

Case Number: 220551

February 4, 2025

SMG Property Holdings Pty Ltd  
c/- STANTEC AUSTRALIA PTY LTD.

## Feasibility Letter

<b>Developer:</b>	<b>SMG Property Holdings Pty Ltd</b>
<b>Your WSC's reference:</b>	
<b>Development:</b>	<b>Lot 2 DP1168922 48 Campbell St, Gerringong</b>
<b>Development Description:</b>	<b>Land is currently farmland. Proposed development is a 147 lot development in Gerringong at Elambra West. Kiama Council has required the development to receive advice for Sydney Water for the proposed development on the existing Gerringong water and wastewater system. As well as determine appropriate connection points and servicing arrangements including any upgrade requirements to infrastructure. Please refer to previous advice provided under feasibility application 204971.</b>
<b>Your application date:</b>	<b>December 10, 2024</b>

Dear Applicant

This Feasibility Letter (Letter) is a guide only. It provides general information about what our requirements could be if you applied to us for a Section 73 Certificate (Certificate) for your proposed subdivision. **The information is accurate at today's date only.**

We have not allocated any system capacity to your proposal from the investigation into this Feasibility advice. This advice is only an indication of our systems and possible requirements as of today. Where there is system capacity, it may have been fully utilised by the time you obtain a

Consent. The requirements applied to any approved Development proposal may differ significantly in the future since the original advice was issued.

If you obtain development consent for that subdivision from your consent authority (this is usually your local Council) they will require you to apply to us for a Section 73 Certificate. You will need to submit a new application (and pay another application fee) to us for that Certificate by using your current or another Water Servicing Coordinator (WSC).

We'll then send you either a:

- Notice of Requirements (Notice) and Developer Works Deed (Deed)  
or
- Certificate.

These documents will be the definitive statement of our requirements.

There may be changes in our requirements between the issue dates of this Letter and the Notice or Certificate. The changes may be:

- if you change your proposed development eg the development description or the plan/site layout, after today, the requirements in this Letter could change when you submit your new application
- if you decide to do your development in stages then you must submit a new application (and pay another application fee) for each stage.

## What You Must Do To Get A Section 73 Certificate In The Future.

To get a Section 73 Certificate you must do the following things. You can also find out about this process by visiting [Plumbing, building & developing](#) page on our website.

1. **Obtain Development Consent from the consent authority for your subdivision proposal.**
2. **Engage a Water Servicing Coordinator (WSC).**

**You must engage your current or another authorised WSC** to manage the design and construction of works that you must provide, at your cost, to service your subdivision. If you wish to engage another WSC (at any point in this process) you must write and tell us.

You'll find a list of WSC's at [Listed providers](#) on our website.

The WSC will be your point of contact with us. They can answer most questions that you might have about the process and developer charges and can give you a quote or information about costs for services/works (including our costs).

### 3. Developer Works Deed

**After** the WSC has submitted your new application, they'll receive the our Notice and Developer Works Deed. You and your accredited Developer Infrastructure Providers (Providers) will need to sign and lodge both copies of the Deed with your nominated Coordinator. After we've signed the documents, one copy will be returned to the WSC.

The Deed sets out for this project:

- your responsibilities
- our responsibilities
- the Provider's responsibilities.

**You must do all the things that we ask you to do in that Deed.** This is because lots in your subdivision do not have water and sewer services and you must construct and pay for the following works extensions under this Deed to provide these services.

**Note:** The Coordinator must be fully authorised by us for the whole time of the agreement.

### 4. Water and Sewer Works

## 4.1 Water

Each lot in your subdivision must have:

- a frontage to a drinking water main that is the right size and can be used for connection
- its own connection to that water main and a property service (main to meter) that is available for the fitting of a meter.

We've assessed your application and found that:

- The proposed residential site is within the Gerringong Reduced 1 Pressure Zone.
- Based on the number of dwellings, preliminary assessment shows that the system has capacity to service the developments. There are several DN100 adjacent to the site and a DN200 at Fern Street.
- **You must construct a water main extension to serve your development.** These works must be constructed by a constructor with the appropriate capability. Your Coordinator will be able to provide further advice about this.
- **You must provide a water service connection and property service (also known as a "property service (main to meter)") at your cost for all lots off the water main construction required above and your WSC must manage the work. See section below for details.**
- **Property Service (Main to Meter) Installation Details**

The property service connection must be carried out by a Sydney Water listed Driller and the installation of the property service must either be carried out or supervised by a licensed plumber. They must meet the:

- (a) Administrative requirements of the New South Wales Code of Practice for Plumbing and Drainage; and
- (b) Our Property Service (Main to Meter) Installations Technical Requirements.

