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Your submission for this review:
It is acknowledged that there has been a significant increase in capital spending to service growth over the next price path. This is supported. Unfortunately, this increase in spending has arrived 5-10 years too late, with Sydney water (SWC) being a significant inhibitor of housing delivery in rezoned and soon to be rezoned areas within both Sydney's greenfield and urban renewal areas. It is unlikely that the significant increase in capital spend planned over the next 5 years will be delivered, given SWC procurement processes have failed to deliver past planned capital programs. SWC must significantly increase its capacity and capability to deliver this increased capital program, so that the increased prices are effectively utilised. I do support the price increases; but only if funds are used to increase, augment and extend infrastructure to accommodate future housing growth. DSP charges must be set to zero. With the high cost of developing in Sydney, the current high englobo prices and the current affordability constraints, many developments are no longer financially viable, and therefore not enough new housing product is being delivered to meet housing demand. The new SWC DSP charges are just another cost of development, further inhibiting industry to deliver the required housing product. DSPs result in a perverse outcome; the increased development costs decrease development viability, and therefore reduce forecast DSP income, reduce stamp duty to the State Government, further worsening its financial position. The decreased financial viability of delivering further product, further reduces housing supply, further decreasing housing affordability, and ultimately reduce SWC rate income. As a proportion of SWC income, DSPs are insignificant, and as they have such an impact on development viability, should be abolished. Sydney Water must get ahead of the curve. Too often precincts are rezoned without service provision. The mantra of 'just in time servicing' does not work. SWC must align its planning for the capital works program to Government's planning (or developer planning) for new precincts. SWC must also get ahead of the curve in existing development areas. Too often development cannot proceed as growth, or leaky pipes, have reduced the capacity of trunk infrastructure. SWC should interrogate the data associated with its network, the underlying trends, and determine when a sensible investment in its infrastructure should be made. It cannot stop development dead in its tracks when a referral from Local Council or State Government is made, and SWC comes back with the response 'there is no available capacity. Sydney Water must also get away from the 'demonstrated development demand' mantra of justifying the delivery of a capital works program. There will never be any development demand if there is no water or sewer. The provision of new bulk water or sewer capacity will enable development demand. Show me a SWC asset that has not been utilised once delivered - the evidence is clear on the back log of development demand. SWC needs to work more collaboratively with industry to service growth where it will occur. Industry too often is left having to fund costly IOPs because SWC servicing is too late. Often these costs will run into millions of dollars per year. It is unconscionable that developer must fund IOP costs, and also fund DSP costs. Any delays in service delivery, and the costs incurred therein, must be offset against any future DSP costs. Developers should not need to pay twice for service provision.