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Your submission for this review:

Dear IPART, I am writing to express serious concerns regarding the proposed rate rises outlined in the 2024-2025 Sydney Water Pricing Proposal. This proposal, which introduces a significant increase in rates, raises substantial issues of affordability and lacks a commitment to reduce rates after project completions. Here are the primary concerns and recommendations for consideration:

- **Affordability and Financial Impact on Households** The proposed rate rises will result in an immediate financial burden on residents, with water bills set to increase by approximately 18% in the first year, followed by annual increases over the remainder of the determination period. For many households, particularly low-income ones, these rises will pose severe budgetary challenges. Sydney Water has noted that affordability is a top customer concern, yet this proposal does not adequately address mechanisms to mitigate these burdens on residents.
- **No Guarantees for Rate Reduction Post-Project** The proposal lacks a provision for decreasing rates once major projects are completed. This omission means that residents bear the costs of infrastructure and expansion with no assurance that rates will return to pre-expansion levels or even be moderated to reflect completed projects' benefits. Such an oversight places an indefinite financial obligation on customers without accountability for future affordability improvements.
- **Recommendations for Affordability and Long-Term Sustainability**
 - **Introduce a Commitment to Future Rate Reductions:** Sydney Water should incorporate a clause guaranteeing rate adjustments following major project completions. This adjustment would reflect the stabilized operating costs and ensure fairness for residents who funded these projects.
 - **Implement Efficiency Measures:** Consider efficiency improvements and smarter water management practices to reduce overall operational costs, thereby reducing reliance on customer-funded rate increases.
 - **Explore Alternative Funding Models:** Prioritize funding models that alleviate the financial strain on residential customers, such as developer contributions or public funding for infrastructure expansions that benefit broader areas rather than solely increasing rates on current customers.
 - **Customer Impact and Support Programs** While the proposal does highlight support programs for low-income and vulnerable residents, it falls short of guaranteeing sustainable long-term affordability. Further assistance programs should be expanded to buffer the rate impact across a broader segment of the population, especially those marginally above eligibility thresholds for current support programs.

Regards, [REDACTED]