**Before the Certificate can issue, your Coordinator must give us:**

- All the “Work as Constructed” information that shows what was constructed
- Certification that the property service works comply with our requirements.

**4.2 Sewer**

Each lot in your subdivision must have a sewer main that is the right size and can be used for connection. That sewer must also have a connection point within each lot's boundaries.

We've assessed your application and found that:

- The lot containing the proposed 147 residential lots from 48 Campbell St, Gerringong with adjacent sewer network, is shown in **Figure 1**.
- The topography will not allow for a single loading point for gravity servicing. New pump/s will also be required to service the development, transferring flows to the existing network.

The following loading points were each investigated to potentially service the 317 lots:

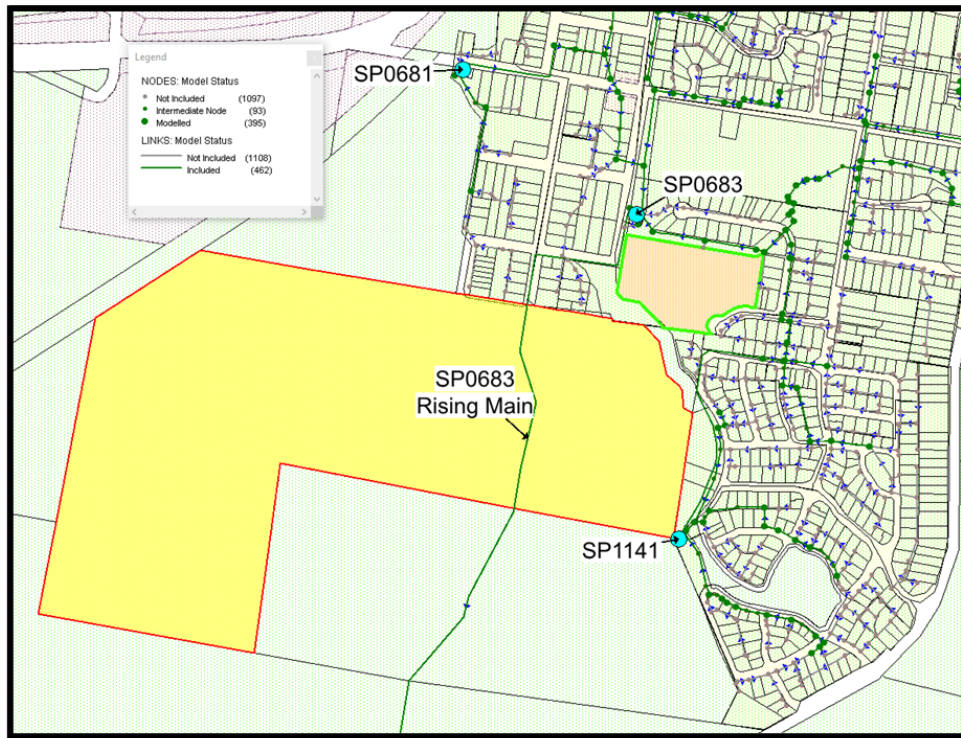
1. SP0683 – sufficient capacity for additional gravity discharge
2. SP1141 – Sufficient capacity for additional gravity discharge
3. New SPS to existing SP0683 rising main - sufficient capacity for a new pump.
4. SP0681 – Very limited capacity – not suitable

If new pumped flows from the development are discharged to either SP0683 or SP1141, these stations may require pump capacity upgrades.

With the significant reduction in the number of proposed lots from 317 to 147, there is now potential for pumped discharge to the SP0683 and SP1141 catchments, in addition outlined gravity discharge. This will need to be further assessed during the S73 process.

- The developer needs to develop an EP catchment plan and flow schedule and submit to Sydney Water for its review and approval.

