



9 December 2024

Sydney Water Price Review
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop
SYDNEY NSW 1240

Dear Sir / Madam

Re: Submission to IPART review of Sydney Water prices from 1 July 2025

The Sydney Coastal Councils Group (SCCG) welcomes the opportunity to provide a submission to the above review.

Relevance to the SCCG

The SCCG is a regional organisation of councils (ROC) established in 1989 to promote collaboration among member councils on environmental issues relating to the sustainable management of the urban coastal and estuarine environment. The group comprises nine councils in the Sydney region which together represents nearly 1.3 million residents.

SCCG is guided by its [2019-2029 Strategic Plan](#) which outlines goals related to healthy coastal waterways, marine biodiversity, liveable cities and climate resilience. Goals 2 and 3, seek to ensure important biodiversity and riparian corridors are protected, water sensitive urban design (WSUD) practices are followed, pollutant loads to waterways are reduced, and water quality at our beaches is consistently good or better.

The extent to which these goals can be achieved is heavily dependent on the operations of Sydney Water. For instance, overflows from Sydney Water's sewerage network are a direct contributor to poor water quality in coastal waterways. Conversely, Sydney Water's efforts to improve stormwater quality and ecological health within stormwater trunk drainage networks under its control can help improve the health of receiving waterways.

SCCG works closely with Sydney Water under a memorandum of understanding to address topics of mutual importance. These include pollution incident reporting, environmental monitoring, strategic environmental management, coastal management programs, coastal adaptation planning and water quality monitoring as part of the NSW Beachwatch Program. Discussions take place during quarterly meetings between staff from SCCG and Sydney Water, and during as-requested Sydney Water presentations to SCCG member councils.

Given this focus, SCCG will direct its submission towards environmental protection as the third of Sydney Water's three desired outcomes for its customers. More specifically, our comments pertain to Sydney Water's objectives of preventing pollution and creating cool, green and natural places.

Our response to selected questions posed in IPART's Issues Paper are given below. These should be read in conjunction with any submissions made by our individual member councils.



Question 1: Sydney Water’s engagement process and whether Sydney Water has engaged effectively with customers and stakeholders.

SCCG is satisfied with Sydney Water’s engagement with SCCG and its member councils on its price proposal.

From 2022, SCCG staff were consulted and able to make comments on Sydney Water’s draft Healthy Waterway and Environment Strategic Blueprint which we understand was subsequently used to inform Sydney Water’s approach to environmental protection. Councillors from our member councils were also consulted on the strategic blueprint.

More recently, Sydney Water has presented to staff from SCCG and its member councils on its price proposal, encouraging submissions to be made to IPART.

Question 2: Key outcomes and performance measures Sydney Water is aiming to deliver for its customers.

SCCG is generally satisfied with the proposed performance measures listed for environmental protection in Table 1 of the issues paper.

We note, however, that there are no metrics by which customers can determine how the health of waterways would be protected or improved through Sydney Water’s proposed expenditure. We suggest that additional performance measures be considered such as ecological health ratings or social amenity ratings. This should include ratings used by the NSW Beachwatch Program which are heavily influenced by sewage overflows¹.

We are aware that Sydney Water has conducted in-house investigations into the impact of its sewerage and stormwater network on receiving waterways like Sydney Harbour². We suggest that Sydney Water build on such investigations to determine appropriate targets for any new performance measures.

We understand that Sydney Water is proposing to spend \$598 million on stormwater network renewal and waterway health improvement, as well as \$386 million in stormwater operations and maintenance, focussing mainly on existing stormwater catchments in Sydney’s central and eastern cities. Whilst this investment is welcome, we query whether this is sufficient to help meet community expectations for clean and safe waterways particularly when compared to the \$3.145 billion proposed for integrated stormwater servicing in the Mamre Road and Western Sydney Aerotropolis precincts. We would encourage IPART and Sydney Water to consider, firstly, whether these are equitable investment allocations and, secondly, if further investment can be made within stormwater catchments in Sydney’s east.

