

Author name: Name suppressed

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Your submission for this review:

Thank you for the opportunity to contribute to the Sydney Water 202530 Price Review. We are writing to offer an industry perspective on the capital investment program and its implications for delivery, efficiency, and long-term value.

- 1. Industry Capacity and Market Conditions** The infrastructure sector currently has significant delivery capacity due to a slowdown in major transport infrastructure projects. This lull presents a strategic opportunity for Sydney Water to accelerate its capital works program without competing for limited resources. Skilled labour, equipment, and project management expertise are readily available, enabling efficient and timely delivery of complex water infrastructure projects. Leveraging this window can help avoid future bottlenecks when other sectors ramp up again.
- 2. \$23 Billion Per Annum is Manageable** The industry is well-positioned to deliver capital works in the range of \$23 billion per year. This level of investment is consistent with past delivery volumes across the broader infrastructure sector and can be absorbed without overstretching resources. With proper planning and procurement, this scale of work can be delivered safely, efficiently, and with high quality, ensuring value for money for customers and the community.
- 3. Increased Competition Enhances Value** The current market is characterised by strong competition, with both international and domestic contractors actively seeking work in Australia. This competitive environment creates favourable conditions for Sydney Water to secure better pricing, collaborative delivery models, and improved risk-sharing arrangements. Encouraging open and transparent procurement processes will help maximise these benefits and drive better outcomes for customers.
- 4. Urgent Need to Upgrade Ageing Infrastructure** Much of Sydneys water and wastewater infrastructure is ageing and nearing capacity. Without timely upgrades, there is a growing risk of system failures, environmental breaches, and non-compliance with regulatory standards. Proactive investment is essential to maintain service reliability, protect public health, and support population growth. Delaying these upgrades could lead to higher costs and more disruptive emergency interventions in the future.
- 5. Support for Prudent and Efficient Investment** The industry strongly supports the principle of prudent and efficient investment. There are opportunities to improve investment outcomes through better network planning, adoption of new technologies, and integrated asset management. Sydney Water's framework should encourage innovation and reward efficiency in capital delivery.
- 6. Risks of Deferral and Market Volatility** Deferring capital projects may appear fiscally conservative in the short term but can lead to higher costs and delivery risks in the long run. As market conditions tighten and demand for infrastructure delivery increases, competition may decrease, and prices may rise. Delays also risk compounding infrastructure backlogs, making future delivery more complex and expensive. Acting now ensures better control over costs and outcomes.
- 7. Industry Willingness to Co-Invest and Innovate** The private sector is open to exploring alternative financing and delivery models, including Public-Private Partnerships (PPPs), to support Sydney Waters infrastructure goals. These models can unlock additional capital, transfer risk and accelerate project timelines. With the right governance and transparency, PPPs can deliver high-quality infrastructure while maintaining public accountability and service standards. The current market presents a unique opportunity for Sydney Water to invest in critical infrastructure at a time when industry capacity, competition, and innovation are aligned. We encourage IPART to support a capital program that is ambitious, efficient, and forward-looking, ensuring Sydneys water infrastructure is resilient, sustainable, and fit for the future.

Regards

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