generates stormwater runoff
- We generally do not charge until an end use development is built
- We do not charge Infrastructure Contributions on residue lots or most subdivisions
- Whether your development will need to pay depends on the conditions of your consent

Specific assumptions for this DSP

Forecasting growth

Growth over the DSP period is based on :

- government growth data,
- Sydney Water growth intelligence data, and
- developer consultation.



Specific assumptions for this DSP

The impact of escalation rate

- The IC rate was calculated assuming a cost escalation rate of 2.6% in line with Sydney Water and NSW Treasury guidelines.
- The appropriate escalation rate may change between exhibition and registration.

	Financial year 2026-2027	Financial year 2026-2027
	<i>Used in the DSP document</i>	<i>Alternative Scenario</i>
Escalation rate for forecasting costs in financial year 2026- 2027	2.6%	3.5%
Estimated Infrastructure contribution	\$ 1,188,548	\$ 1,198,975
Current bonding rate	\$ 1,070,586	\$ 1,079,977

Specific assumptions for this DSP

Land zoning and pricing

- Acquired land cost estimate
 - Land needed for asset size and safe operation
 - Escalation above CPI
 - Severance under the Just Terms (Compensation) Act

Land values in the Development Servicing Plan or the calculation spreadsheet are not to be used to estimate land acquisition offers

Specific assumptions for this DSP

Capital infrastructure cost estimate

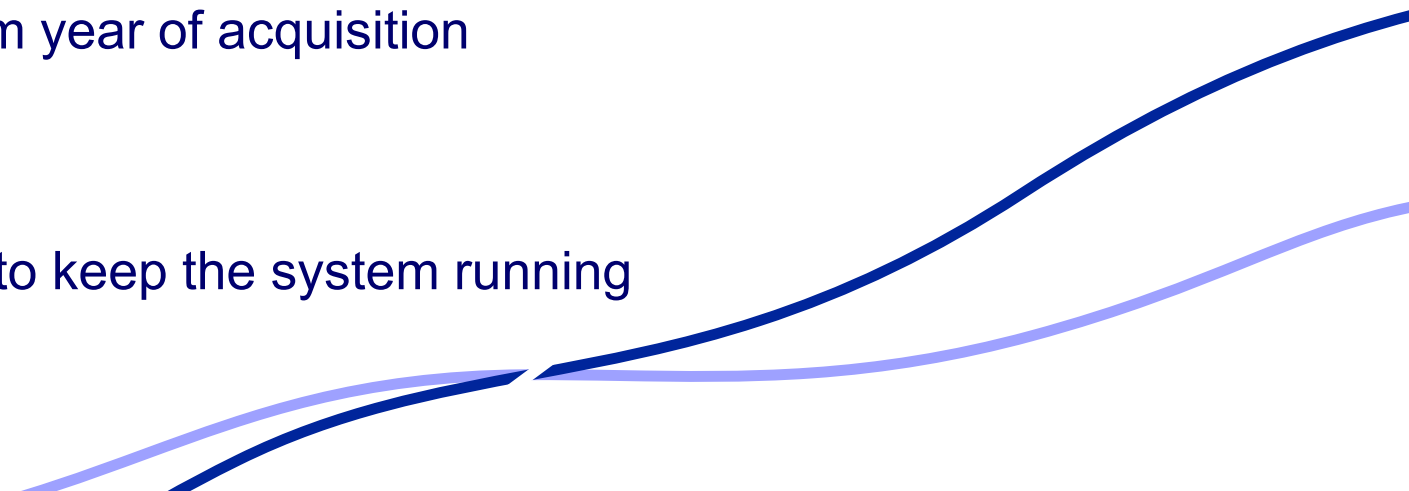
- Scheme Plan infrastructure costs for recycled water and stormwater
 - Materials and labour based independent estimate
 - Construction costs including spoil disposal (and assumed reuse) and traffic management
 - Design costs

NB. Refer to Stormwater Developer Works Policy Attachment A for details on reimbursable items.

