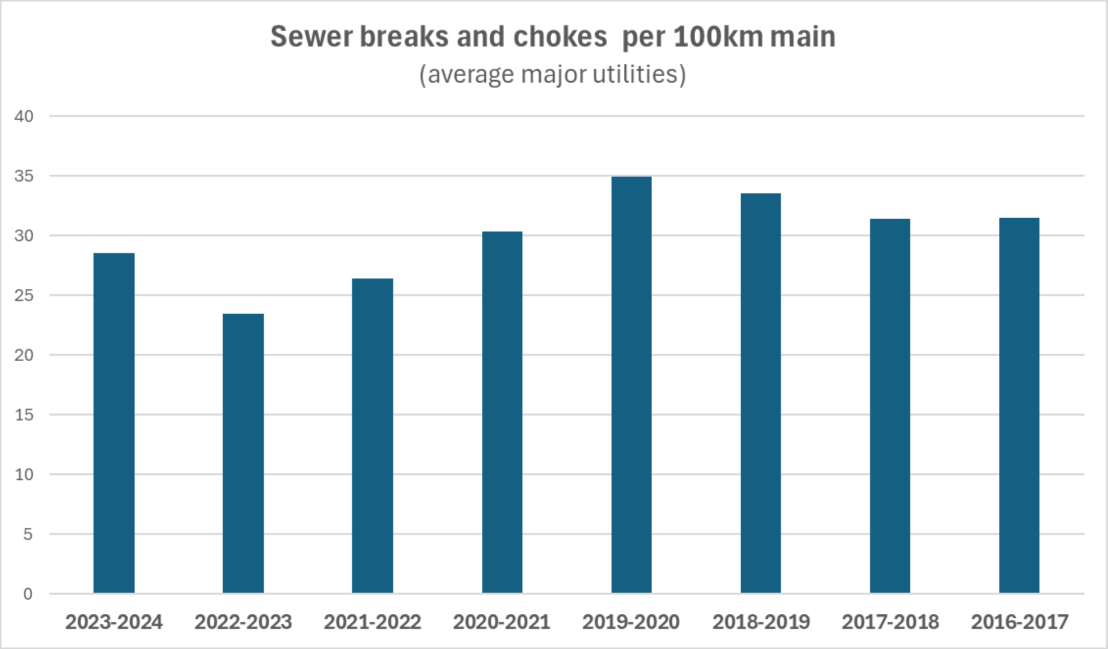
NSW Water Directorate Annual forum 2025

Stuart Wilson, Deputy Executive Director, 31 September 2025

We will cover

- National outlook
  - Investment outlook
  - Water in transition
- Advocacy
- Risk as an underlying issue

The sector is performing well



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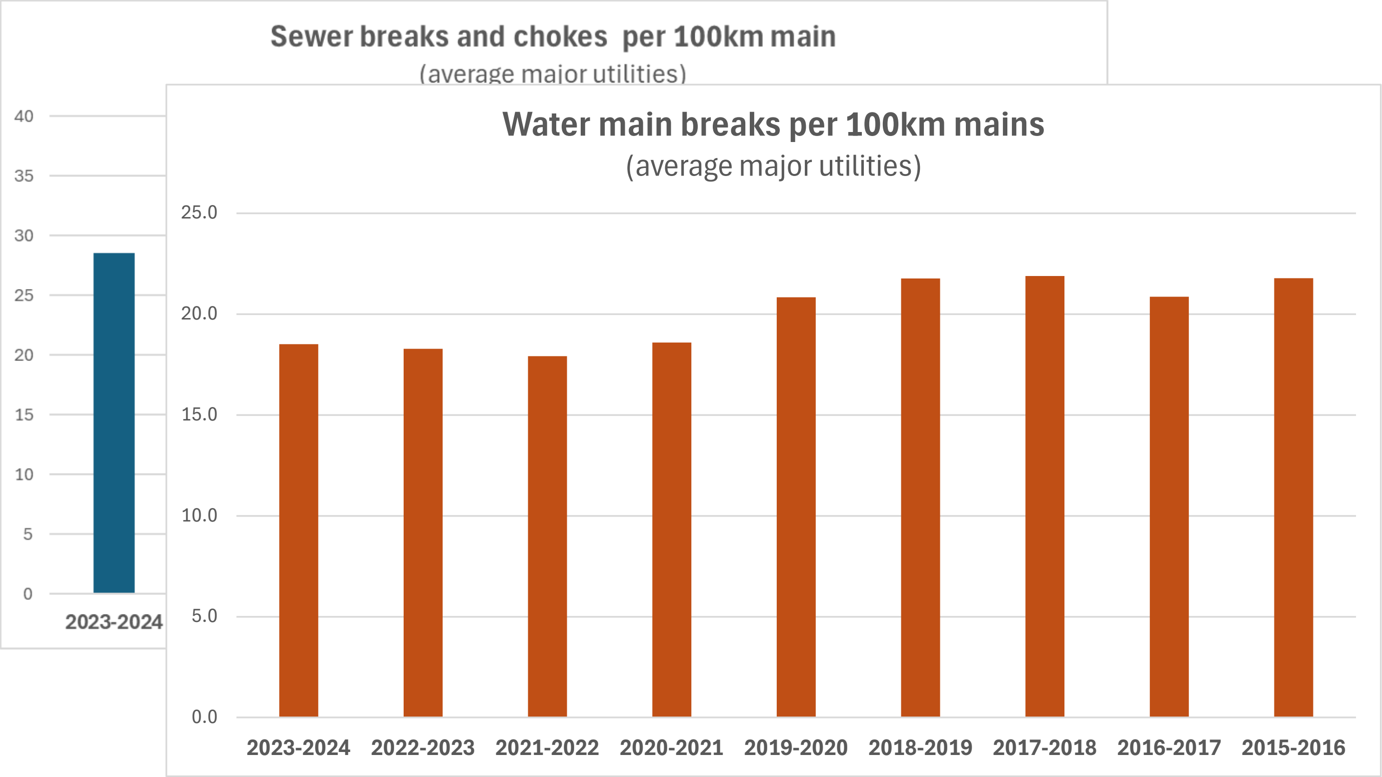

