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POLICY



**Central
Tablelands
Water**

Unconnected Land Availability Charge Policy

DOCUMENT CONTROL

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1.0	Oct 2025	New policy draft	EMCS	EMT	
1.1	Dec 2025	Updated references, format and refer to Council	EMT	Council	25/104
1.2	June 2026	Terminology refined for clarity, equity definitions and unit standardisation	GM	Council	26/036
1.3	June 2026	Further clarification following discussion at June 2026 Council meeting	EMT	Council	

PURPOSE

This policy establishes the principles and administrative framework applied by Central Tablelands Water (CTW) when determining availability charges for unconnected land. It aims to secure an equitable financial contribution from property owners who benefit from infrastructure proximity, ensuring long-term network sustainability, pricing clarity, and transparency.

SCOPE

This Policy applies to all unconnected parcels of land within CTW's reticulated service areas where water connection is available or can be reasonably provided. It excludes land outside the reticulated service areas or exempted by legislation.

POLICY STATEMENT

This policy is enacted in accordance with Council's statutory powers under **Section 552 of the Local Government Act 1993 (NSW)**. The policy ensures equitable cost recovery for asset upkeep, readiness, and network capacity and acknowledges unconnected land located within proximity to CTW's infrastructure and derives a benefit from network availability is subject to a water availability charge.

Unconnected land within CTW's reticulated service areas derives a direct, distinct benefit from the proximity of water infrastructure, even where services are not connected. To ensure equitable cost recovery for constructing and maintaining infrastructure that provides an immediate connection capability to each separate legal title. Such land is subject to quarterly water availability charges in line with Section 552 of the Local Government Act 1993 (NSW) and associated regulations.

These charges contribute to:

- The ongoing operation, maintenance, and renewal of existing infrastructure.
- The equitable distribution of costs across property owners who benefit from service availability.
- The financial sustainability of CTW's water supply service.

Principles

CTW's approach to charging for unconnected land is guided by the following principles:

- **Equity:** All land that benefits from infrastructure availability contributes proportionately to fixed costs.
- **Cost Reflectivity:** Charges reflect the contribution to maintaining service capacity and network readiness.
- **Transparency:** The assessment criteria is objective, publicly accessible and applied consistently.
- **Encouragement of Development:** The framework supports timely connection and efficient land use.
- **Compliance:** The policy aligns within the legislative and pricing framework governing local water utilities.

Charging Framework

Service type	Charge type	Applicability	Charging basis
Water supply	Water availability charge	Unconnected land within 225 metres of a CTW reticulated water main, AND water could be supplied to some part of the land from a standpipe at least 1 metre above ground level, if such a pipe were laid and connected to CTW's mains subject to physical and servicing constraints.	50% of the standard 20mm water availability charge as set out in CTW's annual Fees & Charges schedule and levied on a quarterly basis.

Assessment Process, Statutory Exclusions, and Discretionary Exemptions

Pursuant to Section 558 of the *Local Government Act 1993 (NSW)*, Council has established specific criteria under which the Section 552 unconnected land availability charge shall be exempt from the charge. These exclusions and discretionary exemptions are structured to maintain network equity while recognising clear physical, legal, and operational boundaries.

Assessment Process Framework

To ensure a robust, transparent, and consistent application of the charge, CTW will utilise a structured three-stage assessment framework for all land within the reticulated service areas.

Each parcel of land not yet connected to the reticulated water service area will be evaluated via the following sequence:

1. **First-Instance Statutory Assessment (Section 552):** In the first instance, the property will be assessed against the core statutory criteria of Section 552 of the *Local Government Act 1993 (NSW)* to determine if it falls within the legal charging perimeter (i.e., situated within 225 metres of a CTW water main and physically capable of being supplied via a 1-metre-high standpipe).
2. **Discretionary Exemption Review (Section 558):** Following the initial statutory assessment, Council's localised discretionary exemptions, established in accordance with Section 558 of the Act, will be applied to the assessment to determine if a specific operational, legal, or physical exclusion is warranted.

