



23 June 2025

Independent Pricing and Regulatory Tribunal
Email: ipart@ipart.nsw.gov.au

Dear Sir/Madam,

RE: Submission to Draft Determination – Sydney Water Pricing 2025–2030

Sutherland Shire Council welcomes the opportunity to provide feedback on the Draft Determination of Sydney Water's Pricing for the 2025–2030 period.

Access to safe and clean water is fundamental to public health and environmental wellbeing. Sutherland Shire Council acknowledges the need for affordable and sustainable pricing but emphasises that this must not compromise necessary investment in critical infrastructure required to support population growth, protect public health, and safeguard the natural environment.

Sutherland Shire Council is responsible for delivering services to a growing community and facilitating urban growth in alignment with State Government housing targets. The delivery of essential water and wastewater infrastructure is a prerequisite to achieving these targets and maintaining the liveability of the region.

Sutherland Shire is home to extensive natural assets, including beaches, coastal waterways, and recreational spaces that require ongoing protection through effective wastewater management and infrastructure renewal. Water quality and environmental health are of critical importance to the community and central to Sutherland Shire Council's strategic objectives.

Sutherland Shire Council raises several key issues regarding the Draft Determination.

Overview of Sutherland Shire Council's submission

Sutherland Shire Council recognises the competing pressures Sydney Water faces in managing pricing, delivering infrastructure, and advancing sustainability objectives.

The Draft Determination proposes to cut \$957 million (75%) from Sydney Water's Pre-Treatment Program, which is intended to improve water filtration plant capacity and resilience. It also proposes to reduce Sydney Water's \$9.475 billion growth program to \$6.7 billion — a cut of approximately \$2.775 billion to investments that directly support the State Government's National Housing Accord target of 377,000 new homes, including 265,000 homes in Sydney.

IPART's growth funding approach is based on outdated housing forecasts that do not yet reflect recent rezonings (Transport Oriented Development and Low and Mid Rise Housing Policies) or the full impact of emerging State Government housing and transport policies. This risks delaying water and wastewater connections for thousands of new homes in Sutherland Shire, affecting housing affordability and slowing delivery of critical infrastructure.

If not carefully managed, these funding reductions will exacerbate existing constraints within Sutherland Shire, where network limitations are already impacting housing delivery and the ability to meet community expectations for water quality and environmental protection.

Timely investment in infrastructure renewals, pre-treatment upgrades, critical sewers, and growth-related servicing remains essential to supporting Sutherland Shire Council's planning obligations and community wellbeing.

Critical sewers and renewing plants and networks

Ageing and failing sewer infrastructure within the Sutherland Shire is resulting in significant and ongoing impacts to local waterways, presenting both public health risks and environmental degradation. Sydney Water's wastewater network is subject to increasing pressure due to climate-related extreme rainfall events and population growth, exposing vulnerabilities in older parts of the system that are now failing more frequently.

The renewal of Sydney Water's ageing water and wastewater infrastructure is fundamental to the protection of public health and the environment. Within Sutherland Shire, ageing network components contribute to pollution events and degrade the quality of waterways and coastal environments. Planned renewals are required to address these known performance issues and prevent further environmental degradation.

Council has engaged extensively with Sydney Water to highlight the need for urgent upgrades to the wastewater network, particularly in areas where sewer chokes, leaks, and overflows are having direct and measurable impacts on water quality. These failures contribute to elevated bacterial contamination in recreational waters and regularly result in pollution of sensitive estuarine environments.

Gymea Bay Baths provides a clear example of this issue. Water quality at the Baths has deteriorated significantly in recent years, moving from a "Poor" to a "Very Poor" rating in the last two State of the Beaches reports. Community concern regarding pollution at this site is very high, with regular public reporting of sewage presence in the water. Sydney Water is responsible for addressing the sewer-related sources of contamination, including leaks, chokes, and emergency overflows. Council has been advised previously that capital funding had been allocated to upgrade the ageing sewer infrastructure contributing to this issue.