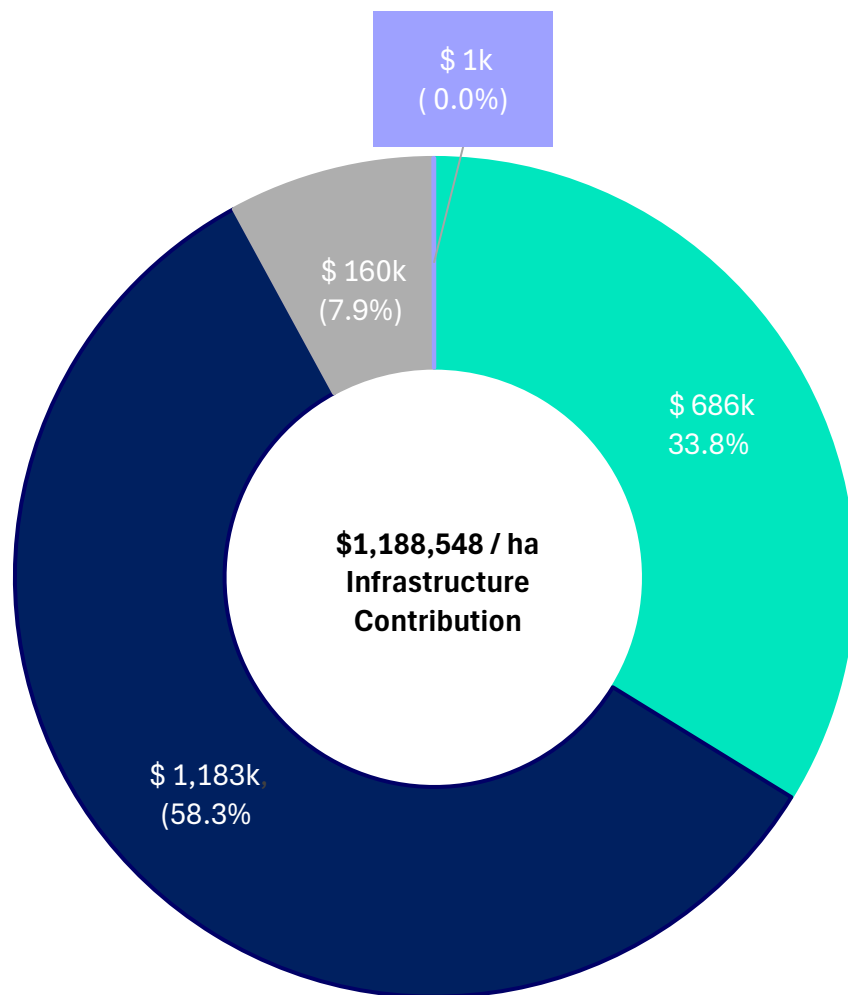


Specific assumptions for this DSP

Operation and maintenance costs – 30 year period

- Industry standard assumptions for operational activities and cost
 - Includes maintenance period costs for development delivered infrastructure
 - Different for each asset type
 - Land tax
 - To be paid on all acquired land from year of acquisition
 - Renewals
 - All renewals needed in this period to keep the system running
- 

