

9 July 2025

Independent Pricing and Regulatory Tribunal NSW  
Via email: [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Sir/Madam,

**Re: Prices for Sydney Water Corporation from 1 October 2025**

Thank you for receiving our submission on the draft determination into Sydney Water's prices for 2025-30 and for the extension of time to enable our Council to consider the draft submission at its meeting on 8 July 2025.

Sydney Water's future infrastructure investment will play a pivotal role in ensuring Sydney's sustainable urban growth. This submission outlines our concerns regarding the IPART's draft reduction in allowable capital expenditure, particularly the implications for housing supply and affordability in the Macarthur region.

In Campbelltown, we are set to deliver on our housing target of 10,500 new homes by 2029 and have capacity, appetite and drive to support the delivery of more well-located homes in the future. However, this needs to be supported by appropriate infrastructure, across the medium term.

Campbelltown has seven electrified rail stations along its rail corridor from Glenfield to Macarthur, all of which are the subject of the Government's Glenfield to Macarthur Urban Renewal Corridor Strategy. The Strategy, alongside the Council's appetite for well-placed housing delivery, sets a strong proposition to accommodate future urban growth in proximity to well-connected public transport. This urban renewal corridor is largely well-served by existing water infrastructure.

The large private landholdings in the Greater Macarthur Growth Area, and particularly in the Campbelltown LGA's south, provide the opportunity for some 40,000 dwellings in greenfield development, if supported by transport and water infrastructure. Some of these greenfield areas are already re-zoned, but are awaiting water and waste-water capacity, planned through the future Upper Nepean Advanced Water Recycling Plant, to enable development of homes. Without timely investment in the Upper Nepean, or equivalent investment which unlocks dwelling capacity, these re-zoned areas will remain undeveloped, further delaying much-needed housing supply and exacerbating affordability pressures.

New homes require water, wastewater and stormwater infrastructure, especially in growth areas. We work closely with Sydney Water to ensure that their growth projections reflect

trends that we are seeing on the ground and via planning investigations currently underway. These insights are critical to reflect trends and local nuances with delivery, including recent work to support uplift in our city centre that already showing signs of movement, with its take-up expected to accelerate within the five-year pricing horizon considered by the report. The IPART's reliance on the Sydney Housing Supply Forecast (SHSF) does not incorporate these local insights and changes in the growth trajectory contributed to by Low to Mid Rise Housing and Transport Oriented Development reforms.

It was concerning to read that the IPART reduced Sydney Water's allowable CAPEX by 35%, some \$5.9 billion less than Sydney Water's recommendation. What is most concerning, is that this significant reduction has been made at a point in time where the capital expenditure for critical infrastructure should be increased, so as to bring forward the delivery of much needed land releases and dwellings, responding to the acute shortage of affordable dwellings that the Sydney area is currently suffering.

While identified for delivery by 2032 in NSW government's strategic plans, the critical Upper Nepean Advanced Water Recycling Plant is not a current funded commitment by NSW government. To meet the 2032 timeframe for delivery, land for the Plant needs to be identified and acquired now, and capital works commenced. We are concerned that this future capital reduction will prevent the delivery of infrastructure not yet committed, including the critical Upper Nepean Plant, which would adversely impact the timing of the supply of some 40,000 dwellings for NSW.

The cost of capital, including the Upper Nepean Plant, and related network infrastructure is significant. However, these costs, if not borne now, will only have to be realised at a later time. The cost of delay, with inflationary pressures, will be immense, as would the added expense passed onto the future homeowners.

In the draft report, the IPART relies heavily on balanced customer affordability with higher cost-of-living pressures for not allowing the cost increase consistent with Sydney Water's price proposal. The cost of living is a significant concern, particularly for Campbelltown, representing communities with some of the highest levels of socio-economic disadvantage in the state. The IPART makes recommendations for pensioner rebates and other financial supports for low income households. Sydney Water also has generous hardship provisions to support households when they are experiencing difficulties in paying their water bills.

Constraining investment in water and wastewater infrastructure has broader economic implications, beyond immediate consumer tariffs. Contrary to the IPART's cost-of-living premise, it is our opinion that constraining the delivery of homes, through limiting investment in water and wastewater infrastructure, is likely to have an adverse impact on housing affordability.