The proposed reductions to Sydney Water's capital works program now introduce uncertainty regarding whether these critical works will proceed in a timely manner. Deferring these upgrades will exacerbate existing public health risks, prolong non-compliance with recreational water quality standards, and further undermine community confidence in the management of Sydney Water's assets.

More broadly, proposed funding cuts will elevate the risk of infrastructure failures, environmental incidents, and reduced service reliability across the region. The reliability of Sydney Water's infrastructure also directly supports the health of green spaces, parks, and surrounding ecosystems within the Sutherland Shire, as identified in Sutherland Shire Council's strategic planning documents.

Given the visibility and reputational risk of these issues — and the direct impact on community use of key waterways — it is essential that upgrades to critical sewer infrastructure, including the works required to address the water quality problems at Gymea Bay Baths, are protected from funding reductions and delivered as a priority.

Water pre-treatment

Sutherland Shire Council operates the Cronulla Wastewater Reuse Scheme, which depends on the quality of water supplied from Sydney Water's treatment network.

Seawater intrusion and elevated salinity levels within the network are currently affecting the scheme's viability and complicating reuse processes. Addressing these systemic water quality issues requires targeted investment in network upgrades and pre-treatment processes.

IPART's draft report proposes to exclude \$957 million (75%) of Sydney Water's proposed Pre-Treatment Program. Without these upgrades, there is a higher risk of water restrictions and boil water notices affecting both public supply and the viability of local sustainable water management initiatives such as the Cronulla Wastewater Reuse Scheme.

Growth infrastructure

Sutherland Shire Council is required to facilitate significant new housing in accordance with State Government housing targets. Council's draft Housing Strategy identifies the need to provide 19,500 additional dwellings in the Sutherland Shire over the next 20 years, equating to an average of 900 -1,200 new dwellings per year. Council is strongly committed to meeting this target to support population growth, housing choice and affordability, and the sustainable development of the region.

However, the ability to realise this level of housing delivery is highly dependent on the timely provision of supporting infrastructure, particularly water and wastewater services. Current limitations within Sydney Water's network are already constraining Council's ability to support new development in designated growth areas. The slow delivery of enabling water and wastewater infrastructure is emerging as a key barrier to achieving housing targets and responding to community needs.

The Draft Determination reduces Sydney Water's \$9.475 billion growth program to \$6.7 billion — a cut of \$2.775 billion. This reduction may result in delays to water and wastewater connections for up to 70,000 new homes, impacting housing affordability and undermining efforts to meet both the National Housing Accord targets and Council's local commitments. The situation is further compounded by recent State Government rezoning initiatives, including Transport Oriented Development and Low and Mid Rise Housing Policies, which will drive additional demand for rapid infrastructure delivery in key locations across Sutherland Shire.

Without aligned investment in growth-related infrastructure, planning outcomes will not be delivered in practice. Land use planning and infrastructure capacity must be integrated to enable sustainable growth — otherwise Council risks being unable to approve new development, delaying much-needed housing supply, and increasing pressure on existing infrastructure and services. Maintaining investment in Sydney Water's growth program is therefore critical to achieving both State and local housing objectives and supporting the liveability and resilience of the Sutherland Shire.

Conclusion

Sutherland Shire Council acknowledges the need to balance affordability with infrastructure investment. However, critical upgrades to water and wastewater networks must not be deferred or deprioritised where this would compromise public health, environmental protection, or Sutherland Shire Council's ability to meet mandated housing targets.

Sutherland Shire Council urges IPART and Sydney Water to ensure that investment in critical sewers, plant renewals, pre-treatment upgrades, and growth infrastructure is maintained and prioritised in a manner that supports integrated land use planning, environmental outcomes, and community wellbeing.

Sutherland Shire Council remains committed to working collaboratively with IPART, Sydney Water and other stakeholders to ensure that water and wastewater infrastructure is fit for purpose, resilient, and capable of supporting the sustainable development of the region.

If you have any queries regarding the submission, please contact Jordan Widenstrom

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Yours sincerely,

[Redacted]

Jordan Widenstrom
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