

23 June 2025

NSW Independent Pricing and Regulatory Tribunal
Via [Have your say | IPART](#)

Attention: Carmel Donnelly PSM, Tribunal Chair

Dear Ms Donnelly

Review of IPARTs Draft Report Sydney Water Prices, 2025 – 2030

Thank you for the opportunity to provide feedback on the draft decisions and recommendations contained in the *Draft Report – Sydney Water prices 2025-2030* (May 2025) open for submissions to 23 June 2025.

Please note that the comments contained within this letter are technical officer-level comments only, as the matter has not yet been reported to the elected representatives of Hornsby Shire Council.

1.0 Introduction

1.1.1 Hornsby Shire sits at the northern gateway to Greater Sydney and has been chosen by both the NSW Government and the Commonwealth's National Housing Accord as a key growth hub. Over the next five years our Local Environmental Plan and the State's Transport-Oriented-Development (TOD) program ask us to accommodate roughly **6,000 dwellings around Hornsby Station** and the first **2,000 dwellings of the Hornsby Town Centre Masterplan**, over the next five years.
Reference: [First group of Transport Oriented Development Accelerated Precincts will help build homes and communities | NSW Government](#)

1.1.2 Those homes are impossible without timely, licensed wastewater capacity at West Hornsby and Hornsby Heights Water Resource Recovery Facilities (WRRFs), and without additional trunk-main capacity along the Thornleigh Reservoir supply line. IPART's draft decision - while laudably focused on keeping household bills stable – seeks to reduce the very funding that underwrites those works. It simultaneously restores Sydney Water's developer-servicing plan (DSP) charges to 100% of cost from 1 July 2026.

1.1.3 The outcome is a double bind: even if developers can afford the sharply higher DSP "hook-up" fees, there may be nowhere legally compliant to send their sewage or to draw adequate pressure for fire-flow. Council therefore seeks modest but critical changes to the final determination so that affordability and capacity advance together, not at each other's expense.

2.0 Why this matters now

2.1 A real-world deadline, not a planning aspiration

2.1.1 According to Sydney Water's *West Hornsby Wastewater Treatment Plant Report* (June 2023) **West Hornsby (WRRF)** will hit or exceed its EPA flow limit target in 2026. Three Wastewater treatment plants (WWTPs) operate within Hornsby Shire: Brooklyn, Hornsby Heights, and West Hornsby. Sydney Water also operates nine other WWTPs across the broader Hawkesbury-Nepean

catchment. Continued nutrient discharge from WWTPs (and associated infrastructure) and urban stormwater runoff presents a persistent risk to water quality and aquatic ecosystems.

Reference: [West Hornsby Wastewater Treatment Plant Report](#)

Thornleigh's DN1800 trunk-main duplication is the matched drinking-water fix. This is considered integral to increasing resilience in local water supply as well as supporting the expected housing growth that the reservoir helps service from 165,000 properties to day to 305,000 by 2056. Without it, high-rise towers fail the Building Code's pressure test. Our region is therefore dangerously close to a hard stop on new connections.

2.2 Lessons of history

- 2.2.2 In the early 1990s, the **West Hornsby (WRRF)** plant breached its licence, and Council had no choice but to impose a **development moratorium**. Only a "Statement of Joint Intent" (SoJI) among Council, Sydney Water, the EPA and the then Water Board, unlocked new capacity and lifted the ban. We have lived the consequences of funding deferrals, and are anxious not to repeat them while the State is counting on our housing output. Council has previously raised these infrastructure-alignment concerns in two formal State submissions - the Low & Mid-Rise Housing EIE (TRIM D08830217) and the Parliamentary Inquiry into the TOD Program (TRIM D08850933) and now reiterates them to IPART. Both Council submissions can be made available on request.

Reference: [Original-Signed-Statement-of-Joint-Intent-SOJI-1994.pdf](#)

2.3 The policy overlay

- **National Housing Accord** - NSW has pledged 377,000 new homes by 2029; about **2,000** of those are slated for the Hornsby TOD precinct. IPART's current forecast of 120,000 new homes does not align with these commitments or local planning realities.

Reference: [Hornsby Council's housing snapshot | Planning](#)

Reference: [Council performance to be ranked to meet housing targets | NSW Government](#)

- **Low-and Mid-Rise Housing Reforms** will increase residential densities in existing R2 Low Density Residential zones through widespread dual occupancy development. This effectively doubles the density in many neighbourhoods, placing further pressure on ageing sewer infrastructure. The dispersed uplift will add steady background load across the Shire's three WRRFs.

Reference: [Explanation of Intended Effect: Changes to create Low and Mid-Rise Housing | Planning Portal - Department of Planning and Environment](#)

- **EPA licence review (June 2025)** – calling for tighter nutrient and wet-weather limits plus imminent PFAS monitoring will make every spare litre of capacity precious. Council's submission (TRIM reference D09149124) can be made available on request.

- 2.3.1 Without **ring-fenced capital works** in the 2025-30 program, Sydney Water may be forced either to breach its licence, seek a costly emergency upgrade or freeze new Section 73 certificates - none of which serves affordability or growth.

