

20 June 2025

Sydney Water prices 2025–2030
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop, SYDNEY NSW 1240

Via IPART Submission Form : [Have your say | IPART](#)

RE: Prices for Sydney Water Corporation from 1 October 2025

The Property Council of Australia welcomes the opportunity to provide feedback on the Independent Pricing and Regulatory Tribunal's (IPART) draft report on Sydney Water prices for 2025–2030.

As Australia's peak representative of the property and construction industry, our members are the nation's major investors, owners, managers, and developers of properties of all asset classes. Our members own and develop property across most of Sydney Water's area of operations, including Western Sydney and the Illawarra region.

The Property Council understands that Sydney Water needs to be sustainably financed to unlock development while consistently improving service quality, water safety and mitigating environmental impact. We are concerned that the draft maximum prices will impair Sydney Water's ability to expand and upgrade infrastructure in line with the NSW Government's mandate to deliver 377,000 new homes over the proposal period, and adequately deliver customer outcomes now and into the future.

We acknowledge that IPART has assessed Sydney Water's price proposal, taking into account the letter from the Premier on what matters to consider, including cost-of-living impacts and the deliverability of proposed capital plans.¹ However, we believe this draft price determination has prioritised a short-term containment of household bill increases at the expense of addressing the larger driver of cost of living pressures – the supply and cost of housing.

The Property Council believes that to sustainably manage and build assets in response to growth and renewal pressures, Sydney Water needs the widest practical revenue window. IPART's draft report minimises the organisation's capacity to determine its future, and we are concerned this will result in critical growth infrastructure not keeping pace with the demand for the housing and economic growth needs of an expanding region. While there will be a role for current and future Development Service Plans to alleviate some of the capital investment costs of growth infrastructure, these funding sources do not arrive in time for Sydney Water to plan, design and build the infrastructure covered within these plans.

¹(The Hon Chris Minns MP, 2024)

IPART engaged AtkinsRealis to review Sydney Water's proposed capital and operating expenditure for the purpose of their price determination.² This report uses historical data, assessing previous expenditure and growth forecasts against actual data to determine future expenditure. This report does not account for the exceptional circumstances of this determination period. The pricing period of 2025-2030 coincides with the National Housing Accord period in which NSW has committed to deliver 377,000 new homes by 2029. IPART's draft report uses a discounted form of the NSW Department of Planning, Housing and Infrastructure's Sydney Housing Supply Forecast (SHSF 2023) which does not include projections for the Illawarra region or account for recent planning reforms introduced to drive supply, including the Transport Oriented Development and Low and Mid-Rise Housing policies which are intended to result in significant growth.

We also note the draft report fails to take into consideration forecasting for the growth of Western Sydney's employment lands, the Aerotropolis, data centres and non-residential development more broadly. While some of this demand is difficult to forecast, the realities of growth across a number of these areas reflects the economic and productivity needs of a growing population, and margin needs to be available to Sydney Water to ensure the planning and preparation for this growth can occur in a timely and orderly manner.

In response to the National Housing Accord and NSW housing targets, the NSW Government has a whole-of-government mandate to build more well-located homes, bringing together government agencies, departments, industry bodies and utilities, including Sydney Water, to tackle the issues preventing development.³ Sydney Water has been criticised for failing to forward fund infrastructure that will unlock land and enable new homes, having to defend previous capital works programs that have not maintained pace with development.⁴

Despite this mandate for change, IPART's draft report supports the AtkinsRealis recommendation to adopt a 12 per cent reduction in the cost of Sydney Water's expenditure on new infrastructure, noting the difference between Sydney Water's growth modelling, the SHSF figures and the introduction of Development Service Plan charges. Should this approach be reflected in the final determination, it is likely that Sydney Water will not be adequately resourced to deliver infrastructure in-line with the shared expectations of both government and the industry.

The Property Council cautions against the \$957 million reduction in the pre-treatment program and \$700 million reduction in the proactive work program to renew and upgrade ageing assets. These cuts place unnecessary risk on the network during adverse weather events and will likely trigger ad hoc crisis expenditure of a higher value than if this were prevented.

The Property Council supports Sydney Water's ability to adequately fund their capital works programs and invest in operations to continually improve on their service delivery and customer outcomes. We recommend IPART reviews this draft determination and reconsider increasing maximum prices in line with Sydney Water's original proposal. We have a significant funding gap for NSW's enabling infrastructure and whilst the property sector has conditionally accepted developer servicing charges from Sydney Water (with exceptions), this funding mechanism is a long-term solution that must be supported by an increase to broad-based bills.

² (AtkinsRealis, 2025)

³ (Department of Planning, Housing and Infrastructure, 2025)

⁴ (The Herald's View, 2024)

The Property Council will continue to advocate for investment in our states enabling infrastructure, a critical component in improving cost-of living through alleviating housing pressure.

If you have any questions or would like to discuss this submission further, please contact [redacted]
[redacted]

Yours sincerely,

[redacted]
[redacted]

References

AtkinsRealis. (2025, May 9). *IPART Sydney Water Expenditure Review (2025), Final report for issue*.

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The Hon Chris Minns MP, (2024, August). *Letter from the Premier to IPART on matters to consider for the Sydney Water and Hunter Water price determinations - August 2024*. Retrieved from IPART: https://www.ipart.nsw.gov.au/sites/default/files/cm9_documents/Letter-from-the-Premier-to-IPART-on-matters-to-consider-for-the-Sydney-Water-and-Hunter-Water-price-determinations-August-2024.PDF