

IPART Draft Determination into Prices for Sydney Water Corporation from 1 July 2025

Dear IPART,

The Parks, Sydney's Parkland Councils welcomes the opportunity to provide feedback to IPART on the recently issued draft determinations regarding the prices for Sydney Water and WaterNSW Greater Sydney for 2025-2030.

We note that while IPART acknowledged the scale of the challenge of delivering safe, reliable and affordable water to the residents of Greater Sydney, it nevertheless proposed to reduce Sydney Water's capital spending proposal by 35% or \$5.9 billion.

We also note that Sydney Water's proposal to support housing growth by investing \$9.475 billion in the delivery of water, wastewater and stormwater infrastructure particularly in growth areas has been reduced to \$6.7 billion. We have been advised by Sydney Water that this may result in up to 70,000 new homes across Sydney facing delays in water and wastewater connections.

As we highlighted in our submission, Sydney Water currently does not have the funding and/or capacity to build the new infrastructure we presently need to provide the appropriate water and wastewater services to our existing growth areas. We are consequently already experiencing a number of problems across our region due to the lack of capacity of existing water infrastructure and/or the complete lack of infrastructure in greenfield growth areas, in some of which housing is going in before the infrastructure can be built. This has resulted in sewerage being trucked daily out of some new developments. This is seriously impacting our ability to deliver more housing.

We would like again to reiterate that the NSW State Government's Blueprint¹ for our region suggested that we might require 15-30% of the NSW infrastructure spend over the next 15 years to keep pace with the unprecedented growth that we are experiencing, a figure equalling roughly \$60-\$120 billion. However even this may not be sufficient.

Since 2011, NSW's investment program, co-funded by the Commonwealth, has heavily prioritised 'city-shaping' and major place-making investments in Sydney's East and to a lesser degree, Parramatta. Research commissioned by The Parks to benchmark our region against these other major centres² showed such investment commitments for the City of Sydney and Eastern Harbour City totalled more than \$100 billion over the last decade, while the City of Parramatta and Central River City received more than \$60 billion in investment commitments. The Western Parkland City, on the other hand, only received about \$20 billion, less than one fifth that of the Eastern Harbour City. With our existing centres bearing significant investment backlogs, our vast geography requiring an increased scale of investment, and our issues set to intensify as our population grows, we deserve more and better. We are deeply concerned that this investment backlog has not been duly considered by IPART when making their determination.

The key issue being faced is the sheer scale of development. With growth areas scattered across a development front of 72 kms within an area of 8000 square hectares, there are huge geographic distances to cover. This creates an unprecedented challenge. Consequently, many of our new growth areas for housing such as Wilton, Appin, Menangle Park, Greater Macarthur and Oran Park have been developed in locations with no or limited water and sewerage infrastructure or facilities, creating an intense pressure on Sydney Water.

¹ [Western-Parkland-City-Blueprint.pdf \(wpca.sydney\)](#)

² Sydney's Parkland Councils Future Horizons Benchmarking Report, December 2022, Sea and Star Advisory

It is our lived experience that the restricted availability of essential water and sewerage infrastructure in immediate proximity to greenfield residential development is directly constraining development and hence creating a significant barrier to the supply of housing. In areas of fragmented land ownership, the impact will be more severe as it is difficult for a developer to assemble enough land parcels to fund lead-in infrastructure.

As noted in our submission, we can already give concrete examples of this:

- The capacity of Glenfield Waste Water Treatment Plant to service greenfield development in the Greater Macarthur Growth Area is insufficient and there is a lag in the delivery of the Upper Nepean Advanced Water Recycling Centre to support the development in that area.
- Greater Macarthur is establishing a short-term wastewater solution, which may jeopardise a longer-term solution for the upper Nepean wastewater recycling plant.
- 12,000 lots have been rezoned in Wilton Growth Area ready for development. A further 12,000 lots have also been rezoned in West Appin (Greater Macarthur). However, the Sydney Water upgrade to Bingard STP (providing capacity for 4,000 dwellings) is only due for completion in 2027
- Broader Sydney Water solution for wastewater serving for the mooted Upper Nepean Water Recycling Plant (servicing Wilton, Appin and Picton catchments) has been delayed until 2032
- In terms of capacity shortfall for the Wilton Growth Area, this means
 - In 2027, there will be an expected shortfall of at least: 1630 homes, 7 hectares of employment lands, 199,000m² of commercial floor space
 - In 2032, there will be an expected shortfall of at least: 2164 homes, 31.64 hectares of employment lands, 313,000m² of commercial floor space
 - In 2035 if there is no solution, there will be 3,604 homes unserved, with more than 480 homes expected per annum.
- Leppington Stages 3 & 4 developments currently have no commitment to essential utility infrastructure servicing.
- Springfield Road North and South (Catherine Fields Precinct) are unlikely to proceed at this stage due to Sydney Water's inability to service these areas before 2029-30.
- Leppington Town Centre, Moorebank East, Warwick Farm, and Moore Point: These proposals require substantial infrastructure support to become viable. Any delays or blockages in infrastructure provision directly affect the progress of these housing projects.
- Sydney Water feasibility and sewerage connectivity plans have been delayed or not shared with Council, in particular for both the Austral Leppington Precinct and the broader Aerotropolis, putting delays on housing projects.