3.0 Concerns with the draft determination

3.1 Reduced capital allowance

IPART has proposed trimming Sydney Water's capital expenditure on infrastructure bid by **\$5.9 billion over the 5-year determination period**. With this Two Hornsby critical projects - the West Hornsby upgrade and Thornleigh duplication would potentially sit only on a "strategic planning" shelf, unfunded and unscheduled due to the reprioritisation of capital funding. While this decision seeks to minimise upward pressure on customer bills, it carries substantial risks. These include delays in infrastructure required to support housing growth, compromised water supply reliability, and diminished

environmental protection. Council considers this proposal unacceptable given the potential for negative impacts on waterway health, public health, aquaculture, and community amenity.

3.2 Conservative growth modelling

The cut would appear justified by reference to the State Housing Supply Forecast (SHSF). However, this predates both the Hornsby Town Centre LEP amendment and the TOD program and under-weights our demonstrably endorsed growth trajectory. IPART's proposed investment reductions may also delay water and sewer connections for up to 70,000 new homes, directly impacting housing affordability, employment opportunities, and economic recovery efforts.

3.3 Full DSP charge from 1 July 2026

The "COVID discount" on "hook-up" fees winds back to 50% next year and to **100% the year after**. For a 200-unit tower that is a swing from roughly \$1 million today, to \$3-4 million in 2026. Current projects already under financial pressure may slip or seek concessions from Council if capacity delays push them into the higher DSP tier.

3.4 Licence-driven operating costs

Council's submission to the EPA seeks regulatory mechanism through an appropriate "sunset clause" that encourages wet weather flow reductions from STPs (4% reduction target per year), and alignment of faecal-coliform limits with ANZECC guidelines. Sydney Water will need telemetry, tertiary treatment and PFAS sampling to comply - costs absent from the present operating allowance.

3.5 Budget mismatch for community facilities

Household bills are projected to rise about **4.6% in real terms every year**, while the local-government rate-peg remains under 3%. Council-owned pools, parks and libraries will absorb the same water tariff increases with no matching revenue flexibility.

3.6 Proactive Sewer Network Maintenance

IPART has proposed a \$700 million reduction to Sydney Water's proactive maintenance program, which targets the renewal and upgrade of ageing and high-risk sewer network assets. This decision is likely to result in increased frequency and severity of sewer overflows, elevated risks of environmental pollution, and regulatory non-compliance. These outcomes pose unacceptable risks to public health, waterway ecosystems, and community wellbeing.

4.0 Requests - how IPART might resolve the tension

4.1 Ring-fence funding for:

- West Hornsby and Hornsby Heights Stage 1 augmentations (including advanced nutrient removal); and
- Thornleigh trunk-main duplication (1.4km, DN1800)

4.2 Update the growth baseline to include LEP - endorsed Town-Centre TOD yields and State Low- and Mid-Rise reform forecasts or build a trigger so that funds flow automatically once dwelling approvals exceed SHSF projections.

4.3 Hold DSP charges at 50% within accelerated-precinct Local Government Areas (LGAs), until the above works are physically delivered, preventing an unfair penalty for projects delayed by infrastructure, not by planning.

4.4 Tie progress reports to EPA licence cycles. If Sydney Water misses a nutrient or flow-milestone

in its three-year licence review, a cost-pass mechanism for the pricing period should be available rather than postponing or cancelling the growth project.

- 4.5 Provide a small operating – a similar cost-pass mechanism for new PFAS monitoring and wet-weather telemetry so those legal requirements do not cannibalise growth capital expenditure.
- 4.6 Re-examine the tariff split for multi-unit dwellings so strata households - soon the majority of new residents - do not face disproportionately steep bill increases.
- 4.7 Council urges IPART to maintain funding for Sydney Water to safeguard environmental integrity, public health, and the long-term sustainability of the region's aquaculture industry

5.0 Council commitments

5.1 Council is not suggesting IPART to carry the whole burden. We will:

- Embed rainwater reuse and, where viable, third-pipe non-potable supply in our forthcoming Hornsby Town Centre Development Control Plan.
- Partner with Sydney Water on smoke-testing programs to cut illegal storm-water inflow—freeing spare capacity at source.
- Negotiate infrastructure-works-in-kind agreements so major landholders can forward-fund local reticulation in exchange for hook-up/DSP credits.

Reference: [Credits for existing development or past contributions | Planning Portal - Department of Planning and Environment](#)

6.0 Conclusion

- 6.1 Greater Sydney's housing agenda cannot be met if wastewater plants operate on expired capacity and if developer fees triple just as projects confront infrastructure delays. Hornsby knows by lived experience that under investment leads to moratoria, polluted waterways and lost housing opportunities.
- 6.2 IPART can avert that outcome with two minor amendments: **lock in the West Hornsby and Thornleigh projects, and stage developer charges until they are built.** These modest adjustments will unlock up to 2,000 TOD dwellings, protect the Hawkesbury, and still keep customer bills on the steady path the Tribunal seeks. Council stands ready to partner with IPART and Sydney Water to deliver that balanced result.
- 6.3 The risks associated with underinvestment, particularly to public health, environmental quality, and housing supply, far outweigh the short-term benefits of lower pricing. A resilient, growing Greater Sydney depends on timely and adequate investment in water, wastewater, and stormwater infrastructure. Council stands ready to work with Sydney Water, and the NSW Government to ensure these outcomes are achieved for the benefit of our communities and the environment.

I would like to reiterate Council's support for critical water infrastructure and confirm our willingness to collaborate if we can be of further assistance. Should you have any questions concerning Council's submission, please do not hesitate to contact my office on [REDACTED]

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Yours faithfully

[Redacted signature]

[Redacted name]

[Redacted title]

TRIM Reference: F2018/00124-003 D09153742