Question 8: Service standards for water and wastewater and what quality service means

SCCG fully supports Sydney Water’s intention to renew its wastewater network in Sydney’s central and eastern cities as the primary means of reducing the number of pollution and environmental harm incidents. We also support the target of reducing the number of pollution incidents to less than 1053 incidents per annum. Specifically however, we believe that Sydney Water should be improving its service standards in the following areas:

Reinstating Councils access to pollution incident reporting

¹ [Williams N L R, Siboni N, Potts J, Campey M, Johnson C, Rao S, Bramucci A, Scanes P & Seymour J R 2022, 'Molecular microbiological approaches reduce ambiguity about the sources of faecal pollution and identify microbial hazards within an urbanised coastal environment', *Water Research*, 218, retrieved 26 November 2024.](#)

² [Tillman P, Dixon J, Wang Y & Griffith M 2020, 'Hydrodynamic and water quality modelling in Sydney Harbour', *Coastal Engineering Proceedings*, 36v, retrieved 26 November 2024.](#)

In terms of providing a quality service, we would strongly advocate for Sydney Water to provide councils with real-time, online access to Sydney Water's system called 'Noggin' that is currently used for managing and reporting pollution incidents. This new system recently replaced a system called SW Connect that our member Councils had access to. It is disappointing that this access has now been removed despite numerous requests to Sydney Water to reestablish access.

Financially contribute to Beachwatch monitoring

We also strongly believe that Sydney Water should be financially contributing to the NSW Government's Beachwatch program instead of Councils. This would be similar to the role of other water utilities like Hunter Water. As detailed in our [letters to the Minister for the Environment](#), the NSW Government's proposal for our member Councils to begin to financially contribute to this monitoring program is flawed for several reasons including the fact that Councils do not have a legal responsibility for water quality monitoring unlike Sydney Water. Currently, Sydney Water does not contribute to the Beachwatch program except for the Illawarra beaches. Yet poor Beachwatch ratings in the Sydney region are attributed to sewerage, as shown by research conducted by the University of Technology Sydney³.

With urban heat increasing due to climate change, there will be greater demand for our communities to want to swim in Sydney's waterways. It will therefore be imperative that comprehensive monitoring of Sydney Water's wastewater operations continues along with on-demand public reporting through Beachwatch. To achieve this 'quality service' the SCCG recommends Sydney Water increasing its operational expenditure in order to contribute to or take over Beachwatch monitoring that is currently conducted by the Department of Climate Change, Energy, the Environment and Water.

Meet commitments in its Priority Sewage Program

Finally, we believe that Sydney Water should not be able to renege on previous commitments to sewer sites identified in the NSW Government's Priority Sewage Program. This includes Scotland Island which is one of the few suburbs in metropolitan Sydney that is not connected to mains water and sewage system. Yet Scotland Island sits in the highly sensitive receiving environment of Pittwater where high levels of E coli have been recorded in stormwater.

Questions 9 and 10: Which customers pay for stormwater services

SCCG agrees with Sydney Water's proposal to continue to apply a 'postage-stamp' stormwater management service charge to customers located within catchments serviced by Sydney Water's stormwater trunk drainage, but to remove all waterway health improvement costs from this charge.

We also agree that, based on the justification given in Appendix 8.2 of Sydney Water's price proposal, charges associated with waterway health improvement should be shared equally by all Sydney Water customers given that all customers can benefit from the improved health of receiving waterways regardless of whether they are located within a Sydney Water stormwater catchment or not. We accept Sydney Water's argument that the wastewater service charge is the most administratively efficient way to collect contributions from customers for waterway health improvement.

Conclusion and Recommendations

Overall, we are encouraged by Sydney Water's findings that its customers prioritise environmental protection and are willing to pay more on their Sydney Water bill for that outcome. We therefore support Sydney Water's price proposal and specifically those measures that aim to prevent pollution and achieve cool, green and natural spaces in Sydney's central and eastern cities.

We recommend, however, that IPART and Sydney Water consider:

³ Refer to [Williams et al 2022, 'Molecular microbiological approaches reduce ambiguity about the sources of faecal pollution and identify microbial hazards within an urbanised coastal environment'](#)

- adding new performance measures and targets for the ecological health and social amenity of receiving waterways
- ensuring investment in stormwater services in Sydney's east is sufficient and equitable when compared to investment in the Mamre Road and Western Sydney Aerotropolis precincts
- allowing councils real-time, online access to Sydney Water's pollution incident reporting system
- having Sydney Water contribute to or take over the NSW Beachwatch Program, similar to the model adopted for Hunter Water.

I trust our submission will be useful for your review. If you have any queries, please do not hesitate to contact me on 0407 733 075 or at sarah@sydneycoastalcouncils.com.au.

Yours sincerely

A handwritten signature in black ink that reads "Sarah Joyce". The signature is written in a cursive style with a large initial 'S'.

Sarah Joyce
Executive Director