Relying on fiscal levers to constrict the supply of housing, will only further delay and/or prevent new development and further exacerbate existing housing shortages. A decrease in the rate of supply of housing to the market will unnecessarily amplify the current impacts of the chronic

shortage of housing, will lead to further inflationary pressures on the cost of homes across Sydney Water's operational catchment, and will escalate cost-of-living pressures at a time we all should be committing to outcomes that minimises them.

Capital investment in water and wastewater infrastructure, particularly in the Macarthur region, is critical to supporting the equitable and timely supply of affordable homes to market.

Should you have any questions, please don't hesitate to contact me on [REDACTED]  
[REDACTED]

Yours sincerely,

[REDACTED]

[REDACTED]

DOC-25-133683



4 June 2025

[REDACTED]  
Campbelltown City Council  
[REDACTED]

Dear [REDACTED]

I write in relation to the recent publication of the Independent Pricing and Regulatory Tribunal's (IPART) draft determination into Sydney Water's prices for 2025-2030. IPART's report recognises the challenge of delivering safe, reliable, and affordable water to a fast-growing city like Greater Sydney.

IPART also acknowledged Sydney Water's past expenditure as prudent and efficient, and that we've significantly stepped up our delivery capability.

However, the report proposes to reduce Sydney Water's planned capital spending on upgrades and new infrastructure by 35% (\$5.9 billion) over the next five years.

These reductions contribute to minimising upward pressure on tariffs, but they come with risks which include timely delivery of infrastructure needed for housing, water supply reliability and environmental performance.

It's critical that the right balance is reached between customer bills and risk to services. Given the significant growth in the Campbelltown area and Council's focus on protecting the local environment, I wanted to share a few areas from IPART's report that Sydney Water will be responding to.

### Growth

Sydney Water's original proposal included \$9.475 billion to support growth and the NSW Government to meet its Housing Accord target. IPART's draft report has reduced this to \$6.7 billion.

As part of the National Housing Accord, the NSW Government has committed to deliver 377,000 homes in the next five years. 265,000 of these homes are to be in Sydney. Timely delivery of water, wastewater, and stormwater infrastructure, especially in growth areas and near transport hubs, is needed to enable this.

IPART's draft report uses the NSW Department of Planning's current housing supply forecast (SHSF 2023). While this forecasts about 155,000 homes over the next five years, IPART has allowed for only about 120,000 on the basis Sydney Water customers should not accept growth risk. The SHSF also does not include the Illawarra, or the recently introduced Transport Oriented Development or Low and Mid Rise Housing policies. The 2024 forecast is expected to increase to accommodate these policies and recent rezonings.

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The proposed reductions may result in up to 70,000 new homes facing delays in water and wastewater connections, impacting housing affordability as well as many of the jobs and subsequent economic benefits that we had expected to support through investments in social and affordable housing.

#### **Pre-treatment**

To respond to a growing population and climate change, Sydney Water's proposal included a major program to upgrade pretreatment at water filtration plants, aiming to add extra treatment steps for removing contaminants from raw water.

IPART's draft report excluded most of the Pretreatment Program costs – \$957 million, or 75% of the program's budget. IPART's position was that Sydney Water has historically managed adverse water events without widespread health crises, and that the urgency for these upgrades was not sufficiently demonstrated.

Without these upgrades, there is a higher chance that Sydney could face water restrictions and boil water notices during extreme weather or poor raw water quality events.

#### **Critical sewers – proactive work to improve the performance of our sewer network**

IPART proposed a \$700 million reduction to our proactive program designed to maintain, renew and upgrade ageing assets and high-risk sections of the network.

This reduction is likely to increase the frequency and severity of sewer overflows, environmental pollution, and regulatory breaches. These risks have consequences for public health, community amenity, and waterway outcomes.

#### **Renewing our plants and networks**

IPART has proposed significant reductions to renewals that are essential to maintain safe and secure water services for our customers. We understand how important thorough renewals are for our plants and networks, especially as many are already under pressure. This work is essential to continue delivering the high levels of reliability and safety that our customers expect.

Providing feedback on the draft report is an important step in the determination process.

Sydney Water will provide a response to IPART in relation to these matters, and Campbelltown City Council may also wish to make a submission. Submissions can be made until 23 June 2025 at [Have your say | IPART](#).

If you are interested in a more detailed briefing, or should your team have any further questions about the report, please email [stakeholderengagement@sydneywater.com.au](mailto:stakeholderengagement@sydneywater.com.au) and a member of our team will be in touch.

Yours sincerely

[Redacted signature]

[Redacted name]

[Redacted title]

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