



Independent Pricing and Regulatory Tribunal  
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contact: Sue Burton

CC Sydney Water Corporation  
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Dear Sir/Madam

**Re: IPART Review of Prices for Sydney Water 2020**

Thank you for the opportunity to respond to IPART's review of Sydney Water's prices for 2020.

This submission is made jointly by the Cooks River Alliance, Sydney Coastal Councils Group, Georges River Keeper and Parramatta River Catchment Group, united through a common goal of healthy, liveable and resilient waterways and coasts. Together we champion Sydney's coasts and catchments.

In 2015 we provided a [submission](#) to IPART on Sydney Water's pricing. In this submission we identified that this was an opportunity for leadership in Sydney's transition to a water sensitive city. We also stated that Sydney Water has an important role to play in protecting and enhancing the environment and increasing the community's resilience to climate hazards such as flooding and heatwaves.

Our submission included that Sydney Water's pricing strategy:

- be part of a sustainable urban water management approach
- is based on a full cost accounting that includes, social responsibility, water scarcity and the environmental costs of water
- ensures any efficiency gains are applied to enhance environmental outcomes rather than a reduction in customer bills and prices.

Since 2015 there has been a significant shift in recognising the role of water across Greater Sydney. Sydney Water have participated in developing a Vision and Transition Strategy for a Water Sensitive Greater Sydney. The importance of this holistic approach to water is evident in Sydney Water's key commitment in the 2020-2024 Pricing Proposal to plan for a resilient water sensitive future for Greater Sydney. Catchment Groups fully support Sydney Water's commitment to a water sensitive future for Sydney.

Additionally in 2018, the Greater Sydney Region Plan was released presenting a vision and actions to meet Sydney's growth. This plan includes actions for protected and healthy waterways and coasts across Greater Sydney. In response, many councils across Sydney have also identified the need for integrated water management and water sensitive approaches to planning through Community Strategic Plans and Local Strategic Planning Statements.

The Greater Sydney Region Plan also identifies Sydney's waterways and coasts as part of the Green Grid infrastructure, including waterways and lands managed by Sydney Water. The implementation of the Grid will enable the city to remain liveable, resilient to climate change and to meet community expectations of swimmable clean waterways for growing communities.

However, since 2015 the pressures on Sydney have intensified. This includes:

- A deteriorating and deepening drought outlook with Sydney storage dropping from around 90% to 50% in just two years.
- Growth requiring capital expenditure on new and existing waste water systems to meet demands.
- Urban heat has become a significant issue for many across Sydney.

Given this, we reiterate that IPART should ensure that Sydney Water's Pricing Proposal urgently addresses transitioning to a water sensitive city, supporting resilience and ensuring that the health of waterways and coasts are prioritised. The following are specific responses to IPART's Issues Paper questions.

### **Specific responses**

#### **2. In future, should Sydney Water's customer engagement program focus more on environmental outcomes and performance?**

The communities across Sydney have identified that they want clean and healthy waterways and coasts. This is evidenced by Sydney Water's own community engagement as well as the visioning processes for waterways across Sydney. However there is a need for Sydney Water to better communicate the issues and solutions so that Sydney Water customers can make more informed decisions and to participate fully in actions to improve waterway and coastal health.

The EPA has introduced a risk-based approach to the Environmental Protection Licensing process to encourage Sydney Water to proactively address overflows in high risk areas. It is essential that Sydney Water focus on improving its environmental performance and waterway health through a reduction in frequency and volume of overflows. There needs to be greater customer engagement focused on transparency and reporting on environmental performance and outcomes.

#### **4. and 5 Discretionary Expenditure**

Those projects named as discretionary projects, including the Vacluse/Diamond Bay outfalls, waterway health and stormwater improvements program, and reducing illegal stormwater connections are greatly supported, and we believe that there is an evidence-base for a willingness to pay to achieve environmental and health outcomes from these projects. However, in our view waterway health improvements for stormwater assets, reducing illegal stormwater connections and ceasing untreated wastewater outfalls at Vacluse-Diamond Bay are essential programs, not discretionary.

As Sydney transitions to a water sensitive city, programs such as these start to enable stormwater and wastewater to be valued as well as implementing improvements to urban waterways. The importance of waterway health is identified in The Greater Sydney Region Plan. Objective 25 identifies strategies to ensure coasts and waterways are protected and healthier.

These programs strongly support the community's desire for healthy waterways and also meet Sydney Water's principal objectives. As stated in our 2015 submission under Section 21 of the *Sydney Water Act 1994 (NSW)* one of the Corporation's principal objectives includes protecting the environment as well as having regard to the interests of the community.

Waterways that have been managed as stormwater assets for many years require massive levels of funding to meet current community expectations. Projects along the Cooks River have shown that when Sydney Water's funding supports waterway health, partnerships are possible between all levels of government to achieve outcomes for the community. Therefore, pricing should enable a partnership approach.

In conclusion, IPART has an opportunity through this pricing review to support Sydney Water's commitment to planning for a resilient water sensitive future as well as meeting the community's expectation for healthy and clean waterways and coasts.

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