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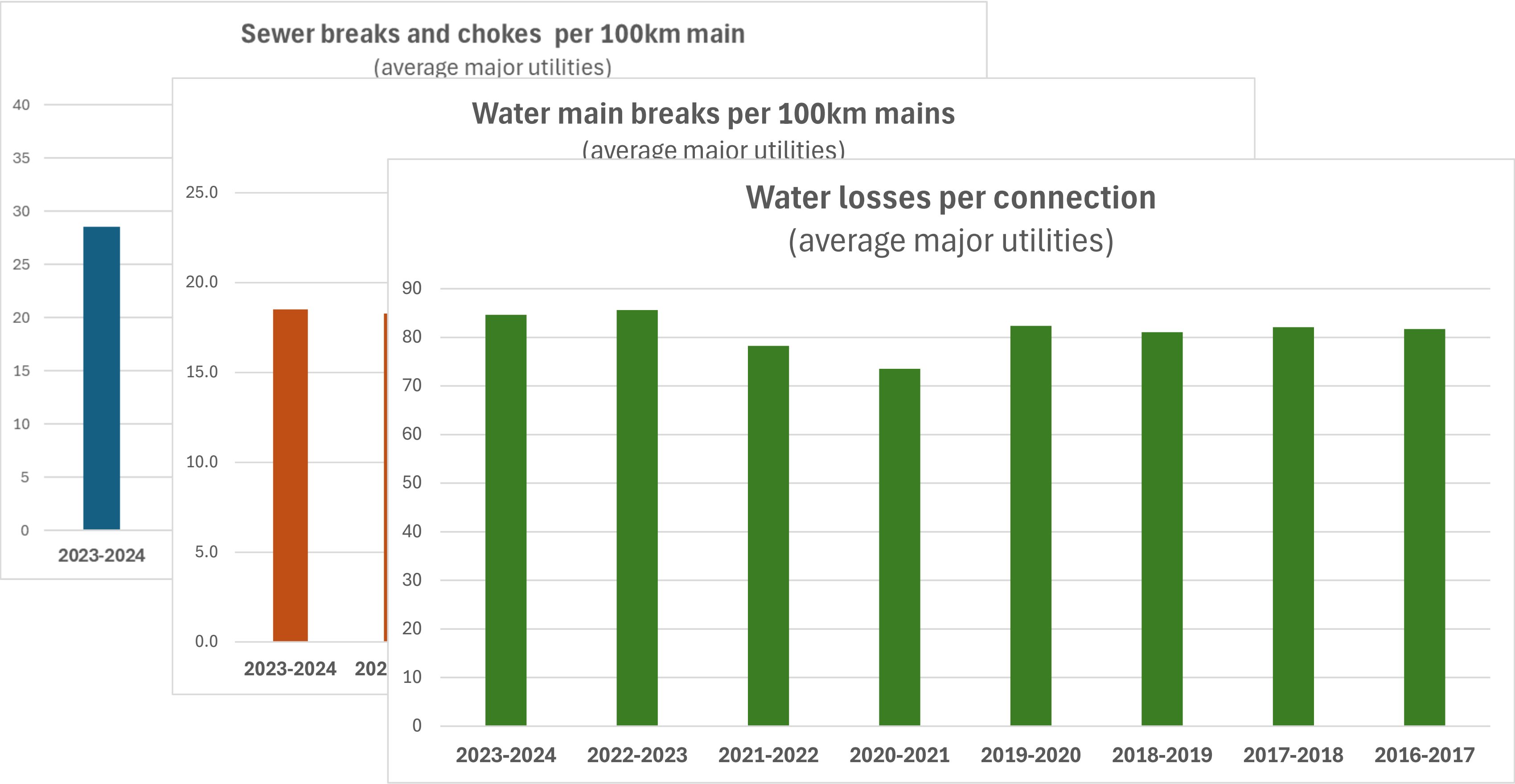

