

23 June 2025

Sydney Water Prices 2025-2030
Independent Pricing and Regulatory Tribunal NSW
PO Box K35
Haymarket Post Shop, Sydney NSW 1240
[Via submissions portal](#)

SUBMISSION: DRAFT DETERMINATION ON SYDNEY WATER PRICES (2025-2030)

The Community Housing Industry Association NSW (CHIA NSW) welcomes the opportunity to provide feedback on the Draft Determination on Sydney Water Prices (2025-30).

CHIA NSW represents not-for-profit community housing providers (CHPs) in NSW. Our members currently own or manage more than 54,000 social and affordable rental homes across NSW for individuals and families on the lowest incomes who cannot afford to rent or purchase a home on the private market.

While the draft determination seeks to balance costs to consumers with the need to adequately fund water infrastructure and services, CHIA NSW is concerned with the impacts of the proposed water charges on lower income households, many of whom are already struggling with the rising cost of utilities. As the draft determination report recognises, these households will be hardest hit by the proposed water price increases.

CHPs charge their residents for water usage in accordance with the NSW Government's Community Housing Water Charging Guidelines (2021), which supports the fair and transparent recovery of water usage charges from residents. In most cases, CHP residents will be on standard residential tenancy agreements and will be charged for water usage on similar terms as private rental tenants.

Under the draft determination, water bills for renters will increase by an average of 5.6% above inflation each year over the next five years. With inflation, water bills are estimated to increase by 15.6% in the first year of the determination period alone. This is far higher than the rate at which household incomes are increasing. Many social housing (including CHP) residents receive their income from social security payments, which will increase by 2.4% from 1 July 2025 – more than six times lower than the forecast increase in water bills.

While a CHP may elect to not pass water charges on to their residents, they have limited capacity to absorb increased costs. Not-for-profit CHPs typically have an operating margin of 2-3%, which is primarily comprised of below-market rental revenue. To remain compliant with the NSW Government's rent policies for community housing, CHPs have limited scope to increase the rents they charge to cover additional operating costs.

The cost pressures on CHPs are further compounded by the recent re-introduction of water and wastewater infrastructure developer contributions, which have imposed significant additional costs on the delivery of non-market housing.

To further mitigate financial impacts, CHIA NSW requests that the draft determination includes a recommendation that the NSW Government review the application of water and wastewater infrastructure charges, with a view to exempting social and affordable housing development carried out by not-for-profit CHPs. It is understood that Sydney Water is supportive of this exemption but requires a formal direction from the NSW Treasurer to implement this change.

Targeting water rebates to households in need

Despite being disproportionately impacted by the proposed price increases, social and affordable housing residents are ineligible for existing water rebates or hardship schemes. Current assistance is almost exclusively targeted towards owner-occupiers. The Water Payment Assistance Program is the only form of assistance currently available to rental households. However, under Sydney Water's Payment Assistance Policy (last updated on 5 May 2025), social and community housing residents are excluded from applying.

CHIA NSW strongly supports IPART's draft recommendation that water rebates are better targeted to people in greatest financial need. Given the draft price increases would apply to variable usage charges more than fixed service charges, this will require rebates to be extended to water usage charges, in addition to service charges. This needs to be made clear in the final determination.

Furthermore, given current policy settings that explicitly exclude social and affordable housing residents, the final determination must clearly and strongly articulate the need for rebates and hardship schemes to be made available to all very low and low-income rental households.

CHIA NSW recommends that the community housing industry is directly involved in the review and development of utilities rebates to ensure they are fit-for-purpose within the community housing operating environment. Alongside exploring the merits of a general utilities rebate, CHIA NSW encourages the NSW Government to direct subsidies towards measures that improve the water efficiency of existing homes, thereby reducing demand on water infrastructure.

Thank you for your consideration of this submission. Please contact [REDACTED] if you require any further information.

Kind regards,

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