



Our reference: Infostore  
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23 June 2025

Ms Carmel Donnelly PSM  
Chair, Independent Pricing and Regulatory Tribunal

Sent by email: [ipart@ipart.nsw.gov.au](mailto:ipart@ipart.nsw.gov.au)

Dear Ms Donnelly,

**Submission in response to IPART's draft determination on Sydney Water's pricing proposal for the 2025 – 2030 period**

Thank you for the opportunity to provide a submission in response to IPART's draft determination on Sydney Water's pricing proposal for the 2025 – 2030 period.

Our submission is attached for your consideration. It reflects Council's position regarding the infrastructure needed for well managed growth and increased housing and employment lands supply, as outlined in Council's Advocacy Strategy 2025.

If you have any questions about this matter, please contact me at

[REDACTED]

Yours sincerely

[REDACTED]

Carlie Ryan  
Head of City Strategy

Attachments:

1. Submission in response to IPART's draft determination on Sydney Water's pricing proposal for the 2025 – 2030 period
2. Penrith's Housing Pipeline

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# Submission – IPART draft determination on Sydney Water’s pricing proposal for the 2025–2030 period

June 2025

We appreciate the opportunity to respond to IPART’s draft determination on Sydney Water’s pricing proposal for the 2025–2030 period.

Penrith plays a crucial role in supporting NSW’s economy and housing supply, with capacity for more dwellings and existing employment land availability. We are just 15 kilometres from the new Western Sydney International Airport and have the only established centre, St Marys, connected to the Airport via the Sydney Metro – Western Sydney Airport line. Our region’s long-term productivity and prosperity, however, are being constrained as infrastructure is not keeping pace with demand.

Council is committed to delivering housing and supporting Sydney’s expansion. Council’s [Advocacy Strategy 2025](#) outlines Penrith’s housing pipeline of around 32,000 dwellings that could be delivered if drinking water and wastewater, in conjunction with other critical infrastructure, are made available to unlock land for new housing (see Penrith Housing Pipeline Map attached). Similarly, we can deliver more jobs if our employment lands can be unlocked through utilities servicing. Penrith has 2,700 ha of zoned employment land that is currently undeveloped. Of this, 2,600 ha is not yet serviced. This employment land is a significant proportion of Greater Sydney’s future supply.

Council continues to raise concerns regarding the ongoing rezoning of land without a clear servicing strategy. A key example of this is the State led rezoning of Orchard Hills South. Council’s endorsed submission to the Department of Planning, Housing and Infrastructure clearly articulated that land should not be rezoned unless it is able to be serviced with essential infrastructure. The ongoing rezoning of land, without a clear timeframe for delivery of essential supporting infrastructure, including water and sewer, is not supported.

Commitment to sustained and strategic investment, along with support from all levels of government, is needed to ensure that well managed growth can be achieved and translates into economic opportunities, a high-amenity urban environment, and a good quality of life for our community.

## Comments and Recommendations

### Recommendation 1 – Growth Servicing

**1 (a) IPART base its recommendations on the most recent, relevant and complete growth forecasts as utilised by Sydney Water.**

**1 (b) IPART review their proposed pricing considerations to ensure cost estimates that are reasonable and reflect servicing for new growth where there is high confidence that development will go ahead.**

#### Growth Forecasts

Housing growth must go hand in hand with essential infrastructure. Penrith is a growth area and has the capacity for more homes but cannot unlock land without essential infrastructure, including water and sewer. Sydney Water's investment proposal has a significant focus on growth, with 57% of the proposal channeled to works that enable growth in Western Sydney.

Under the Sydney Water proposal some 195,000 new houses would be achieved across greater Sydney and Illawarra in 5 years, along with industrial and commercial development. Sydney Water's housing growth forecast uses the Sydney Housing Supply Forecast (SHSF) 2023 with the addition of more current data including forecast information for Transport Oriented Development (TOD) precincts. Sydney Water's pricing proposal is based on an understanding of forecasted housing growth where there is high confidence that development will go ahead. We recommend IPART work with Sydney Water and relevant NSW agencies to review their 5 year housing forecast to ensure every effort is made to use the most up to date, relevant and complete data.

Additionally, IPART's pricing considerations are based on a housing growth forecast of 155,000 over 5 years and reflect the SHSF 2023 which was updated in 2024, and based on 2021 data. Unlike Sydney Water's forecast, IPART does not include the Illawarra or take into account the impacts of the more recently introduced TOD or Low to Mid Rise Housing Policies. We recommend that IPART work with agencies, including Sydney Water, to provide clarity and transparency in relation to the way growth forecasts are informing a range of essential infrastructure to support growth.