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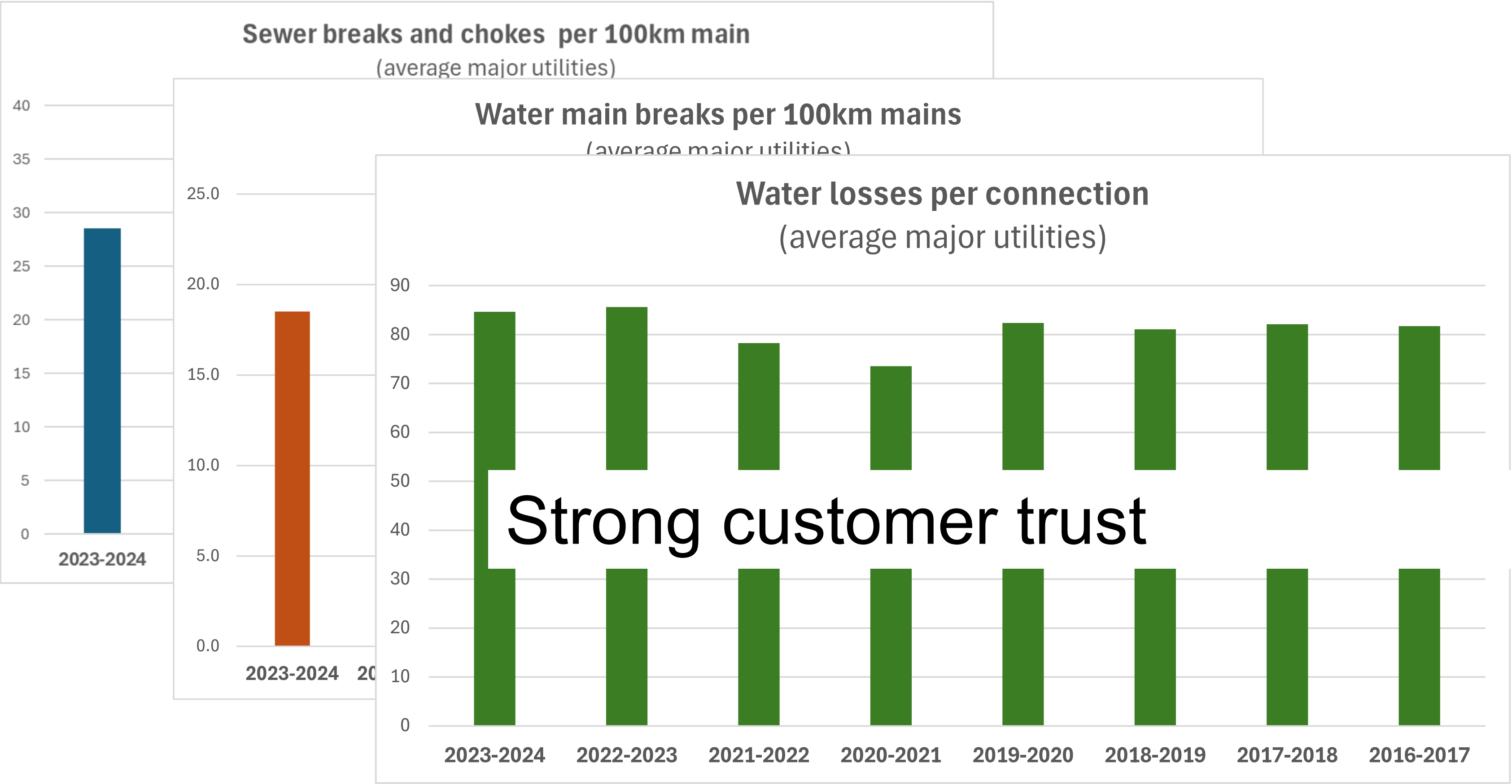
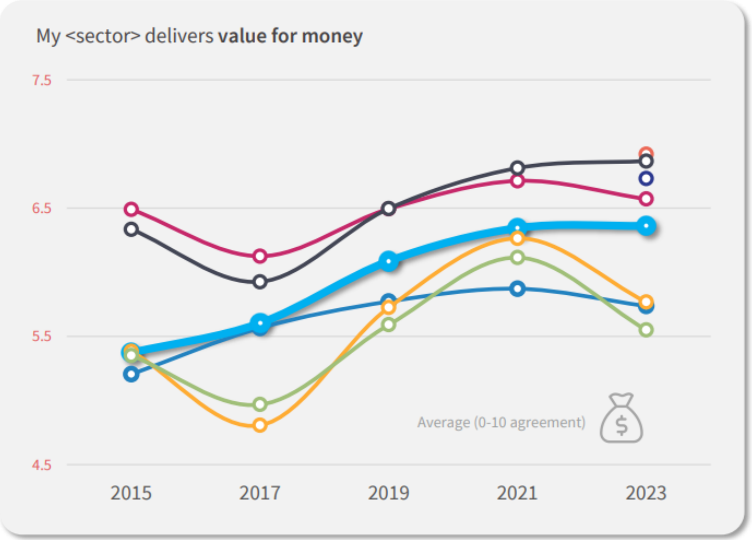
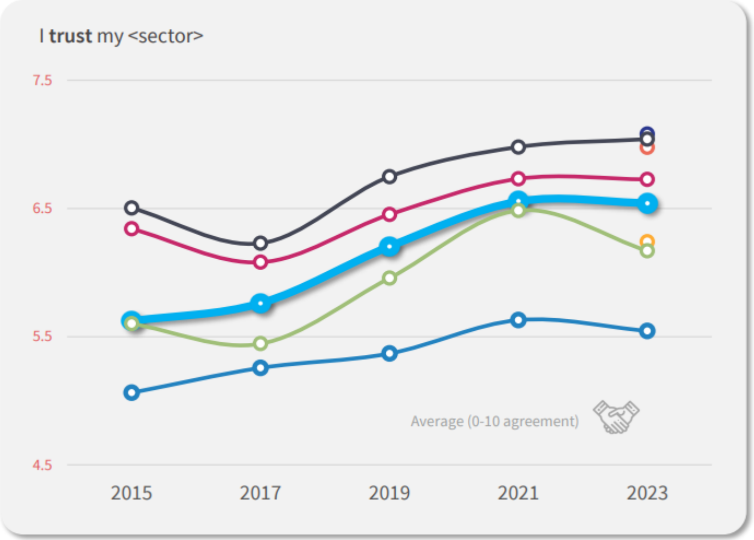


