Author name: Name suppressed

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Your submission for this review:
Below is a summary of Blue Mountains City Council's submission. For the full submission, including photos, please refer to the attached file. CONTEXT: The Blue Mountains Local Government Area is located just over 50 kilometres west of Sydney's CBD on the traditional lands of the Dharug and Gundungurra people. It is one of only two cities in the world surrounded by a World Heritage area, inscribed in 2000 for its exceptional representation of Australia's biodiversity. Blue Mountains waterways sustain an enormous diversity of life, including around ten per cent of the listed threatened species in New South Wales, many of which are endemic to the area. The Blue Mountains LGA is home to 80,000 residents. It hosts over four million domestic and international tourists a year. It has 350 square kilometers of sub-catchments which drain into Sydney's drinking water catchments and the primary drinking water source of Greater Sydney. Our waterways also provide a significant recreation and tourism resource for Greater Sydney and the world as well as holding great cultural significance for Dharug and Gundungurra people. From an urban governance perspective, the provision of a safe and reliable water supply is the highest level of critical urban infrastructure. Community and Council expectations around its management are very high. IPART DETERMINATION: Council notes the IPART proposal to reduce Sydney Waters planned capital spending on upgrades and new infrastructure by 35% ($5.9 billion) over the next five years. IMPLICATIONS: Council notes that IPARTs draft report excludes around 75% of Sydney Waters proposed Pretreatment Program budget, including funding for important upgrades like the Cascade Water Filtration Plant, which means this work may not go ahead as planned. COUNCIL'S RESPONSE: Council is deeply concerned about the proposal to reduce Sydney Waters planned capital spending on upgrades and new infrastructure and the potential impacts on: * The safety and reliability of drinking water supplies, * Public amenity and public health, * Downstream ecological health, * Local First Nations people, and * The local tourism economy. Council supports Sydney Waters proposal to establish a comprehensive program to upgrade pretreatment at water filtration plants and add extra treatment steps for removing contaminants from raw water. The Blue Mountains City Council is a primary stakeholder at the interface of affected communities and potentially catastrophic environmental impacts leading from PFAS contamination, discovered in July 2024, of drinking water storages servicing over 41,000 residents. Rigorous management of the safety and reliability of our drinking water supplies is a critical step towards restoring trust. It is vital for the community to feel confident that adequate resources are provided by the State Government to protect our drinking water supplies and public health. Comprehensively funding Sydney Waters proposed pretreatment program is a vital step to demonstrate that PFAS contamination in local drinking water storages is being managed to within the (proposed) Australian Drinking Water Guidelines (ADWG). IPARTs proposed $700 million reduction to Sydney Water's proposed programs designed to maintain, renew and upgrade ageing assets and high-risk sections of the network is likely to increase the frequency and severity of sewer overflows, environmental pollution, and regulatory breaches. These risks have serious consequences for public health, community amenity, and waterway outcomes. Ageing sewerage infrastructure in the Blue Mountains is a frequent and primary cause of waterway pollution with significant downstream implications. As Sydney Waters sewage assets continue to age, the risk of such incidents will grow if robust preventative maintenance is not adequately funded. Sydney Waters ability to detect and respond to sewer overflows must also be prioritised. Much of the sewage system in the Blue Mountains is in remote areas, where overflows may not be discovered for months or even years. In these locations, Sydney Water should have adequate resourcing to maintain and expand its network of IOT sensors to enable prompt detection of leaks. Maintenance crews must also be appropriately resourced to promptly address incidents when they occur. CONCLUSION: Council understands the need to balance cost to customers with levels of service. However, a reduction of service in the areas and at the degree proposed would have potentially catastrophic short- and long-term impacts on the safety and reliability of, and public confidence in, local drinking water supplies, public health and public amenity, the health of sensitive downstream environments the local tourism economy and the cultural practice of First Nations people. The concerns of the Blue Mountains community around these issues cannot be ignored.

