

8 December 2024

NSW Independent Pricing and Regulatory Tribunal
2-24 Rawson Place, Sydney.
NSW. 2000.

Re: 'Have your say' – Prices for Sydney Water Corporation from 1 July 2025

Dear IPART,

The following submission is a joint submission made by the Parramatta River Catchment Group (PRCG), the Cooks River Alliance (CRA), and Stormwater NSW regarding IPART's 'Have your say' on prices for Sydney Water Corporation from 1 July 2025 (i.e., Sydney Water's 2025-30 Price Proposal).

Who we are.

The PRCG and CRA are catchment groups formed under agreement between members. The PRCG is made up of 10 councils, Sydney Water and the NSW Environment Protection Authority (EPA). The Cooks River Alliance is made up of 4 councils and Sydney Water. The members of the PRCG And CRA work together to take a long-term, holistic and cooperative approach to managing the health and revitalisation of their respective waterways to the benefit of the environment and, ipso-facto, the communities they serve. Members do so by sharing expertise, knowledge, and resources (including financial resources) towards the rejuvenation and holistic management of their respective waterways.

Stormwater NSW is NSW's peak body for the management of urban stormwater. Stormwater NSW's membership covers a wide range of government and non-government stakeholders. Urban stormwater management is the key threat to our waterways and a significant contributor to marine pollution. Improving urban stormwater management (and sewer overflows into stormwater systems) is a fundamental concern of Stormwater NSW given its critical importance in meeting the challenges of urban expansion, population growth, and climate change. Accordingly, Stormwater NSW also has significant stake in the Sydney Water Corporations pricing submission.

Our position on Sydney Water Corporation pricing's submission.

The PRCG, the CRA, and Stormwater NSW generally support Sydney Water Corporation's 2025-30 pricing submission and its intent to secure Sydney's water supply, reduce waterway pollution, and facilitate urban liveability. A particularly important challenge given Sydney's ongoing population growth and urban expansion, and the compounding effects climate change.

Given our collective focus on urban waterways, we give specific support to the environmental protection and waterway health improvement components of Sydney Water's 2025-30 Price Proposal. This includes (but is not necessarily limited to) the following:

- Approximately \$600 Million for Stormwater and waterways, including renewing channels, pipes and assets; continuation of their Waterway Health Improvement Program; continuation of routine stormwater operations and maintenance; some extra desilting and remediation works; maintenance of existing stormwater natural assets, improving the Property Environmental Management Program, and additional staff to work with catchment groups and councils to improve waterway health outcomes.
- \$480 million to reduce wet weather overflows, i.e., sewage overflows that directly and indirectly (typically via stormwater systems) find their way into our urban rivers and bays.

We also acknowledge that Sydney Water, through its pricing proposal, is committing to an additional \$21.9 Billion dollars to extend and renew critical wastewater network and treatment infrastructure. While these investments do not overtly correct the centuries of damage to our waterways, they will be essential in reducing the impacts of population growth and urban expansion by reducing and preventing sewerage overflows into our stormwater systems and, therefore, our waterways and marine environments. These investments will also be crucial in securing Sydney's water supply as the combined effects of population growth and climate change continue to manifest. Hence, we also give our support to this \$21.9 Billion investment to extend and renew critical network and treatment infrastructure.

Why we are supporting Sydney Water Corporation's price submission.

We are supporting Sydney Water Corporation's Pricing Proposal 2025-30 because it aligns with the values and expectations of our members and stakeholders, and the communities they serve.

The PRCG and the CRA continuously engage with our member organisations and the community. We constantly seek to understand the value communities put on their waterways and what aspirations they have for them. We also seek to understand the current and potential commercial values our waterways could have, and how the values held by those directly impacted by the quality of water that leaves our waterways (e.g. Fisheries NSW, the Marine Parks Authority, NSW maritime, commercial fishing, Tourism NSW, and community recreation groups). Likewise, Stormwater NSW engages constantly with its members across the public, private, research and community sectors, not just within the stormwater industry, but also organisations that have a stake in revitalising our urban waterways and promoting liveable, humane urban development.

Based on this ongoing and extensive engagement, our organisations have the following shared priorities:

- Improved water quality for better environmental outcomes and to enable primary (e.g. swimming) and secondary contact recreation (e.g. canoeing and kayaking).
- Naturalisation of riverbanks for biodiversity, and passive and active recreational purposes (e.g., naturalisation of concreted waterways and removal of sheet piling).
- Conservation and restoration of riparian vegetation to enhance urban biodiversity and liveability.
- The transition of urban waterways from channelised and polluted eyesores, to productive blue-green space that encourages passive and active forms of recreation, quiet spaces to escape the urban din, and places that encourage a range of economic opportunities, from watercraft hire, through to cafes, restaurants, and tourism (i.e., capitalising on improved urban river economics^{1,2}).

These community derived expectations find strong support in NSW government policy and contemporary science. Stormwater and sewerage systems as primary sources of environmental pollution for urban rivers is now well understood³. Over the past few decades, research showing strong links between urban development, human health and wellbeing, and social cohesion has also grown significantly. This includes research that demonstrates that effective use of blue-green space (or lack thereof) can have measurable impacts on society's health systems⁴. When considered in the broader context of population growth, urban expansion and climate change, the benefits of revitalising our urban waterways takes on a cumulative effect that has important implications for the social and economic sustainability of our cities (as do the cumulative 'opportunity costs' of not doing so)^{5,6}.

