

20 June 2025
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To: Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop
Sydney NSW 1240

Lodged as an online submission.

Dear Tribunal

IPART Draft-Report-Review-of-prices-for-Sydney-Water-Corporation

The City of Sydney appreciates the opportunity to respond to IPART's Draft Report on the Sydney Water pricing proposal for the period 1 July 2025 to 30 June 2030. The City has previously made a submission in support of Sydney Water's original proposal, recognising the urgent and long-term investments required to ensure water security, resilience and sustainability for Greater Sydney. While we acknowledge the draft pricing determination seeks to balance affordability with service delivery, we remain concerned about the risks associated with deferring critical infrastructure investment. We write to reinforce the City's position on three key matters:

1. Water Security is Non-Negotiable

Sydney's ongoing population growth, climate volatility, and increasing water demand make robust investment in water infrastructure essential. Delaying major capital programs or scaling down investments in core assets to reduce short-term price impacts would impose unacceptable long-term risks on communities, ecosystems, and the economy. The City urges IPART to prioritise sustained water security over price suppression.

Sydney cannot continue to grow and accommodate additional housing if we do not secure a sustainable and resilient water supply system. Limiting infrastructure development today undermines the city's capacity to meet future demand.

2. Governments Should Address Cost of Living Pressures

We recognise affordability as a serious concern for households and businesses. However, the responsibility for cushioning vulnerable customers from utility cost increases lies with state or federal government policy—through targeted rebates or concessions—not through reducing infrastructure investment by monopoly utilities. Structural under-investment in essential services is not a sustainable affordability strategy.

3. Sustained Investment is Essential

The City supports Sydney Water's position that sustained capital and operational funding is needed to meet future population needs, maintain service reliability, and fulfil environmental commitments.

This includes investment in recycled water networks, stormwater and wastewater reuse, maintenance of ageing infrastructure, and flood mitigation works such as new trunk

drains and system upgrades that align with broader resilience and circular economy goals. Pricing must reflect the true cost of these essential services.

We also note the significant emergence of data centres—particularly to support artificial intelligence infrastructure—which could require up to 12.5 GL/year more water than currently anticipated in Sydney Water’s plan. This reinforces the importance of forecasting and planning for future non-residential demand growth in a way that does not compromise the availability of water for communities and the environment.

The City also support the role of desalination as a critical component of Sydney’s future water supply infrastructure. In the face of climate uncertainty and extended dry periods, desalination provides a reliable, rainfall-independent source of water that complements broader water recycling and conservation efforts.

If you have any questions regarding this submission, please contact Mufid Noufal, Water Systems Manager at the City of Sydney, at [REDACTED]

Yours sincerely

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Kim Woodbury
Chief Operating Officer