IPART draft determination into Sydney Water's Prices for 2025-2030

Blue Mountains City Council Submission

Context

The Blue Mountains Local Government Area is located just over 50 kilometres west of Sydney's CBD on the traditional lands of the Dharug and Gundungurra people. It is one of only two cities in the world surrounded by a World Heritage area, inscribed in 2000 for its 'exceptional representation of Australia's biodiversity'. Blue Mountains waterways sustain an enormous diversity of life, including around ten per cent of the listed threatened species in New South Wales, many of which are endemic to the area.

The Blue Mountains LGA is home to 80,000 residents. It hosts over four million domestic and international tourists a year. It has 350 square kilometres of sub-catchments which drain into Sydney's drinking water catchments and the primary drinking water source of Greater Sydney.

Our waterways also provide a significant recreation and tourism resource for Greater Sydney and the world as well as holding great cultural significance for Dharug and Gundungurra people.

From an urban governance perspective, the provision of a safe and reliable water supply is the highest level of critical urban infrastructure. Community and Council expectations around its management are very high.

IPART draft determination

Council notes the IPART proposal to reduce Sydney Water's planned capital spending on upgrades and new infrastructure by 35% ($5.9 billion) over the next five years.

This includes:

- Cuts to funding for a major $957 million program proposed by Sydney Water to upgrade pretreatment at water filtration plants, aiming to add extra treatment steps for removing contaminants from raw water.
- A $700 million reduction to Sydney Water's proactive program designed to maintain, renew and upgrade ageing assets and high-risk sections of the network.

Implications

Council notes that IPART's draft report excludes around 75% of Sydney Water's proposed Pretreatment Program budget, including funding for important upgrades like the Cascade Water Filtration Plant, which means this work may not go ahead as planned.

A new treatment system to remove PFAS has been operating at Cascade since late December 2024. Sydney Water advises that this temporary PFAS system will need to be decommissioned within the next 10 years. Council understands that if the permanent upgrade does not go ahead as planned, Sydney Water may not meet the proposed Australian Drinking Water Guidelines, or other health-based targets.

Council's Response

Council is deeply concerned about the proposal to reduce Sydney Water's planned capital spending on upgrades and new infrastructure and the potential impacts on the safety and

reliability of drinking water supplies, public amenity and public health, downstream ecological health, local First Nations people and our tourism economy.

1. Adverse impacts on the safety of local drinking water supplies

Council supports Sydney Water's proposal to establish a comprehensive program to upgrade pretreatment at water filtration plants and add extra treatment steps for removing contaminants from raw water.

Rigorous, proactive public testing for and management of contamination is a basic expectation for urban water supply – the safety and reliability of our drinking water supplies is paramount.

The Blue Mountains City Council is a primary stakeholder at the interface of affected communities and potentially catastrophic environmental impacts leading from PFAS contamination, discovered in July 2024, of drinking water storages servicing over 41,000 residents.

Council notes that while PFAS has been recognised in the Australian Drinking Water Guidelines since 2018, no baseline measures of PFAS were undertaken in the Blue Mountains until 2024.

The lack of a long-term monitoring program for PFAS in the Blue Mountains drinking water supply means there is no data about the historical trends for PFAS contamination in our drinking water catchments, or the possible exposure of our community to these chemicals since the 1990's.

BMCC is deeply concerned about the elevated levels of PFAS in the upper Blue Mountains drinking water catchment and the potential impacts on human health. We understand that the long-term health impacts are unknown for even background levels of PFAS.

It would be alarming to most residents and visitors of the Blue Mountains that our pristine waterways are contaminated with PFAS, and many would be questioning the long-term impact on their health.

Council shares the concerns raised by Blue Mountains residents, including those who have, at their own expense, tested their blood and found very high levels of PFAS. Their results show some levels of PFAS higher than averages in heavily contaminated communities near defence bases. https://www.abc.net.au/news/2025-02-13/pfas-blue-mountains-blood-testing/104917304

In February 2025, Council made a comprehensive submission to the Parliamentary Inquiry into PFAS Contamination into NSW Drinking Water Storages. Recommendations to the inquiry included:

- Establish a requirement for public authorities supplying raw or processed water for drinking to test and publish results for chemicals harmful to human health including PFAS.
- Expand testing regimes to include other pollutants potentially harmful to human health.
- Deliver a comprehensive PFAS Management Program across all water storages.

