

# Rural Water Supply Policy

For more information contact  
Shoalhaven Water

**City Administration Centre**

Bridge Road (PO Box 42)  
Nowra NSW Australia 2541  
P: (02) 4429 3214  
F: (02) 4429 3170  
[water@shoalhaven.nsw.gov.au](mailto:water@shoalhaven.nsw.gov.au)  
[www.shoalwater.nsw.gov.au](http://www.shoalwater.nsw.gov.au)

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## PURPOSE

- To detail the circumstances in which rural properties may be considered for connection to town water supply.
- To detail the circumstances in which rural properties will be exempt from the water availability charge.
- To provide direction to rural property owners making application for the connection to town water supply.
- To provide direction to staff assessing applications for connection of rural properties to town water supply.

## STATEMENT

This policy statement is based on Council Minutes 93.290 of 16 February 1993 and 98.18 of 27 January 1998.

## PROVISIONS

### 1 Exemption Circumstances for Water Availability Charge.

Rural properties shall be exempt from the water availability charge in the following circumstances:

- The property is beyond 225m of a town water main and is not connected to the town water supply.
- The property (not currently connected) cannot be supplied to the current levels of service.

Rural properties will not be exempt from the water availability charge in the following circumstances:

- The property is connected to the town water supply.
- The property can be connected to the town water supply by a standard long or short water service and the dwelling on the property is within the serviceable limit.

Consideration for exemption from the water availability charge will be given, upon written application in all circumstances not included above. The determination of an application shall be at the discretion of the General Manager (Shoalhaven Water).

### 2 CRITERIA FOR DETERMINATION OF AN APPLICATION FOR A RURAL PROPERTY TO CONNECT TO TOWN WATER SUPPLY

#### 2.1 Town water supply will only be made available to rural properties upon written application in the following circumstances:

- Where capacity exists in the existing system, and
- Where the current levels of service can be provided, and
- Where it can be demonstrated that the rural water supply will be of positive economic benefit (at the time of application) to the city by applying the following formula;

**Benefit = (Income from usage + Availability Charge) – Operating cost**

- Where the income from usage is based on the expected annual water usage (provided by the applicant) in kL times the cost per kL (per Council's current Management Plan)
- The annual water availability charge (per Council's current Management Plan)
- Operating cost is the latest available at the time of the application (per the NOW Performance Report and asset register). See worked examples below.

*Example 1*

An applicant requests consideration for a water main extension to serve their rural property. The length of extension required is 100m and their expected annual water usage is 200kL. Assuming the application has satisfied all other criteria and the application is for a 20mm meter.

Using the 2015-16 Operational Plan and Performance Report figures:

Income from usage	=	200kL x \$1.65 per kL	
	=	\$ 330	
Availability Charge	=	\$8 0	
Operating Cost per metre	=	$\frac{\text{Mains operation cost} + \text{Mains maintenance cost}}{\text{Total length of mains (m)}}$	
	=	$\frac{\$ 2,500,000}{1,600,000}$	
	=	\$1.56 per metre	

Therefore total annual operating cost for a 100m extension = \$ 156

Benefit	=	Income – Operating Cost
	=	\$410 - \$156
	=	\$ 254

Therefore main extension would be approved in this case.

*Example 2*

Applicant requests 200m extension and proposes 100kL usage through a 20mm meter. Assuming all other criteria satisfied.

Income	=	usage + availability
	=	\$165 + \$80

$$= \$ 245$$

$$\begin{aligned} \text{Total operating cost} &= \$245 - \$312 \\ &= \$288 \end{aligned}$$

$$\begin{aligned} \text{Benefit} &= \$247 - \$288 \\ &= -\$ 67 < 0 \end{aligned}$$

Therefore main extension would not be approved in this case.

## 2.2 Other Conditions

- The applicant(s) shall meet all costs associated with the provision of the water supply including;
  - Necessary extension of the reticulation system.
  - Service connection including meter assembly.
  - Provision of access and necessary easements.
  - Any other conditions considered applicable for the particular application, and
- One 20mm service only will be provided as a standard. A larger or additional service may be provided upon application and if capacity is available. Other special conditions may apply to larger services. Charges per Council's current Fees & Charges apply, and
- Mains shall only be extended in a road reserve and where "all weather" access is available. Mains are to be installed at the standard property offset and to be outside the road formation. A hydrant shall be located at the end of the main for flushing, and
- A backflow prevention device may be required and be subject to Council's Cross-Connection Control / Backflow Prevention Policy.
- In special circumstances a supply by agreement may be necessary. Such cases will require Council resolution.

## 2.3 Private Service extensions from the end of a main may be approved subject to –

- not passing another property; and
- the nearest boundary of the property is within 225m of the end of the main; and
- there is no likelihood of further development (eg land locked); and
- approval is obtained by the applicant from Council's Assets & Works Group (and any other authority) to locate the meter assembly and private extension within the road reserve. Alternatively the applicant will need to acquire legal access via services easement(s) through private property(s).

*Note: Construction and maintenance of the pipe extension from the meter will be the responsibility of the applicant/owner.*

## 2.4 Application

Applications for a water supply in rural areas must be made in writing, providing a description of the land and proposed water use(s).

# 3 OTHER MATTERS

## 3.1 Implementation

Shoalhaven Water Group's Water Asset Planning & Development Section has responsibility for processing an application.

## 3.2 Review

In accordance with S 165 (4) of the Local Government Act 1993, this policy will be reviewed within one year of the election of every new Council.

## 3.3 Application of ESD Principles

To ensure the quality and supply of water to urban areas is sustained and conserved.

## 3.4 Definitions

**Rural** – any rural zone specified in the current Shoalhaven Local Environment Plan **Property/Land** – A parcel of land comprised of a lot in a DP.