- The developer will require to design the lead-in main and a preferred point of connection. The lead-in main is required to be sized to service its natural catchment.
- All works must comply with WSA code.



**Figure 1**

## 5. Ancillary Matters

### 5.1 Asset adjustments

After we issue this Notice (and more detailed designs are available), we may require that the water main/sewer main/stormwater located in the footway/your property needs to be adjusted/deviated. If this happens, you'll need to do this work as well as the extension we have detailed above at your cost. The work must meet the conditions of this Notice and you will need to complete it **before we can issue the Certificate**. We'll need to see the completed designs for the work, and we'll require you to lodge a security. The security will be refunded once the work is completed and all charges paid.

### 5.2 Entry onto neighbouring property

If you need to enter a neighbouring property, you must have the written permission of the relevant property owners and tenants. You must use our **Permission to Enter** form(s) for this. You can get copies of these forms from your WSC or on our website. Your WSC can also negotiate on your behalf. Please make sure that you address all the items on the form(s) including payment of compensation and whether there are other ways of designing and constructing that could avoid or reduce their impacts. You will be responsible for all costs of mediation involved in resolving any disputes. Please allow enough time for entry issues to be resolved.

### 5.3 Costs

Construction of these **future** works will require you to pay project management, survey, design, and construction costs **directly to your suppliers**. Additional costs payable to us may include:

- water main shutdown and disinfection
- connection of new water mains to our system(s)
- design and construction audit fees
- contract administration, Operations Area Charge & Customer Redress prior to project finalisation
- creation or alteration of easements etc
- water usage charges where water has been supplied for building activity purposes prior to disinfection of a newly constructed water main.

Note: Payment for any Goods and Services (including Customer Redress) provided by Sydney Water will be required prior to the issue of the Section 73 Certificate or release of the Bank Guarantee or Cash Bond.

Your WSC can tell you about these costs.

## 6. Infrastructure contributions

You will need to pay an infrastructure contribution towards the cost of each Sydney Water system that will serve your development.

The infrastructure contributions are calculated in accordance with the Development Servicing Plans registered with the Independent Pricing and Regulatory Tribunal (IPART) under the *Independent Pricing and Regulatory Tribunal Act*.

An estimate of your infrastructure contributions is shown in the table below. These amounts have the NSW Government-directed cap applied for the current financial year. **These amounts are subject**

**to the NSW Government transition pathway and other factors and will change** – see Section 6.1 Price Changes for full details.

No payments can be accepted for these estimates. Should you obtain Development Approval for this proposal and apply for a Section 73 Certificate in the future, then we'll advise you of the applicable charges to your Development.

<b>Development Servicing Plan (DSP)</b>	<b>Basis of Calculation</b>	<b>Charge (\$) for Applicable Period</b> <b>(2/4/25-6/30/25)</b>
Illawarra Drinking Water	Residential Development Density 0 - 29 lots/dwellings per ha band 147 lots/dwellings @ \$0 = \$0 less Credit of \$0.0 for previous use	\$0.00
Southern Illawarra Wastewater	Residential Development Density 0 - 29 lots/dwellings per ha band 147 lots/dwellings @ \$3479.4 = \$511471.8 less Credit of \$0.0 for previous use	\$511,471.80
<b>DEVELOPER CHARGES TOTAL:</b>		<b>\$511,471.80</b>

## 6.1 Price changes

The infrastructure contribution you must pay may also change due to:

1. Changes to the Consumer Price Index (CPI). Our prices increase by CPI each financial year. CPI is the weighted average of the capital cities CPI for the 12 months to the end of the previous March.
2. The NSW Government-directed transition pathway for infrastructure contributions for drinking water and wastewater infrastructure:

<b>Financial Year payment is made</b>	<b>Percentage of infrastructure contribution payable</b>
1 July 2023 to 30 June 2024	Infrastructure contribution capped at 0% of the full price
1 July 2024 to 30 June 2025	Infrastructure contribution capped at 25% of the full price



1 July 2025 to 30 June 2026	Infrastructure contribution capped at 50% of the full price
1 July 2026 onwards	Full price payable

3. Any updates to our Development Servicing Plans (including prices). Our Development Servicing Plans must be updated every five years. The next updates will be introduced by 31 December 2028.