In addition, while IPART has utilised the NSW Department of Planning's housing supply forecasts as the basis for calculating the potential demand for water and wastewater infrastructure, our experience on the ground has led us to believe that these figures do not represent fully or accurately the situation in the Western Parkland City.

The Western Parkland City has borne the burden of population growth for Greater Sydney for some time, taking 15% of statewide population growth for New South Wales in the decade until 2011. This is only set to increase with forecasts predicting one third of all population growth of new residents to Sydney to be in our City by 2040.³

As the Department of Planning and Environment population projections and Common Planning Assumptions projections outline, unprecedented growth in the region is expected over the next 20 years between 2021 and 2041⁴ in the following areas, with the population projections for 2041 in:

³ Sydney's Parkland Councils Future Horizons Benchmarking Report, December 2022, Sea and Star Advisory

⁴ <https://www.planningportal.nsw.gov.au/populations>

- Camden LGA – 197,735 (an additional 89,827 people)
- Campbelltown LGA – 229,301 (an additional 54,640 people)
- Fairfield LGA – 247, 803 (an additional 37,000 people)
- Liverpool LGA – 232,303 (an additional 80,350 people)
- Penrith LGA – 270,477 (an additional 54,402 people)
- Wollondilly LGA – 90,356 (an additional 36,317 people)

However, we would argue that those figures above do not portray the whole picture as the ‘Common Planning Assumptions’ have been consistently and regularly challenged by several Western Parkland Councils and hence caution should be taken before relying upon this data when making strategic infrastructure investment decisions.

This disparity in the numbers causes us considerable concern. We believe that if the DPHI forecast is used to determine infrastructure and servicing requirements, there will be a **significant shortfall** in infrastructure provision as the population will be higher than expected.

The Western Parkland City needs better coordination of all infrastructure in a timely fashion in line with growth. Future residential growth is set to rapidly increase throughout Western Sydney, in addition to growing employment precincts with increased traffic movements, which will only increase once the Western Sydney International Airport opens. To support the growth of these precincts, we require the enabling infrastructure that is fit for purpose and delivered in a timely fashion. Current funding mechanisms, including developer contribution schemes, are insufficient to cover the cost of infrastructure required to support both growth in established and new release areas. In addition, the uncertainty and lack of commitment to specific timing regarding the building of infrastructure severely impacts on our ability to attract or convert investment interest. At the same time, we have large landowners who can accelerate growth in greenfield areas meaning development can outstrip population numbers. We hence remain highly supportive of the proposal for 60% of the increase in funds to be spent on delivering new infrastructure to growth areas. For the same reason, we are concerned that any cuts to the rate increases will mean that our people will again miss out on basic essential services.

There can be no doubt that we share IPART’s desire to minimise increased costs for customers, particularly given the costs of living pressures that are being felt by all Australians. We represent households whose living standards are lower and have risen more slowly than the rest of Sydney.⁵ In fact, the Western Parkland City houses communities with extreme concentrations of relative disadvantage in a way that other parts of Sydney do not have. For example, St Marys/North St Marys are in the bottom 5-10 percent of most disadvantaged suburbs, Fairfield is in the bottom 5%, Miller, Cartwright, Busby and Sadleir are in the bottom 2-3 per cent, and Airs and Claymore near Campbelltown in the bottom 1 per cent.⁶

Given our people are already far more socio-economically disadvantaged than residents in the rest of Sydney, it is of serious concern to us that these increases will substantially impact household budgets. Sydney Water is proposing too, to apply the larger increase to the waste service charge rather than the usage charge, meaning there will be limited options for our residents to try and manage their rates by using less water.

Nevertheless, as a region that is faced daily with dealing with the impacts of limited water and sewerage facilities and services, and the knowledge that Sydney Water lacks the funding to ameliorate this situation in the immediate future, we do not feel in a position to oppose the rate increase.

⁵ Sydney’s Parkland Councils Future Horizons Benchmarking Report, December 2022, Sea and Star Advisory

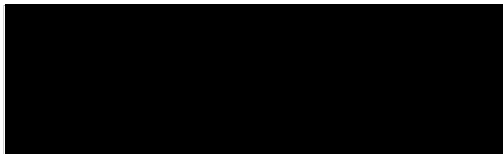
⁶ <https://profile.id.com/western-parkland/seifa-disadvantage-small-area>

We would , however, like to highlight that, based on the mapping tool at [Infrastructure contributions | Sydney Water Talk](#), which displays contribution prices per equivalent tenement, there is a clear discrepancy in the amount Sydney Water charges for development in the east versus the west. It would appear that the west is already paying significantly more. The IPART report does not make any comment on this fact, nor attempt to redress this imbalance. We would again ask, therefore, that this situation is also given further consideration.

In conclusion, we oppose any lessening of funding that would negatively impact our communities by delaying the delivery of infrastructure and services, leaving them with the same poor services and inequitable lack of infrastructure that they have experienced so far. We also request that IPART consider the reality of the lives of the people of the Western Parkland City, when considering to whom any rate increases should and will apply and also to remember that to date, our residents have effectively supported the delivery of enabling infrastructure in the rest of Sydney.

Please feel free to contact our Executive Director Joanna Kubota on [REDACTED] or myself, Ben Taylor, Chair of our General Managers' Group on [REDACTED] should you have any questions or require any more information.

Yours sincerely,



Ben Taylor
Chair, The Parks General Managers Group
CEO, Wollondilly Shire Council