Strong customer trust

Trust is still strong

Cross-sector comparisons – most sectors have declined more than the water sector. VfM has declined more than trust

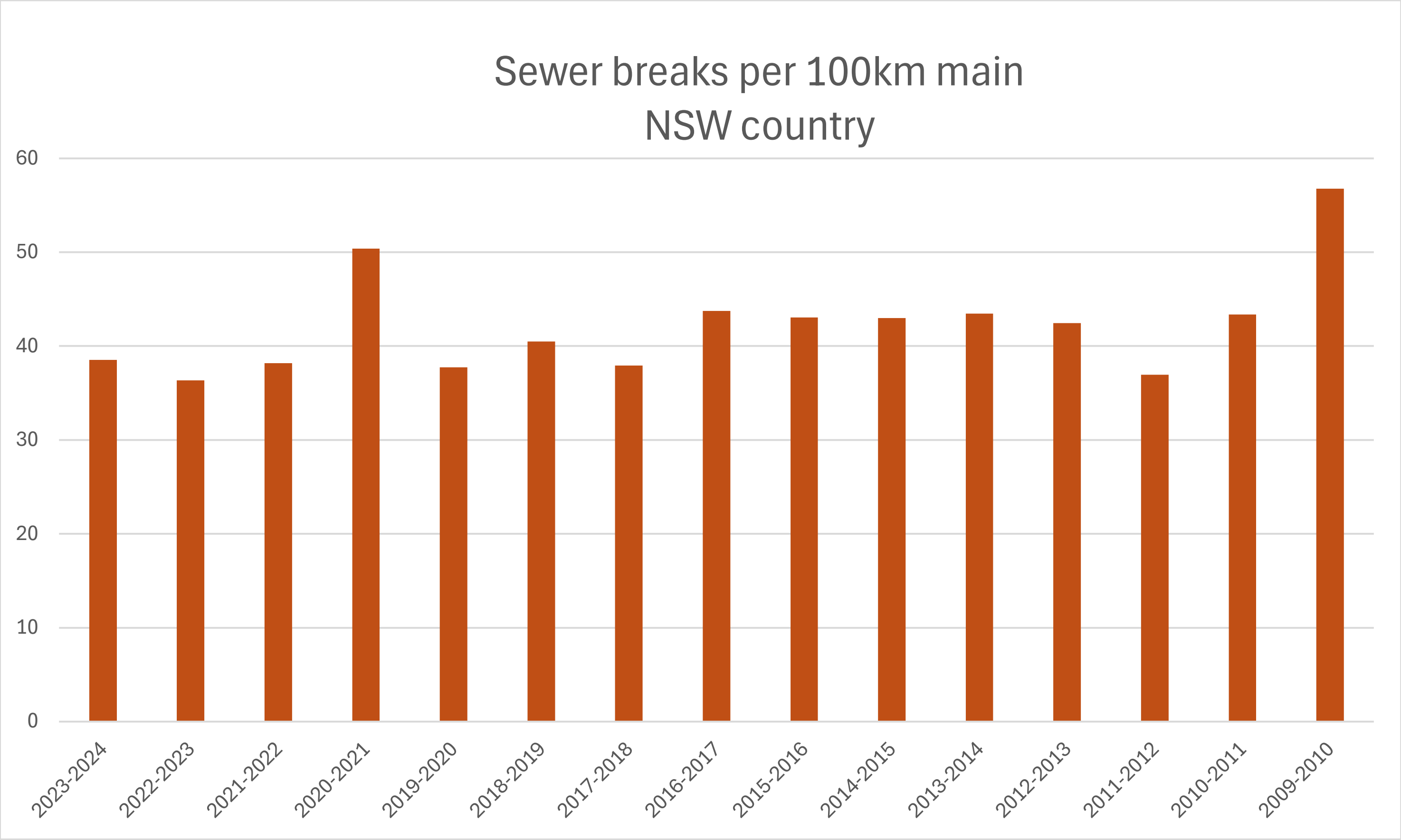




In the preceding pages, we have seen that the key indicators have flat-lined, but that NPS has increased, which may be perverse. The most relevant question to ask is how the water industry compares with its peers. At the start of the survey, and before respondents know that it is sponsored by the water industry, they are asked for their views on a range of utility providers. The charts on this page show quite clearly that relatively speaking, the water industry has fared better than Gas, Electricity, Councils and Internet providers.