Your infrastructure contributions become payable once your WSC has submitted all Project Completion Packages under each Developer Works Deed to us confirming that the works required under the Notice are complete.

## OTHER THINGS YOU MAY NEED TO DO

Shown below are other things you need to do that are NOT a requirement for the Certificate. They may well be a requirement from us in the future because of the impact of your development on our assets.

You must read them before you go any further.

### Approval of your building plans

Please note that the building plans must be approved when each lot is developed. This can be done at in our Tap in™ system [Sydney Water Tap in](#)™.

**This is not a requirement for the Certificate**, but the approval is needed because the construction/building works may affect our assets (e.g. water, sewer, and stormwater mains).

If our stormwater channel, pipe, or culvert is located within ten (10) metres of your development site it must be referred to us for a detailed review.

Your Coordinator can tell you about the approval process including:

- Possible requirements
- Their costs
- Timeframes.

If your building plans need to be referred to us for detailed review you will be required to pay us for the costs associated with the detailed review.

### **Backflow Prevention Water supply connections**

A backflow prevention containment device appropriate to the property's hazard rating must be installed at the property boundary. The device is to be installed on all water supplies entering the property, regardless of the supply type or metering arrangements. It is needed to reduce the risk of contamination by backflow from these supplies.

A licensed plumber with backflow accreditation can advise you of the correct requirements for your property. To view a copy of our Backflow Prevention Policy and a list of backflow accredited plumbers [Plumbing, building & developing](#).

### **The water service for your development**

We don't consider whether the existing water main(s) talked about above is adequate for fire fighting purposes for your development. We cannot guarantee that this water supply will meet your Council's fire fighting requirements. The Council and your hydraulic consultant can help.

You must make sure that each home/lot has its own 20mm meter.

When access to the water supply is required, the property owner or agent must apply to with us online. A meter must be installed before any water is used. It is illegal for anyone other than us to remove the locking mechanism on the water meter.

The online application can be found by visiting our website [Plumbing, building & developing](#). You'll need to have the:

- account (Property) Number which can be obtained from the WSC
- serial Number which can be found on the metal tag on your property service.

You can find more information by using the "Ask Sydney Water" section of our website.

### **Fire Fighting**

Definition of fire fighting systems is the responsibility of the developer and is not part of the Section 73 process. It is recommended that a consultant should advise the developer regarding the fire fighting flow of the subdivision and the ability of our systems to provide that flow in an emergency. Sydney Water's Operating Licence directs that our mains are only required to provide domestic supply at a minimum pressure of 15 m head.

### **Disused Water Service Sealing**

You must pay to disconnect all disused private water services and seal them at the point of connection to our water main. This work must meet our standards in the Plumbing Code of Australia (the Code) and be done by a licensed plumber. The licensed plumber must arrange for an inspection of the work by a NSW Fair Trading Plumbing Inspection Assurance Services (PIAS) officer. After that officer has looked at the work, the drainer can issue the Certificate of Compliance. The Code requires this.

### **Disused Sewerage Service Sealing**

Please don't forget that you must pay to disconnect all disused private sewerage services and seal them at the point of connection to our sewer main. This work must meet our standards in the Plumbing Code of Australia (the Code) and be done by a licensed drainer. The licensed drainer must arrange for an inspection of the work by a NSW Fair Trading Plumbing Inspection Assurance Services (PIAS) officer. After that officer has looked at the work, the drainer can issue the Certificate of Compliance. The Code requires this.

### **Soffit Requirements**

Please be aware that floor levels must be able to meet our soffit requirements for property connection and drainage.

### **Other fees and requirements**

The requirements in this Advice Letter relate to your future Certificate application only. We may be involved with other aspects of your subdivision and there may be other fees or requirements. These include:

- construction/building plan approval fees

- plumbing and drainage inspection costs
- the installation of backflow prevention devices
- council firefighting requirements. (It will help you to know what the firefighting requirements are for your subdivision as soon as possible. Your hydraulic consultant can help you here)

No warranties or assurances can be given about the suitability of this document or any of its provisions for any specific transaction. It does not constitute an approval from us and to the extent that it is able, we limit its liability to the reissue of this Letter or the return of your application fee. You should rely on your own independent professional advice.

**END OF ADVICE**