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Re: IPART Review of Prices for Sydney Water Corporation from 1 October 2025

6 June 2025

Thank you for the opportunity to give feedback on the IPART review of Prices for Sydney Water Corporation from 1 October 2025.

The aim of Friends of Berowra Valley (FoBV) is to protect the natural landscape, heritage and biodiversity of Berowra Valley.

We were impressed that the Pricing Proposal by Sydney Water addressed the underlying issues impacting the environment that we see every day - an aging infrastructure stretched to its limits.

We are extremely disappointed that the IPART review has not taken the responsible decision to support the proposal by the now-ex Sydney Water Managing Director.

Sydney Water is tasked with an enormous job cleaning up historical pollution of the Hawkesbury-Nepean catchment as well as providing infrastructure for increased housing. The community sees the enormous increase in population pressure and wants to see enough funds being directed to Sydney Water so that it can respond effectively.

Background

Hornsby Shire is still fortunate to contain creeks that support a myriad of wildlife such as Provest Creek in Hornsby Heights. This tiny creek supports Spiny Freshwater Crayfish, Eastern Water Dragons, Eastern Snake-necked Turtles, over 11 species of frogs. As a community we can try and restore the weedy plume damaging biodiversity, and we are. But the poor water quality near the West Hornsby and Hornsby Heights Wastewater Treatment Plants undermines everyone's efforts.

Hornsby Shire Council's water quality testing shows a quality of C-Fair near both West Hornsby and Hornsby Heights Wastewater Treatment Plants.

Grade	Condition	Description
A	Excellent	The indicators measured meet all of the benchmark values for almost all of the year
B	Good	The indicators measured meet all of the benchmark values for most of the year
C	Fair	The indicators measured meet some of the benchmark values for some of the year
D	Poor	The indicators measured meet few of the benchmark values for some of the year
F	Very Poor	The indicators measured meet very few of the benchmark values for almost all of the year

The community can feel overwhelmed by the scale of the problem but still wants to be involved in the solution.

Citizen Science

Friends of Berowra Valley run bush regeneration groups and some of these groups do Streamwatch testing. Streamwatch is a citizen science initiative that was created by Sydney Water but subsequently abandoned. It was saved by the volunteers and currently resides within Greater Sydney Landcare Network (GSLN). It has been told that it must find its own funding in a few years.

Currently it is promoting an excellent model where councils such as Ku-ring-gai Council manage Streamwatch volunteer groups and are directed by the Streamwatch Coordinator employed by GSLN. Councils pay for equipment and supplies. Volunteers upload their water testing results to be publicly available on the Atlas of Living Australia.

This model could easily come back into the fold of Sydney Water. The funding required is minimal and it would be an opportunity for Sydney Water to start working with the community again.

Sydney Water Sewage Treatment System Impact Monitoring

We are pleased to note that Sydney Water are monitoring the impact their Treatment Plants have at a catchment level. Below are their conclusions on the impacts from the catchment on the Hawkesbury River and what they would like to see moving forward.

https://www.sydneywater.com.au/content/dam/sydneywater/documents/sewage-treatment-system-impact-monitoring-program.pdf P95

> This study provides a clear picture of both the long-term and short-term trends in nutrient loads discharged from Sydney Water's WWTPs to the Hawkesbury-Nepean and tributaries, and the receiving water quality at 21 current monitoring sites. Factors responsible for the variation in nutrients, chlorophyll-a and algae condition were also identified at 11 key sites. The key findings from this study are:
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> - The WWTP nutrient loads (both nitrogen and phosphorus) discharged to the Hawkesbury-Nepean River and tributaries have considerably decreased over the long-term (1992 to 2017). This decrease was in response to improvements in wastewater treatment processes, as well as decommissioning the older WWTPs.

- Since 2011, there has been an increase in the total nitrogen load discharged from the WWTPs. This increase is thought to be a result of population growth increasing the overall volume of inflow, as well as reducing the efficiency of nitrogen removal in the treatment process resulting in increased nitrogen concentration in the discharge. Despite the increasing trend, loads remain well within the current Environment Protection Licence load limits and well below pre-1992 figures. Sydney Water is investigating what these load increases mean in terms of the impact on the environment.
- The total nitrogen and total phosphorus loads discharged to the freshwater section of the Hawkesbury-Nepean River from Sydney Water's WWTPs in 2016-2017 were approximately 885 kg/day and 9 kg/day, respectively. This represents approximately 27.7% and 1.5% of the total nitrogen and total phosphorus loads from all agricultural activities.
- Instream nutrient concentrations (both nitrogen and phosphorus) have decreased at most sites since 1992 (consistent with the long term decrease in WWTP nutrient loads).
- Since 2011 there has been an increase in total nitrogen and dissolved inorganic nitrogen concentrations at approximately half the instream monitoring sites, while total phosphorus and filterable total phosphorus concentrations remained static or decreased.
- Chlorophyll-a, a key indicator of algal biomass, showed little change over the long-term (since 1992), despite the reduction in nutrient loads discharged from WWTPs.
- Since 2011, the increase in WWTP nitrogen loads and/or instream nitrogen concentrations showed no influence on chlorophyll-a concentrations, with chlorophyll-a decreasing at 40% of sites.
- Statistical analysis of the short-term data (2011-2017) did not identify any significant correlations between site-specific WWTP nitrogen loads and downstream nitrogen concentrations at most sites. However, WWTP phosphorus loads correlated with instream agricultural loads were calculated by the NSW OEH which extend to Wisemans Ferry (Haine et al 2011) phosphorus concentrations, despite contributing a small proportion compared to loads from other catchment sources.
- Flow, or wet weather, was an important factor driving chlorophyll-a or algal biomass as demonstrated by a significant negative correlation at all sites. High flow washes out the algae and low flow or static conditions encourages algal growth.
- The correlation between the site-specific WWTP nutrient loads and instream nutrient concentrations was variable and not consistent for all sites. There was either a negative or no correlation between nitrogen and chlorophyll-a and/or algal biomass. This indicates continuous uptake of nitrogen or alternative sources. However, there was a positive correlation between phosphorus concentrations and chlorophyll-a and/or algal biomass at some sites.