For these reasons, the PRCG, the CRA, and Stormwater NSW support Sydney Water's 2025-30 price proposal.

Importantly, we support Sydney Water's pricing submission given Sydney Water's demonstrable competence and proven ability to deliver. For 136 years, Sydney Water has delivered world class drinking water and sewage management to our cities. In the last few decades, Sydney Water has

¹ Lee, S., Menon, A., Mendoza, Guillermo. (2024). *Economics of sustainable river management*. Chapter 11, Managing Urban Rivers, Editors: Shinde, V.R., Mishra, R.R., Bhonde, U., Vaidya, H. Elsevier, pgs. 203-224.

² Western Sydney River Task Force (2024). *Our Rivers – Connecting and activating Western Sydney river communities*. Business Western Sydney, Urbis, and Bentley. Western Sydney: <https://urbis.com.au/app/uploads/2024/09/Urbis-Western-Sydney-Rivers-Advocacy-Report-1.pdf>

³ NSW DECC. (2009). *NSW Diffuse Source Water Pollution Strategy*. Department of Environment and Climate Change, NSW Government, Sydney.

⁴ Population Wellbeing and Environmental Research Lab: <https://www.powerlab.site/research/publications>

⁵ NSW EPA (2024): <https://www.epa.nsw.gov.au/your-environment/water#:~:text=Water%20pollution%20can%20be%20caused,managing%20water%20pollution%20in%20NSW.>

⁶ NSW Ministry of Health. (2020). *Healthy Built Environment Checklist – A guide for considering health in development policies, plans and proposals*. NSW Government, St Leonards.

also transition from conventional stormwater management into modern, more sustainable approaches. This transition has had a material impact on our urban waterways, as exemplified through Sydney Waters ongoing bank naturalisation projects⁷. Sydney Water is also making critical contributions in the urban waterway / stormwater management policy and planning space, as illustrated by their contribution to addressing the challenges of sustainable urban water cycle management for the Western Parkland City (e.g. the Mamre Road Stormwater Scheme).

Accordingly, we are supremely confident that Sydney Water can deliver on the service levels it has committed to in its pricing submission.

Limitations of Sydney Water's pricing proposal.

The resources and outcomes identified in Sydney Water's Price Proposal are, on their own, insufficiently to address the centuries of degradation and neglect suffered by our urban waterways.

While the \$600 million for stormwater and waterways may seem substantial, compared to the current state of our urban rivers, the diversity of activities this money is being distributed to, and the period that it covers, this amount should be seen as a bare minimum. To illustrate, the cost of rectifying the mid twentieth century channelisation and sheet piling on the Cooks River alone would take up a significant chunk of this funding. This would leave little funding for other critical and ongoing issues, such as the need to naturalise kilometres of waterways beyond the Cooks River. It would also leave scant funding to institute desperately needed stormwater control measures beyond rudimentary, channels, pits and pipes to address the growing impacts of climate change (flooding, inundation, and urban heat), urban expansion (the destructive hydrological impacts of increased hard surfaces and diffuse pollution sources), and population growth (pressure on our sewer systems and water supply).

Consequently, the funding afforded to our urban rivers in the pricing proposal is not, in and of itself, sufficient to address decades to centuries of pollution and degradation. However, we do recognise that Sydney Water must balance urban waterways with other service levels against the willingness and ability of their customers to pay⁸. Taking this into consideration, the PRCG, the CRA and Stormwater NSW recognise that the cost of protecting and rejuvenating our urban waterways can not be borne by Sydney Water's customers alone. Accordingly, additional funding will still be needed irrespective of the outcome of IPART's review process in order for the full potential of our urban rivers to be realised, and to stem the ongoing opportunity costs associated with their current state.

In closing, we note that the decision (choice) being made is not one of paying or not paying, but rather who pays, how they will pay, when they pay, and how much. And while our urban

⁷ For example, the recent transforming muddy creek: <https://www.sydneywatertalk.com.au/muddycreek>

⁸ We understand that the pricing submission includes an initial approximate 18% bill increase in for the 2025-26 financial year (based on a customer consuming 200 kL per year), and incremental increases thereafter till at least 2030.

waterways remain in varying degrees of degradation, the environmental, economic, and human health and well-being opportunity costs will continue to accumulate, with those costs typically being borne by our poorer communities⁹. Accordingly, the sooner we revitalise our urban waterways, the less costs our society will have to bear, and the sooner we will see the significant benefits well managed urban waterways can bring to a city and its people.

Yours sincerely,



Alexi Gilchrist

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Dr Andrew Thomas

Executive Officer
Cooks River Alliance.

President
Stormwater NSW.

⁹ WSU. (2017). *Study finds access to green space not equitable in nation's largest cities*. University of Western Sydney. Accessed 8 December 2024:

https://www.westernsydney.edu.au/newscentre/news_centre/story_archive/2014/study_finds_access_to_green_space_not_equitable_in_nations_largest_cities