Specific assumptions for this DSP



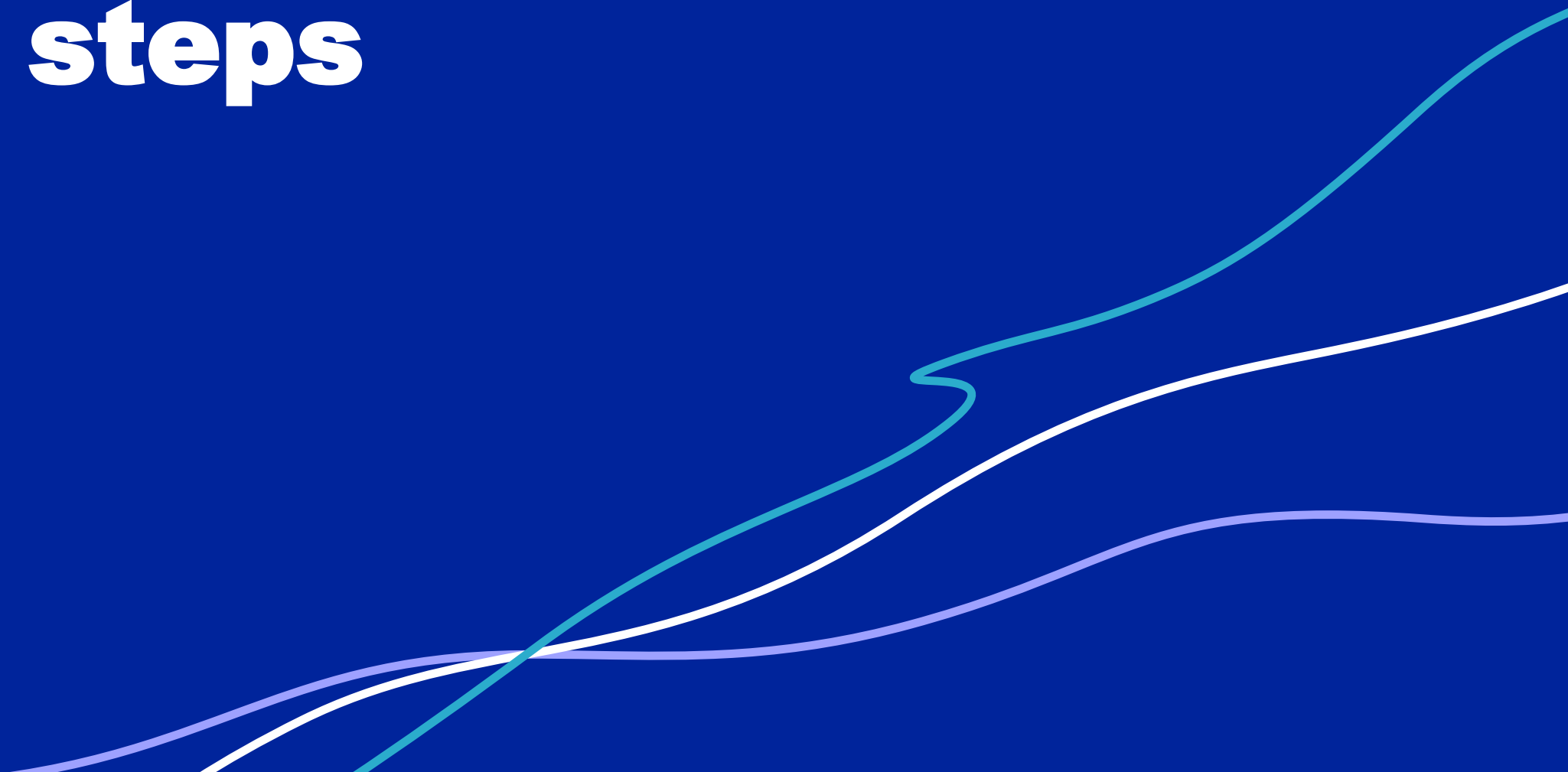
Infrastructure Contribution (\$2026-2027) Cost Breakdown

- Land Acquisition
- Stormwater Infrastructure Cost
- Net OPEX - including land tax
- Recycled Wastewater and Drinking Water 'Top Up' Infrastructure Cost

Note : Recycled Water and drinking water 'Top Up' infrastructure is included in a single integrated stormwater Infrastructure Contribution, under a least - cost acceptable risk position

1. Net OPEX = OPEX - revenue. Land Tax is included as an operational cost. There is \$267,439 of revenue included in the net OPEX calculation

Next steps



Public exhibition period

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Stakeholder feedback review

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IPART assessment and registration

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Implementation and review cycle

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Making a submission

Submission can be made until 5pm 9 June 2026.

Please make submissions to:
aerostormwater@sydneywater.com.au



Questions

Sydney
WATER
Water IS OUR LIFE