Industry and community want confidence that decisions on pricing for the next 5 years are based on a current and realistic understanding of housing growth. Sydney Water's forecast includes contemporary data points. IPART has an opportunity to include more contemporary data to inform their 5-year development forecasts, and the associated necessary pricing to enable reasonable growth serving budgets. There is also an opportunity for IPART to provide more transparency and a better understanding for industry and community with regard to how growth forecasts are informing specific infrastructure delivery at a regional level. This assists other stakeholders like local councils within growth areas to manage their own planning and delivery resources, and

to maximise efficiencies and on ground outcomes that come from a collaborative understanding of growth both spatially and temporarily.

Given the major challenge emerging from timing or lack of growth servicing, the ongoing rezoning of land, without a clear timeframe for delivery of essential supporting infrastructure, including water and sewer, is not supported. Further in this increasingly constrained operating environment, the rezoning of land with existing infrastructure that can be expanded to accommodate growth, both for housing and employment, should be prioritised.

## **Capital Investment**

IPART's review proposes reducing Sydney Water's capital expenditure budget by 35% (\$5.9 billion), from \$16.4 billion to \$10.7 billion. Under IPART's proposal, 120,000 homes could be delivered in 5 years, which is 70,000 less than Sydney Water is seeking to enable. This is also less than half the housing accord target for greater Sydney of 265,000 new homes.

IPART's proposed funding reduction is likely to limit growth in established centres and release areas, let alone future areas under planning. Under IPART's draft recommendation to reduce Sydney Water's capital investment we see a mismatch between government policy and direction to facilitate greater housing supply. The inability to realise this practically is due to lack of timely delivery of essential infrastructure in growth areas. IPART's draft recommendation to reduce capital investment may result in 70,000 new homes across Sydney's growth areas facing delays in water and wastewater connections, impacting housing affordability as well as many of the jobs and subsequent economic benefits that come with investment in housing.

A review of the capital investment budget is recommended. It should give due consideration to balancing a response to near term cost of living pressures, with the risk and impact on Sydney Water in not being able to meet its obligations to government both to maintain the expected level of service and importantly facilitate both housing and jobs growth in the medium to long term.

IPART should take into consideration that Western Sydney is NSW's major future supplier of new housing and jobs. Facilitating growth especially in western Sydney is fundamental to tackling the housing crisis, unlocking new employment lands and the continuing economic development and long-term prosperity of NSW. It requires a major capital works program and an associated strategic, sustained investment commitment.

At a time of major transformation and opportunity, and with the expectation that Western Sydney will do the heavy lifting when it comes to housing and jobs growth, both the community and industry require clarity and transparency about how well

managed growth is to be delivered when the capital investment budget to support growth servicing is proposed to be reduced by 35%.

Relying on funding from consumer water bills is unsustainable in the long term and will need to be supplemented from a range of funding sources due to the ever increasing demand on infrastructure. A multi-pronged approach to financing essential infrastructure, including water and sewer, is needed so the consumer base, already pressured by cost of living, is not unduly impacted.

## **Recommendation 2 – Financial Hardship Support**

### **3) IPART support Sydney Water’s proposed \$1 billion budget for payment assistance programs for the next 5 years**

Sydney Water provides support to customers experiencing financial hardship, including dedicated case management to around 450 financially vulnerable customers each month. In the 2023–24 financial year, the team took 5,800 calls from customers needing financial support and entered 3,000 payment arrangements (when the balance of a bill is broken into multiple payments before the next bill is due).

Sydney Water has forecast over \$1 billion in payment assistance programs between 2025–2030 to support those in need. With current cost of living issues this is a critical and appropriate measure to support more vulnerable customers.

## **Conclusion**

In determining pricing for the coming 5-year period, it is critical that a long term funding strategy is developed to provide certainty to stakeholders. Sydney, particularly Western Sydney, is in a growth phase fueled by once in a lifetime catalytic opportunities arising from the Western Sydney Airport and Sydney Metro – Western Sydney Airport line. At the same time, all levels of government are working to ease pressure on families and increase housing supply quickly.

At this truly unique time for Greater Sydney, the industry and community need certainty. Sustained and strategic investment in water infrastructure is needed in growth areas. Pricing must reflect the scale of growth occurring and the expectation for Western Sydney in developing as the future powerhouse of Australia’s economy. Pricing and a range of other investment sources must enable timely delivery of the infrastructure required for new housing, to unlock employment lands, ensure water supply reliability and environmental performance, which are common goals for both State and Local Government.

Western Sydney is fast becoming the economic driver of the country. Major projects, including the Sydney Metro: Western Sydney Airport and the Western Sydney International (Nancy-Bird Walton) Airport, expected to open in 2026 and 2027. They are unlocking Penrith and Western Sydney at pace, bringing transformation and growth,

and new social and economic opportunities not seen before. We need a planned essential infrastructure servicing strategy that prioritises and sequences growth for the region. This will enable clear and transparent decisions on staging and sequencing of infrastructure, prioritising access to services that are finite and will enable us to stay the course for the future.