Local council
Water
Electricity provider (VfM)
Electricity distributor (Trust)
Gas
Internet
AU/NZ Pos
Everyday bank
Mobile phone

So too NSW regional utilities



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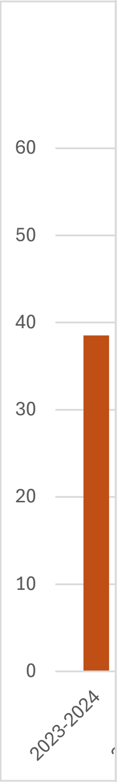

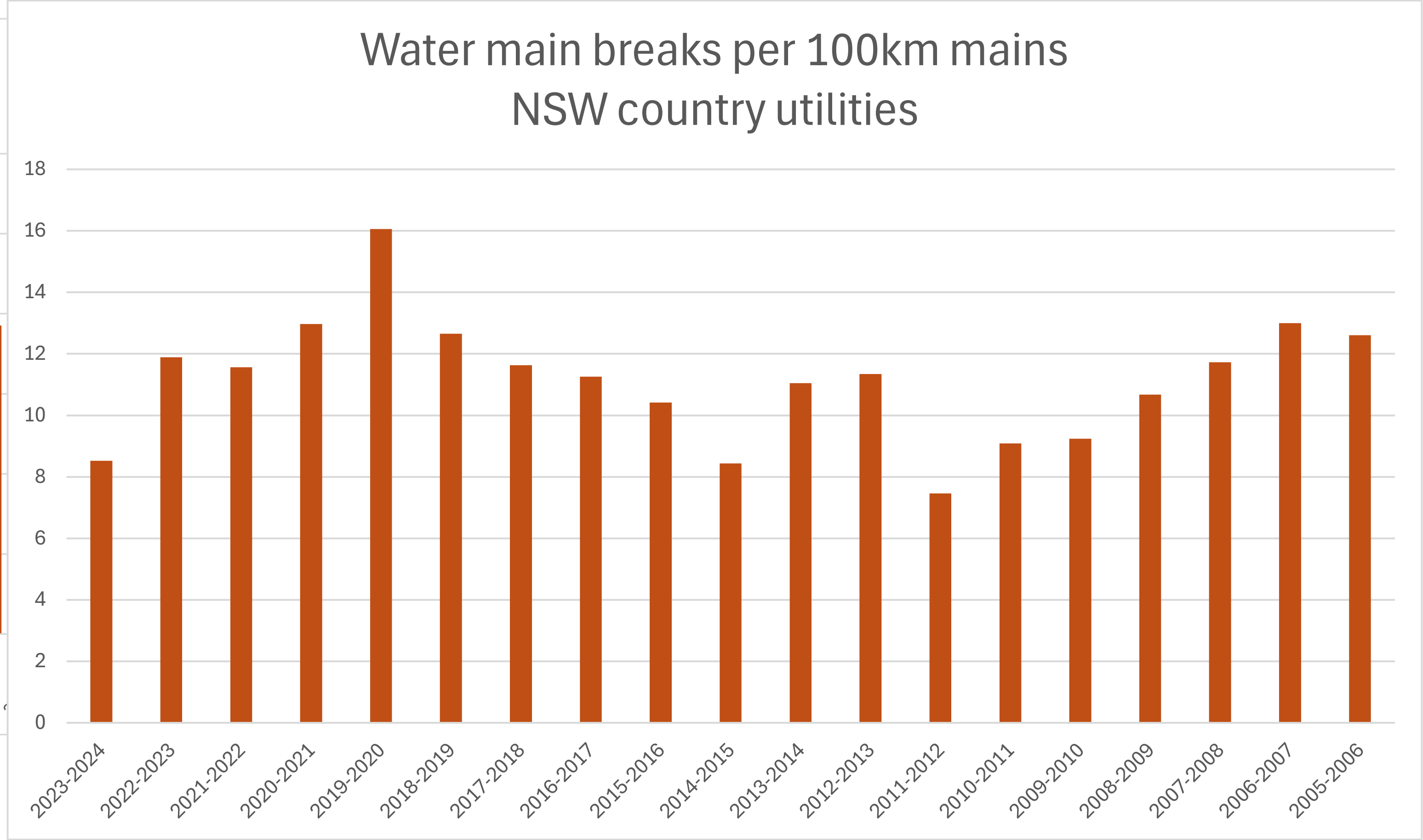

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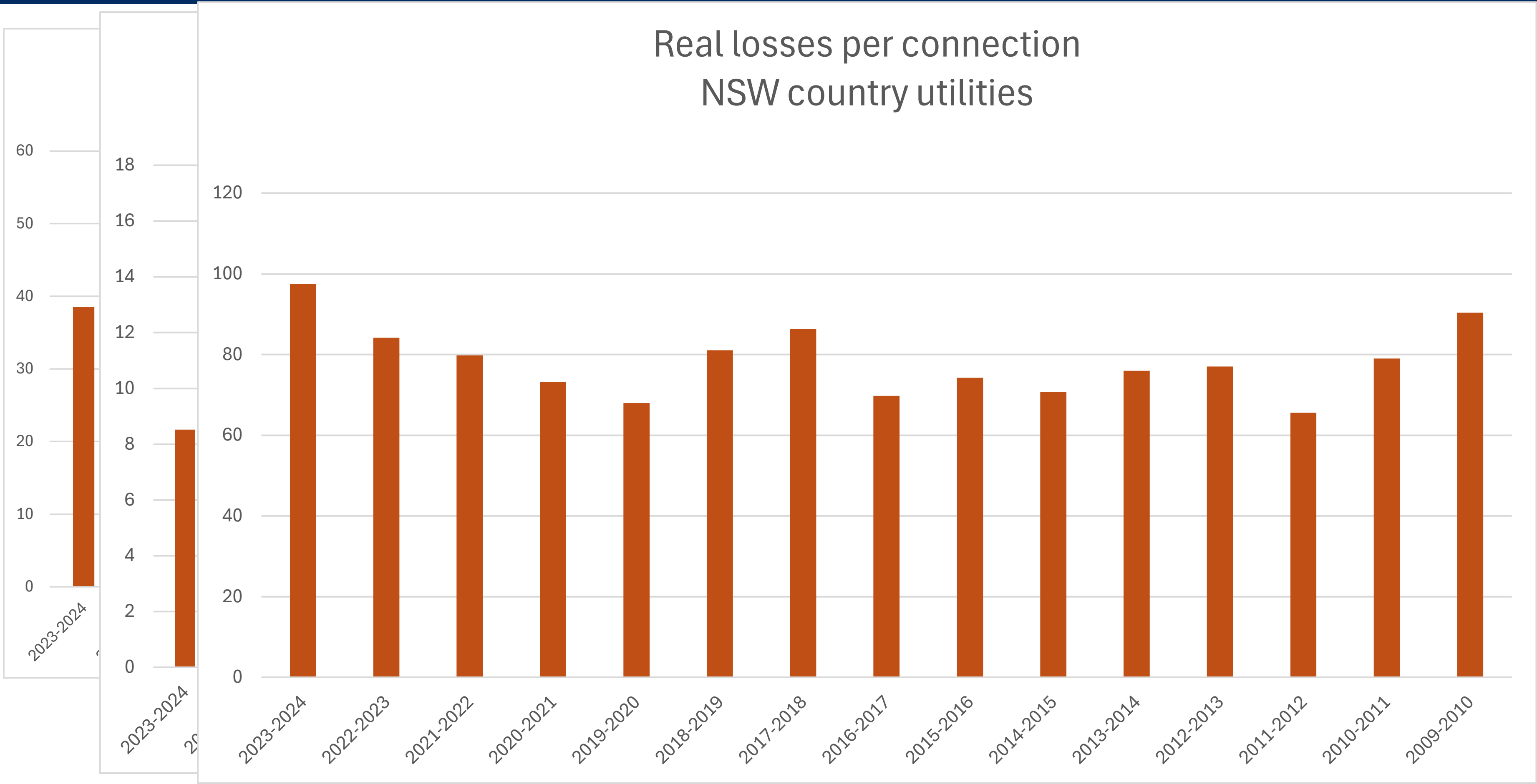
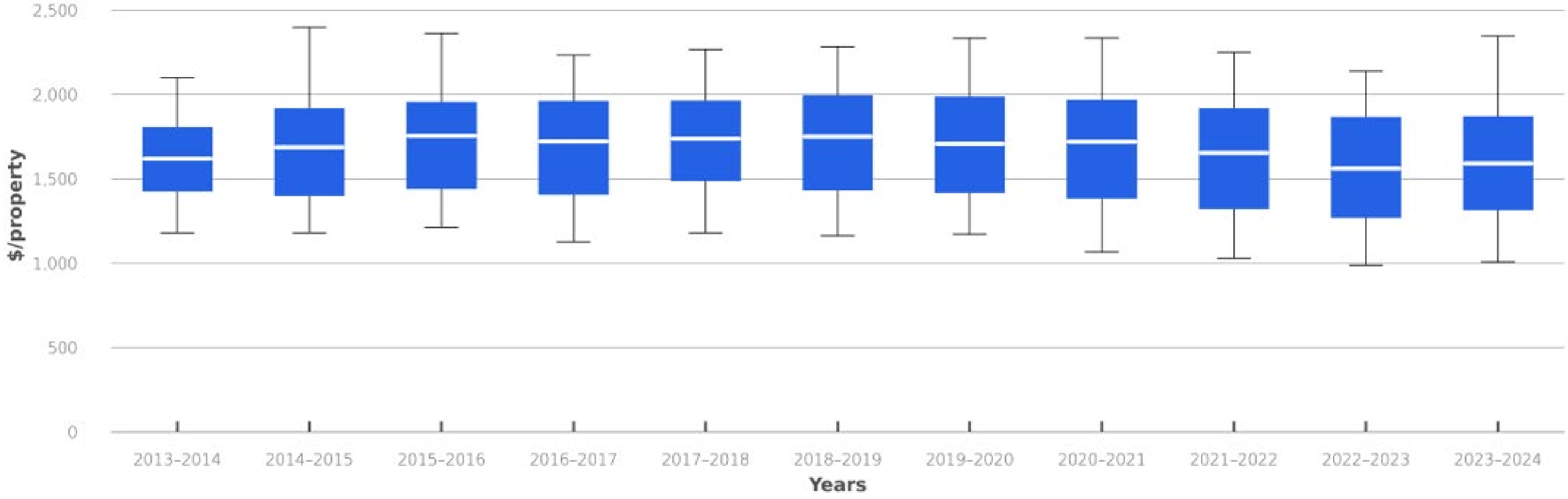


