

Monday, 23 June 2025

Our Ref: 25/197843

Our Contact: Hong Nguyen ([REDACTED])

Independent Pricing and Regulatory Tribunal
PO Box K35
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Sydney NSW 1240

Dear Tribunal

Re: IPART Draft Report Review of prices for Sydney Water Corporation

Bayside Council appreciates the opportunity to provide feedback on the IPART's Draft Report on the Sydney Water pricing proposal for the period 1 July 2025 to 30 June 2030. As Sydney continues to grow, we urge IPART to prioritise long-term water security, environmental resilience, and sustainable infrastructure investment over short-term cost containment.

1. Water Security is Critical to Sydney's Future

Sydney's expanding population, increasing climate volatility, and rising water demand necessitate robust and sustained investment in water infrastructure. Delaying or scaling back capital programs to suppress short-term pricing risks undermining the city's long-term resilience. Without a secure and sustainable water supply system, Sydney cannot accommodate future housing and population growth.

2. Affordability Must Not Come at the Expense of Essential Services

We acknowledge the importance of affordability for households and businesses. However, structural under-investment in essential services is not a viable long-term strategy. Protecting vulnerable customers from utility cost increases should be addressed through targeted government policies, such as rebates or concessions - not by compromising critical infrastructure. Failing to invest now will shift costs to future generations and jeopardise service reliability.

3. Sustained Investment is Non-Negotiable

We support Sydney Water's position that consistent capital and operational funding is essential to meet population growth, maintain service standards, and uphold environmental commitments. This includes:

- Expanding recycled water networks and stormwater reuse systems,
- Upgrading ageing infrastructure and flood mitigation assets,
- Supporting circular economy and resilience objectives, and
- Emerging demands—such as the rapid growth of data centres supporting AI infrastructure—could increase non-residential water use by up to 12.5 GL/year beyond current forecasts. Planning must account for this to avoid compromising community and environmental water needs.

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4. Risks of Underfunding Are Too Great

Reducing funding now would perpetuate a legacy of neglect and expose Sydney to unacceptable risks, including:

- Delays in critical infrastructure delivery,
- Reduced preparedness for extreme weather events, including droughts and floods,
- Increased sewer overflows, particularly at high-risk sites like the Southern Western Suburbs Ocean Outfall Sewer (SWSOOS) Emergency Relief Structure at Mill Stream,
- Degradation of water quality in waterways and estuaries, including Botany Bay, and
- Negative impacts on biodiversity, public health, and community amenity

5. Support for expansion of desalination water plant

We support the role of desalination as a critical component of Sydney's future water supply infrastructure. In the face of climate uncertainty and extended dry periods, desalination provides a reliable, rainfall-independent source of water that complements broader water recycling and efficiency efforts.

6. Support for Variable Usage Charges

We support the introduction of variable water usage charges based on user-pays principles. This approach encourages efficient water use and behavioural change, aligning with sustainability goals.

In conclusion, we urge IPART to reconsider its draft decisions and ensure Sydney Water is adequately resourced to meet its regulatory obligations and community expectations. Now is the time for bold, long-term investment to secure Greater Sydney's water future.

If you require any further information, please do not hesitate to contact me on [REDACTED]

Yours sincerely

[REDACTED]

Hong Nguyen

Manager, Environment and Resilience