Discretionary Exclusion Criteria: Subject to the outcome of the first stage of the assessment process, the unconnected land availability charge shall not be levied on:

- **Land Outside Reticulated Footprints:** Land situated entirely outside CTW's designated reticulated service areas.
- **Physical or Engineering Barriers:** Land that cannot reasonably or practically be connected to the network due to severe topography or engineering constraints (e.g., parcels separated from the water main by a railway line or a major water body).
- **Public and Crown Allocations:** Dedicated public reserves, public roads, and non-rateable Crown land.

- **Development-Prohibited Allotments:** Land upon which development or building construction is expressly prohibited by a constituent council's Local Environmental Plan (LEP) or planning instrument.
 - **Constituent Council Community Space:** Community land owned and operated by a constituent council for public benefit, subject to the review and approval of an annual application.
 - **Overriding Legislative Exemptions:** Any other parcel of land granted a mandatory exemption by prevailing state or federal legislation.
3. **Customer Application Review:** Following completion of Council's internal assessment, a property owner may apply for the following exemption or charge capping by providing evidence of the relevant criteria.
- **Alternative Water Supply Requirement:** where the property owner has established an alternative water supply system and can prove that they were not able to connect to Council's reticulated service network at the time of establishing the alternative water supply system due to either:
 - a formal Council decision to not supply water to that parcel of land, or
 - Council's water infrastructure was not available at the time of establishing the alternative water supply system.
 - **Maximum Applicable Charges:** where the property owner owns multiple parcels of land the unconnected land availability charges will be capped to two fees where the following three criteria are satisfied:
 - the relevant parcels of land are contiguous and under identical ownership, and
 - at least one parcel of land within the contiguous parcels of land is already connected to Council's reticulated service network, and
 - all parcels of land are included in a single valuation from the Valuer General.

Definitions

Reticulated Service Area: The portion of the CTW pipe network operating within a town or village area, where water is supplied from a Reservoir and matching the Land Use Zones listed under Local Environmental Plans.

Unconnected Land: A distinct legal parcel of land that is within 225m of the CTW reticulated service area that does not currently possess an active metered water service connection and is not excluded by Section 552(2) criteria

Land Use Zones: For the purposes of this policy, unconnected land within the following LEP zones will be assessed against this policy:

- *Residential:* R1 (General Residential), R5 (Large Lot Residential).
- *Commercial/Business:* B2 (Local Centre), B5 (Business Development), B6 (Enterprise Corridor).
- *Industrial:* IN1 (General Industrial), IN2 (Light Industrial).
- *Special Purposes/Other:* RE1 (Public Recreation), RU5 (Village), SP2 (Infrastructure).

Governance and Implementation

CTW will apply and review unconnected land availability charges annually as part of its Revenue Policy and Fees & Charges schedule.

Land subject to the availability charge will be reviewed and updated when modifications to CTW's reticulation service area are completed. CTW will monitor all modifications to ensure ongoing compliance with this policy.

The Executive Management Accountant is responsible for implementing this policy and ensuring compliance with legislative and regulatory requirements.

Pensioner Discount

Where the land is a pensioner's primary residence, as shown on their pension concession card, the fee may be reduced by the pensioner concession amount, subject to customer application and confirmation of concession status from the applicable government department.

Customer Review Pathway

Customers may request a review of the charge which will be completed by CTW technical staff with a written response provided to the applicant.

Customer Appeal Pathway

Should a customer request an appeal of the staff review decision, escalation of the review will be delegated to the General Manager for a decision. If necessary, an appeal can be escalated to the Council for final determination.

POLICY REVIEW

This policy will be reviewed every term of Council (4 years), or more frequently if needed, with reference to any relevant legislation, best practice guides, or other related factors.

REFERENCES

- Local Government Act 1993 (NSW) – Sections 501–552
- Local Government (General) Regulation 2021
- Water Management Act 2000 No 92
- Regulatory and Assurance Framework for Local Water Utilities 2022
- CTW Revenue Policy and annual Fees & Charges

VARIATION

Council reserves the right to review, vary or revoke this policy.