Bills - It doesn’t look like a transition



National Performance Report 2023-24

But capex as expected

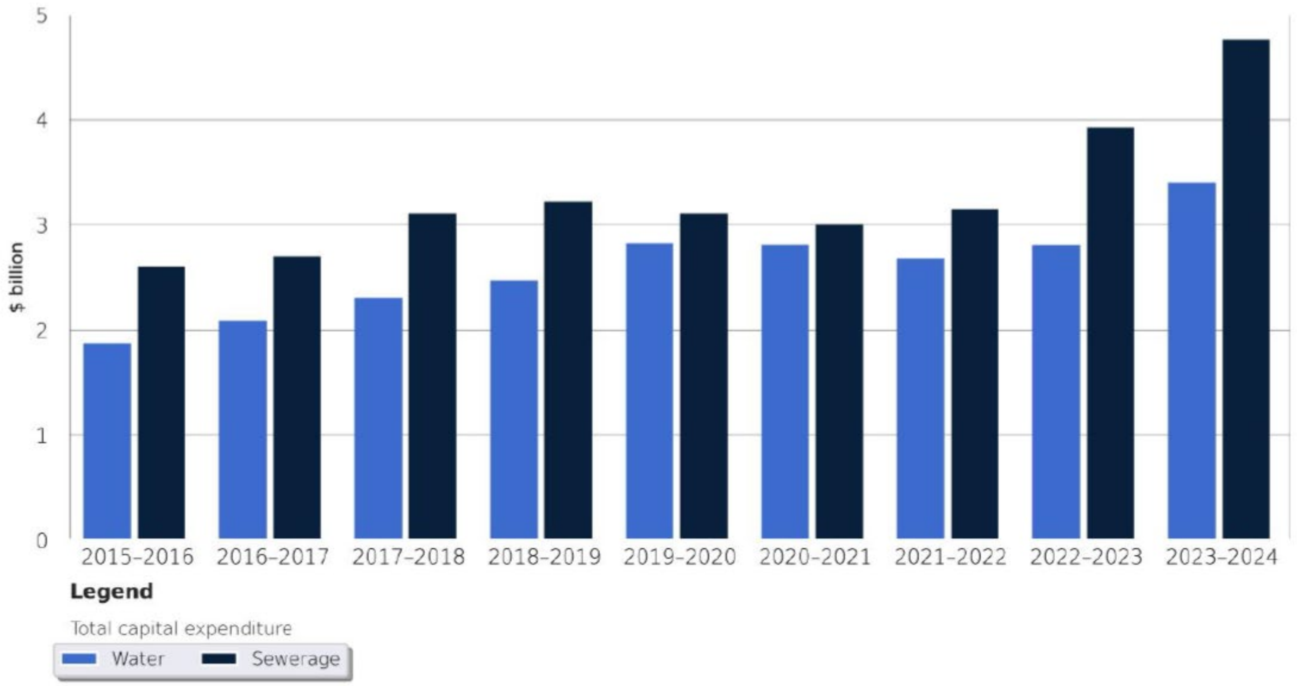
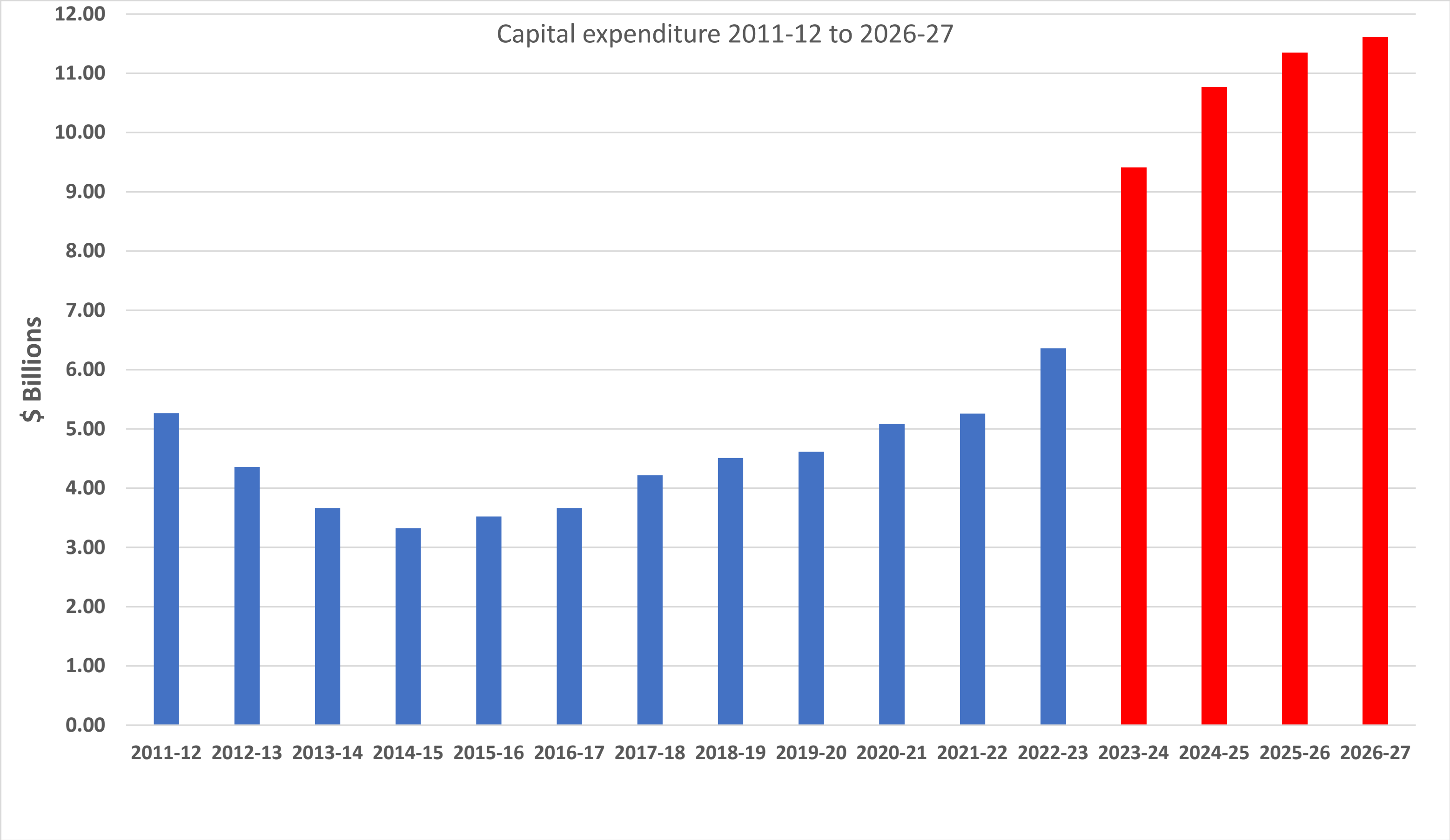


