

Submission to the IPART Water Pricing Review Issues Paper

Submission by the Western Sydney Leadership Dialogue
December 2024

Greater Western Sydney context

Greater Western Sydney (GWS) is home to more than 2,700,000 residents¹ and an extensive network of waterways and greenspaces. The region is experiencing rapid growth and has been projected to reach a population of almost 3.5m by 2041².

This growth must be supported by the enabling infrastructure required for local areas and regions to flourish. Timely and effective delivery of water infrastructure is vital for the growth-supporting ecosystem to function. Failure to do so will seriously impact local economies, residents' wellbeing, and the liveability of neighbourhoods.

The protection, maintenance, and ongoing improvement of the region's natural waterways is also important, particularly in GWS. It is increasingly evident that having high quality natural water systems will be important for the liveability of the region and health of its residents. Investment in this space is more important than ever, both to manage the increasingly severe heat and extreme weather events that occur, and the growing population needing to access these spaces.

Overview of key points

1. The pipeline as outlined by Sydney Water will provide vital works for GWS, and the Western Sydney Leadership Dialogue (the Dialogue) believes the new pricing proposal, to fund these activities, is a balanced and reasonable proposition.
2. The Dialogue believes the proposal will provide positive outcomes that are in line with both strategic state government objectives, particularly as they relate to its housing targets and the needs of Sydney Water consumers, whilst keeping costs as affordable as possible.
3. The Dialogue notes and applauds the extensive community engagement Sydney Water has undertaken to inform this proposal. We believe this engagement was key in shaping this proposal and directs funding towards initiatives consumers believe are important and that they are willing to pay for.
4. The Dialogue supports the proposed expenditure dedicated to protecting waterways from pollution and Sydney Water's continued support of recreational water sites.
5. The Dialogue recommends actions are explored by the NSW government to provide a one-off, non-inflationary support to alleviate the initial impact of the price increase, acknowledging the cost of living crisis and the disproportionate effects of this on GWS residents.

¹ 2024, Profile.id

² 2022, NSW Planning & Environment, '2022 NSW Common planning assumption projections'

About the Dialogue

The Dialogue is a regional advocate and think tank dedicated to advancing the interests of Greater Western Sydney. It facilitates collaboration between government, business, and community leaders to address the region's challenges and opportunities.

The Dialogue promotes sustainable development, infrastructure investment, and policy innovation to enhance the quality of life for GWS's residents. Through research, events, and strategic partnerships, it aims to shape a prosperous future for the region.

Responses to the IPART Water Pricing Issues Paper

Delivering NSW's Housing Targets

Dialogue response: *The Dialogue welcomes the commitment this proposal makes to support population growth in GWS and for ensuring equitable living standards across Greater Sydney.*

NSW is aiming to build 377,000 new homes over the next five years, under targets outlined and agreed upon through the National Housing Accord³. These homes will be pivotal to support our projected population growth and have become a key strategic focus of the state government due to the acute housing crisis in NSW.

The majority of the city's housing growth will be in Western Sydney, and on land that has historically had minimal to no water or wastewater infrastructure. Sydney Water is responsible for delivering this infrastructure. Almost 60% of their proposed capital expenditure will be used to support the successful delivery of this housing through the provision of key water utilities throughout Greater Sydney. Over \$7b is earmarked for GWS growth areas.

To support the NSW Government's goals, Sydney Water has identified that it will need to deliver new treatments plants, pumping stations, reservoirs and mains throughout GWS. This will also include new services for the Mamre Road precinct and Aerotropolis growth area. These areas are nationally significant and will not only serve the homes of a large portion of our future population, but importantly, support the functions of industry and business in these new employment centres. Beneficial economic and social effects are likely to flow on to the whole of Greater Sydney with the successful delivery of these precincts, particularly around the new airport, and underpins the rationale behind these pricing changes.

Supporting waterways, our environment and recreational water sites

Dialogue response:

1. *The Dialogue strongly supports Sydney Water's proposed expenditure on enhancing and protecting waterways and greenspaces.*
2. *The Dialogue acknowledges the extensive community engagement Sydney Water has undertaken to inform this proposal. Importantly, this consultation has highlighted the*

³ 2024, NSW Planning , [Housing targets](#)

initiatives, such as Riverwatch, which consumers indicated as being important enough to add to the cost paid by consumers.

Sydney Water's customer consultation found that stakeholders valued water supplies remaining safe and clean, protection of natural waterways from pollution, and general safeguarding of the environment. They expect that Sydney Water will provide these outcomes in the most efficient manner, balancing the affordability of water bills with these responsibilities.

The Dialogue is in alignment with consumers on this topic, having long advocated for acknowledgement of the importance of the waterways and the natural environment of GWS. The region experiences greater vulnerability to natural environmental factors and health inequities compared to those living in the east of Sydney. We believe protecting and enhancing green spaces and our region's water-based recreational opportunities will be vital to future proofing and supporting the wellbeing of our region and its residents.

Actions to monitor and prevent wastewater polluting our river systems, including the Riverwatch program, enhancing treatment facility capacity and repairing pipes and other assets, may not be cheap, but are crucial to care for our environment and protect community health. This, and other initiatives utilising recycled water to keep environments green and cool, and enabling increased access to recreational water sites will be responsible and effective measures to achieve the expectations of customers.

The new model proposing to collect fees from across Greater Sydney to establish and maintain the stormwater services being newly delivered in GWS makes logical sense, despite sounding potentially controversial. The ecological, social and economic outcomes of these activities will deliver positives across Greater Sydney, not just GWS. We additionally note that this proposal is in alignment to customer desires to care for our environment and keep our drinking water supply clean.

Cost of Living Concerns

Dialogue response: *The NSW government should investigate avenues to soften the impact of price increases through a one-off, non-inflationary support mechanism, recognising the current cost of living crisis and its impact on GWS residents.*

GWS residents, like most households across Sydney, are feeling the pinch in the cost-of-living crisis that has characterised our post-covid economy. When measured by the ABS SEIFA indexes, which indicate the relative socio-economic status of areas across NSW, GWS is home to all the least advantaged/most disadvantaged LGAs in Greater Sydney⁴.

There are undoubtedly concerns around the pressure the increased fees will place on household budgets, and we commend the commitment from Sydney Water to support customers facing financial difficulties through various financial assistance programs on offer and the staggered approach to increase pricing in coming years.

We believe alongside these programs, the NSW government should also investigate avenues to soften the impact of price increases through a one-off, non-inflationary support mechanism, recognising the current cost of living crisis and its impact on GWS residents.

⁴ 2021, ABS, [Socio-Economic Indexes for Areas \(SEIFA\), Australia](#)