For more information contact:

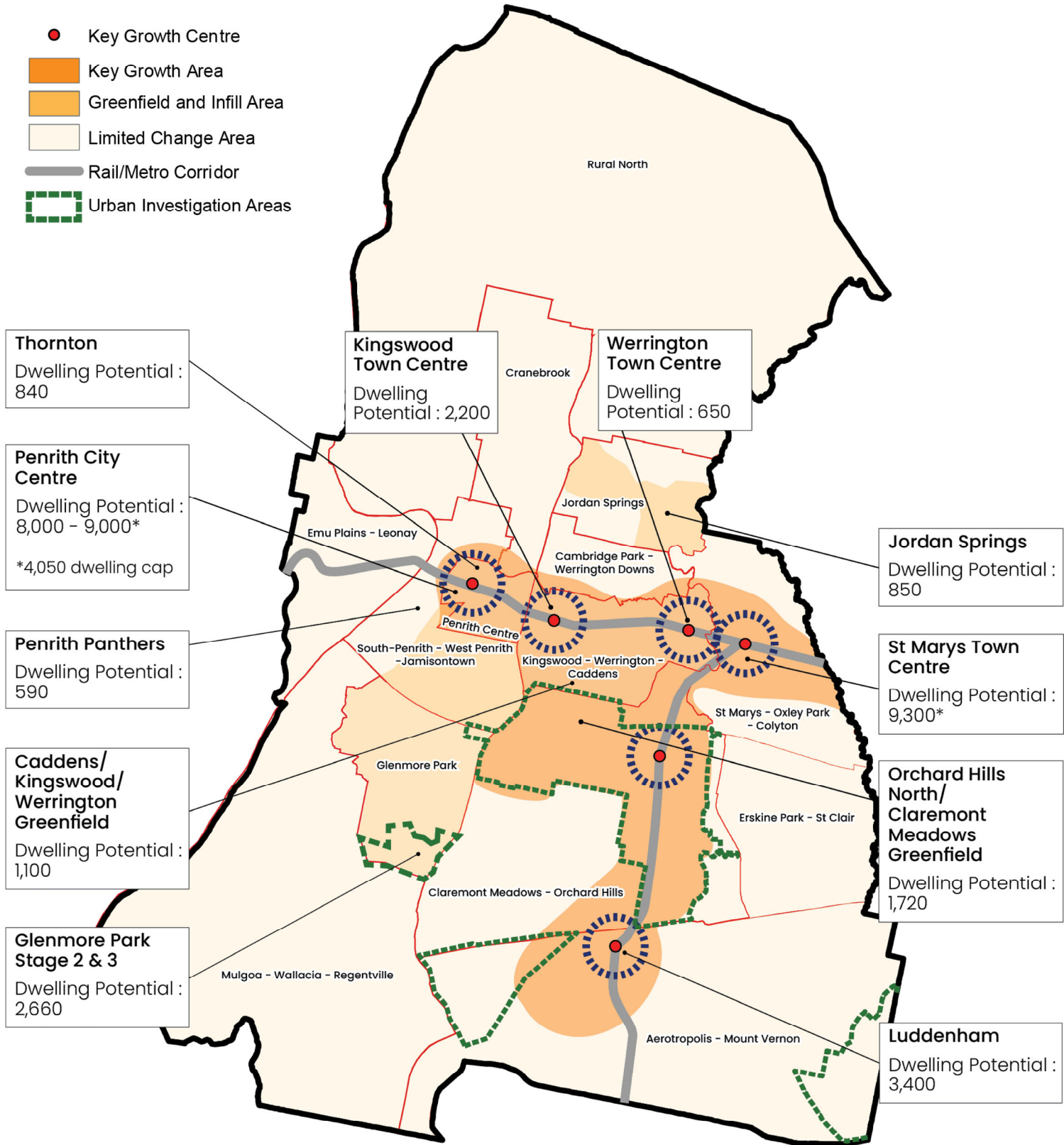


Carlie Ryan  
Head of City Strategy



# Housing Pipeline - May 2025

## Potential New Dwellings (Zoned or Masterplanned)



**Disclaimer:**

The dwelling potential figures shown here are an estimate based on remaining zoned, undeveloped land. The figures do not represent an endorsed development vision or intention by Council, nor should these be treated as a guarantee of development potential or relied upon in development proposals. The number of dwellings delivered in each precinct may be less or more than shown, subject to strategic planning of these precincts and the merit assessment of development proposals.

\* As per St Marys Town Centre Masterplan