

## Submission to the IPART Draft Report on the Review of prices for Sydney Water Corporation from 1 October 2025

Submission by the Western Sydney Leadership Dialogue  
June 2025

I write with concern regarding IPART's draft decision to not accept the proposed Sydney Water pricing for the period of 1 October 2025 to 30 June 2030.

Water infrastructure and service delivery is a critical element to supporting the growth and leveraging investment into Greater Western Sydney. Without it, we cannot address the housing crisis or catalyse commercial and industrial sectors. It is vitally important that upgrades and expansion of the system is supported, not hindered.

We note that IPART's draft report acknowledges the critical role that Sydney Water plays in this space through the opening comments on page 7:

*"Water and wastewater services are essential, and it is vital that Sydney Water's services and infrastructure keep pace with Sydney's growth, meet community expectations on social and environmental performance, and deliver value to customers. Sydney Water needs the capability to maintain and replace its assets, deliver necessary infrastructure to meet the increasing demands of population growth, and prepare for the challenges of climate change."*

The capacity of Sydney Water to meet community, business and government expectations will be hampered by the substantial (35%) proposed reduction to capital expenditure on infrastructure, as is recommended by the report. This will inevitably lead to choices being made between new and replacement infrastructure.

Directly impacted will be the NSW Government's ability to deliver their responsibilities under the National Housing Accord. The NSW Government has committed to delivering 377,000 homes over the next 5 years, with 70% of these (265,000) being in Greater Sydney, including a significant number in Western Sydney. This won't happen without timely delivery of water infrastructure.

IPART has determined, however, that Sydney Water should only plan for an additional 120,000 homes over the next 5 years. A decision based on NSW Government Housing Supply forecasts that don't include the Illawarra region or consider several new housing policies, including Transport Oriented Developments (TODs).

Essentially, IPART's draft determination means that the delivery of up to 70,000 Sydney homes could be delayed and impact on Sydney Water's ability to connect these sites with water and wastewater.

Western Sydney cannot afford to be held back by the most basic of infrastructure not being delivered. The capacity to deliver on housing targets during a housing shortage and to boost productivity through the delivery of desperately needed employment land surrounding the Western Sydney International Airport will be diminished without Sydney Water having the capacity to deliver.

Sydney Water engaged extensively to capture customer sentiment and inform and prioritise its capital expenditure. It has demonstrated a responsible approach to identifying and forecasting known and anticipated infrastructure needs, and in doing so, is mitigating against crisis scenarios and impact on water quality. The ability to respond pro-actively and implement new systems to ensure that water is clean, and safe, and free of contaminants (like PFAS), is core to Sydney Water's responsibilities.

This responsibility was reflected in Sydney Water's inclusion of a program to upgrade water filtration plants and pretreatment steps to improve water quality. This included important improvements to the Prospect Water Filtration Plant, as it treats the water received by more than 80% of Greater Sydney households. This program was originally expected to add \$13/year to customer bills.

IPART's draft decision does not share Sydney Water's sense of urgency or importance for this program. Instead, the position is taken that these upgrades should not be a current priority as Sydney Water has historically managed without them. IPART has recommended 75% (\$957m) of the program's funding be cut, despite changes to the operational environment due to strongly growing population and climate change impacts.

Cutting this program increases the risk to public health and clean water accessibility for all Greater Sydney. Without these upgrades there's a greater chance of water restrictions or the requirement to boil water due to extreme weather or poor raw water quality scenarios.

Likewise, IPART has also proposed a \$700m in the program to proactively improve sewer network performance. The original proposal was expected to add only \$7/year to customer cost but was required to maintain and renew ageing assets and high-risk sections of the system. Without this investment the frequency and severity of sewer overflows is likely to increase. This risks adverse impacts on public health, natural waterways and public/community amenity.

Expenditure on both pretreatment upgrades and sewer network performance is critical to supporting the provision of the most fundamental of services expected by the community. The increasing densification of existing suburbs will require additional capacity (as noted above) as well as ensuring that existing infrastructure for water pre-treatment and the sewer network are maintained to deliver these key services efficiently and safely.

Current cost of living pressures is an important consideration for IPART, but one that needs to be carefully balanced against creating further intergenerational inequity by deferring much needed, unavoidable capital investment, particularly when it comes to new infrastructure to support future housing and of maintenance works to support existing residents and their new neighbours as many of our existing communities see housing densification. The consequences of this approach of deferral of these proposed program works will inevitably be seen, and felt, by the future residents of our region.

I strongly urge IPART to reconsider its draft decision, particularly in relation to the capital expenditure allocation.

Yours Sincerely



Western Sydney Leadership Dialogue