Author name: R. Carvosso

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Your submission for this review:
1. Developer funding contributions for new water and sewerage infrastructure and capacity Reference: "Under IPARTs contributions framework, our investment in new capacity is recovered over time as developers connect new lots to our network. This creates a timing gap between our up-front investment and subsequent payments from developers. Infrastructure contributions will provide a total of $3.9 billion over the next five years, with more to follow in future price periods as development occurs." Q: Why is new Sydney water infrastructure leading into new developments not delivered on a just -in time (JIT) basis (rather than built in advance of development project completion) so that developer contribution lag times and payment delinquency risks are minimised? Why are developers not required to make locational upfront contributions at the point in time they connect their developments to the new infrastructure and can use it ? Q: To what extent has Developer contribution delinquency (non contributions for any variety of reasons e.g intentional non-fulfilment or avoidance of contribution obligations, developer financial distress or company failure, project delays etc.) factored into calculations of regulated pricing framework? As and when some developers inevitably fail to honour their lagging contribution commitments, pressure will apply to customers to make up the difference in funding, leading to price increases above and beyond the proposed regulatory envelope for future years. What penalties apply to developers that fail to make contributions as required? 2. Household incentive measures for onsite water capture and storage to alleviate water usage demand across planning period Q: Has Sydney Water/IPART assessed the viability and advantages of implementing incentive schemes for on-site household water capture and storage (e.g water tanks) to reduce future water demand on the Sydney network , and thereby (i) potentially reduce call for RFIS and (ii) restrain household water demand and usage costs to offset some of these large price increases ? 3. Long term pricing framework and levels beyond 2030 Presumably Sydney Water / IPART is proposing cost recovery or payback of expected capex and opex investments by levying higher supply and usage rates / prices across the period 2025-2030 ? As future population growth across greater Sydney occurs , greater numbers of customers will be paying water supply and usage as well as sewerage levies which should provide substantial later period payback revenue streams to Sydney Water. Thus one might expect price levels beyond 2030 to plateau or fall from their sharply increased levels during 2025-2030. Is this the longer term view ? If not , why not? 4. Western Sydney Aerotropolis contributions to new infrastructure Q: What direct contribution will Western Sydney Airport developer / operator (Australian Government Corporation) be making toward the investment of locational water, wastewater and stormwater infrastructure the airport requires? What is the size of this investment ? Is this fully funded by the Australian Government Corporation ? If not, why not? 5. Balance of regulated price increases between corporates & consumer /small business Q: To what extent are large business / corporations bearing a reasonable share of the regulated price increases over 2025-2030 that reflect this sector's very large usage of network as compared with consumers/households/small businesses? To what extent are households/small businesses cross-subsidising these large businesses/corporations in respect to price and cost increases to fund investments? Your Price Proposal 2025-2030 document fails to show a price and cost change profile for large businesses/corporates. This is not acceptable. As far as transparency, equity and fairness across the whole Sydney community is concerned, Sydney Water must disclose anonymous examples of the percentage change in corporates' costs at constant volume (usage) over the same 5 year period. High volume users must not be shielded from similar % rises that the rest of the community will have to bear. The data provided in your Price Proposal is very concerning comforting . Your own statement of notional revenue requirements across the period states total revenue increases of only around 25% between 2024/25 and 2029/30. Yet your examples of cost increases for typical households and micro-businesses are around 55-60%! A typical small restaurant business would wear a 32% increase. By weighted averaging inference calculations the largest users of the services and infrastructure (corporates, large business and government etc.) will incur a much lower % rise of 20%. Why should households and small businesses cross-subsidise these latter sectors as to 'gift' the largest users with the smallest % increases ?