Way forward

Sydney Water has consistently complied with the vast majority of EPL conditions for wastewater discharge volumes, nutrient concentrations and overall loads to the Hawkesbury-Nepean catchment. However, since 2011 there has been an increase in nutrient loads from some WWTPs, especially for total nitrogen. This is likely due to increasing population pressures for many sites. The rapid population growth planned for the catchment over the next 40 years means that these pressures, and nutrient loads, are likely to increase.

Population growth will impact many other sources of nutrients in the catchment, not just wastewater discharges. The future of the Hawkesbury Nepean River therefore requires a

‘whole of catchment’ approach to nutrient management that will integrate water cycle management solutions.

To assist in planning for growth we need robust scientific evidence to inform management decisions and protect the environment. The current STSIMP is limited in its ability to discern the impact of wastewater discharge from diffuse sources. Sydney Water is reviewing the ability of the current monitoring plan to target the impact of wastewater discharge on the environment, and consider new emerging technologies. Improved monitoring data, supported by the NSW Government Hawkesbury Nepean Model, will enable evidence-based decisions to protect the iconic Hawkesbury-Nepean River.

Funding

The community wants to help work with Sydney Water to improve the quality of our creeks. Sydney Water needs to have its funding increased. It is infuriating to know that only 50% of Sydney Water’s Net profit is allowed to be directed to their important work.

In the 2023-24 financial year the NSW Treasury took 50% of the net profit as a dividend. IPART are refusing to increase the water rates to the level required but the dividend taken by Treasury should and must be reduced.

https://www.parliament.nsw.gov.au/tp/files/190319/Sydney%20Water%20Annual%20Report%202023-2024.pdf

Profit and loss statement, 2019–20 to 2023–24

Financial performance target	2020-21 result	2021–22 result	2022-23 result	2023-24 result	2023-24 SCI target	2023-24 variance to SCI target
Total income ($ million)	2,748	2,764	2,946	3,218	3,192	26
Operating expenses ($ million)	1,428	1,460	1,557	1,438	1,430	(8)
Earnings before interest, tax, depreciation, and amortisation ($ million)	1,320	1,304	1,389	1,780	1,762	18
Depreciation, amortisation, impairment, and loss on asset sales ($ million)	384	427	437	550	521	(29)
Borrowing expenses ($ million)	361	416	507	753	804	51
Net profit before tax ($ million)	575	461	445	477	437	40
Income tax expense ($ million)	171	136	131	142	131	(11)
Net profit after tax ($ million)	404	325	314	335	306	29
Dividend ($ million)	687	139	100	170	170	-
Return on assets (%)	4.2	3.8	3.8	4.4	4.5	(0.1)
Net cash flows from operating activities ($ million)	627	756	766	910	510	400
Net cash flows from operating activities interest cover (times)	2.7	2.8	2.5	2.2	1.6	0.6
Capital investment program* ($ million)	885	1,170	1,558	2,145	2,575	430
Gearing ratio (%)	59.0	59.0	60.0	61.1	64.6	3.5

* The capital investment program numbers exclude unregulated capex and capitalised borrowing costs.

Wastewater Treatment Facilities

Both Hornsby Wastewater Treatment Plants perform secondary treatment – using bacteria for biological degradation. The treated water is then released into the environment. Currently PFAS is not being removed.

The Quakers Hill Purified Recycled Water Discovery Centre produces purified recycled water which is returned to the dams where it is diluted by fresh water from natural waterways. As well as removing other impurities, the treatment removes nearly all PFAS.

An expansion of this recycled water scheme could see residents provided with water for gardens through a separate mauve tap. Professor Ian Wright warns against sending the extracted PFAS out to sea. "As the platypus shows, it's a really dangerous bio-accumulator, so with those slow-living marine species, there's a very good chance they're going to cop it."

As the Hornsby area is a TOD development hub and the population is slated to increase dramatically the current C or Fair rating of the water quality near the Wastewater Treatment Plants will only get worse. Sydney Water needs to upgrade both treatment plants.

Recommendations

- Reduce dividend taken by Treasury rather than increase water rates and ensure funding of Sydney Water to the full amount requested.
- Incorporate the citizen science model being run by Streamwatch back into Sydney Water so that the community can work with the government to improve the quality of our creeks and increase biodiversity into the future.
- Upgrade both Hornsby Heights and West Hornsby Wastewater Treatment Plants so that PFAS is removed and water quality near the plants is A-Excellent.

Kind regards,

Karen Benhar

Friends of Berowra Valley Inc.