Rigorous management of the safety and reliability of our drinking water supplies is a critical step towards restoring trust. It is vital for the community to feel confident that adequate resources are provided by the State Government to protect our drinking water supplies and public health.

Comprehensively funding Sydney Water's proposed pretreatment program is a vital step to demonstrate that PFAS contamination in local drinking water storages is being managed to within the (proposed) Australian Drinking Water Guidelines (ADWG).

2. Adverse impacts on public health and amenity, the local tourism economy, sensitive downstream environments and cultural practice.

IPART's proposed $700 million reduction to Sydney Water programs designed to maintain, renew and upgrade ageing assets and high-risk sections of the network is likely to increase the frequency and severity of sewer overflows, environmental pollution, and regulatory breaches. These risks have serious consequences for public health, community amenity, and waterway outcomes.

Ageing sewerage infrastructure in the Blue Mountains is a frequent and primary cause of waterway pollution with significant downstream implications.

As Sydney Water's sewage assets continue to age, the risk of such incidents will grow if robust preventative maintenance is not adequately funded.

Sydney Water's ability to detect and respond to sewer overflows must also be prioritised. Much of the sewage system in the Blue Mountains is in remote areas, where overflows may not be discovered for months or even years. In these locations, Sydney Water should have adequate resourcing to maintain and expand its network of IOT sensors to enable prompt detection of leaks. Maintenance crews must also be appropriately resourced to promptly address incidents when they occur.

Public health and amenity / tourism economy:
Council's community satisfaction surveys consistently show that our residents highly value the cleanliness of our creeks and waterways. Iconic waterways which are popular for both residents and visitors, such Katoomba Falls and Leura Cascades, are frequently affected by sewer overflows.

BMCC is concerned about the impact of frequent sewage leaks on public health and amenity and the Blue Mountains' reputation as a pristine, world-class tourism destination.

The Blue Mountains Local Government Area hosts over 4 million domestic and international tourists a year, visitation which significantly underpins the local economy. Waterway pollution has the potential to irreversibly damage the Blue Mountains 'clean, green' brand. Should people choose not to visit the Blue Mountains, this would have significant flow on effects for local businesses and employment.

Further downstream, these impacts are evident in the drinking water catchments servicing over 5 million people.

PHOTOS: (above) sewer leak upstream of **Katoomba Falls Reserve** (below), one of the mountains' most popular recreation and tourism destinations. This stream flows to Warragamba Dam, drinking water supply for over 5 million people.

PHOTO: (above) iconic tourism destination and popular recreational area at Katoomba Falls Reserve closed due by sewage overflow.

PHOTOS: (above) sewage leak upstream of **Leura Falls Cascades** (below). Approximately 260,000 visitors go to Leura Cascades per year. This makes it one of the most popular destinations in the Blue Mountains. This sewer leak (discovered by Council's Aquatic Monitoring Team) likely went undetected for years. Leura Falls Creek also feeds into Warragamba Dam, drinking water supply for over 5 million people.

Sensitive downstream environments

Sewage leaks can have drastic impacts on the health of the receiving creeks, and subsequently, the World Heritage Area. Commonly impacted sites include those with high ecological values such as Endangered Ecological Communities and rare and Threatened Species, some of which are endemic to the Blue Mountains.

Cultural practice

BMCC is concerned about the potential cultural impacts of sewage contamination on Dharug and Gundungurra people, for whom the living waterways of the Blue Mountains hold great cultural significance. For Dharug and Gundungurra people, water plays a significant spiritual role in the creation of Ngurra (Country). The lifeblood of Dharug and Gundungurra Ngurra is water – physically and spiritually it binds together all living things. It is considered a custodial responsibility to look after Ngurra, and any impact on the environment impacts the spirituality of Traditional Custodians and their ability to practice culture.

Conclusion

Council understands the need to balance cost to customers with levels of service. However, a reduction of service in the areas and at the degree proposed would have potentially catastrophic short- and long-term impacts on the safety and reliability of, and public confidence in, local drinking water supplies, public health and public amenity, the health of sensitive downstream environments the local tourism economy and the cultural practice of First Nations people. The concerns of the Blue Mountains community around these issues cannot be ignored.