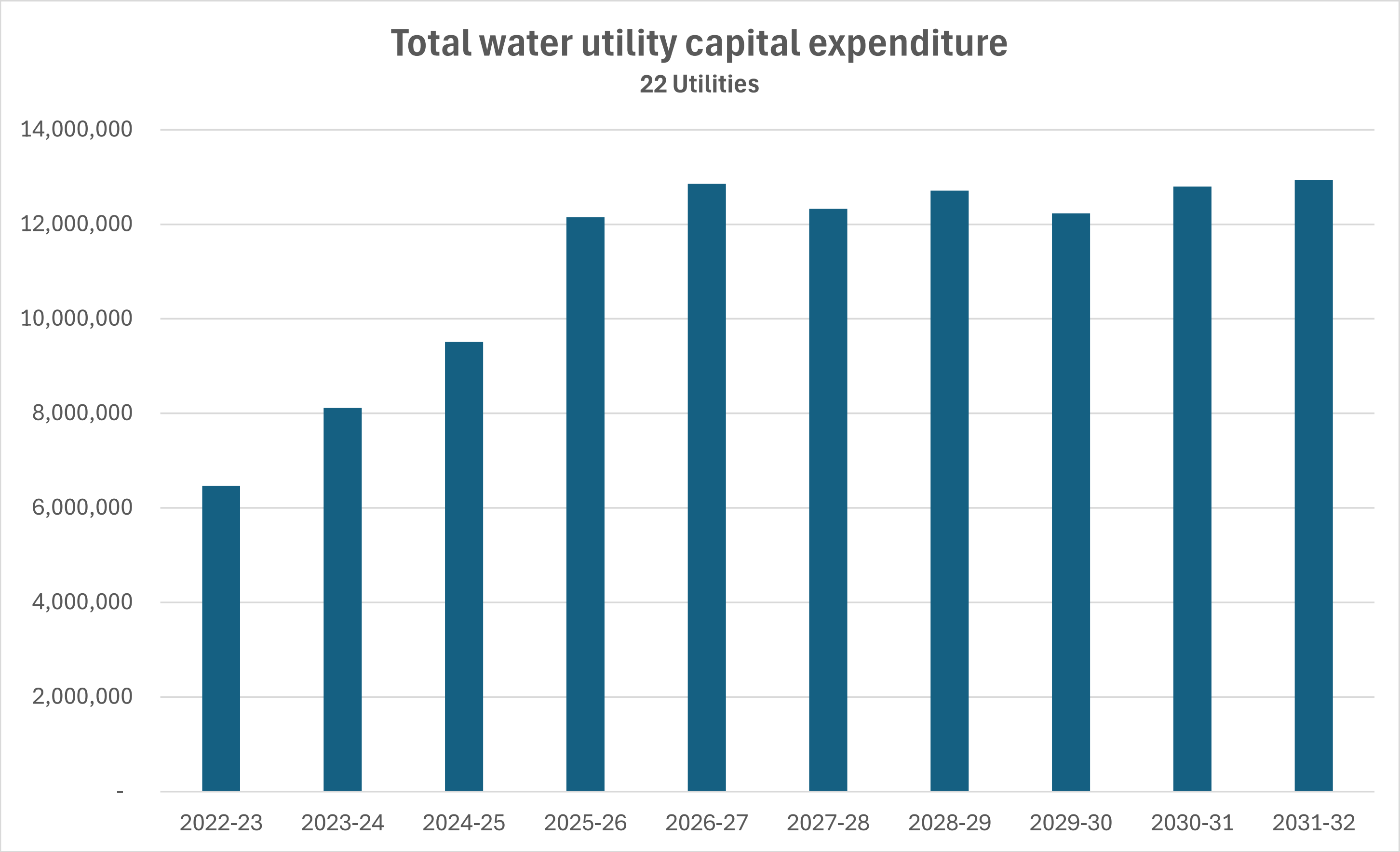
Figure 2 Total capital expenditure: water supply and sewerage ($ billion) for utilities that reported all 9 years (excluding bulk water utilities)

National Performance Report 2023-24

A step change in capex



Latest data – the pattern is confirmed

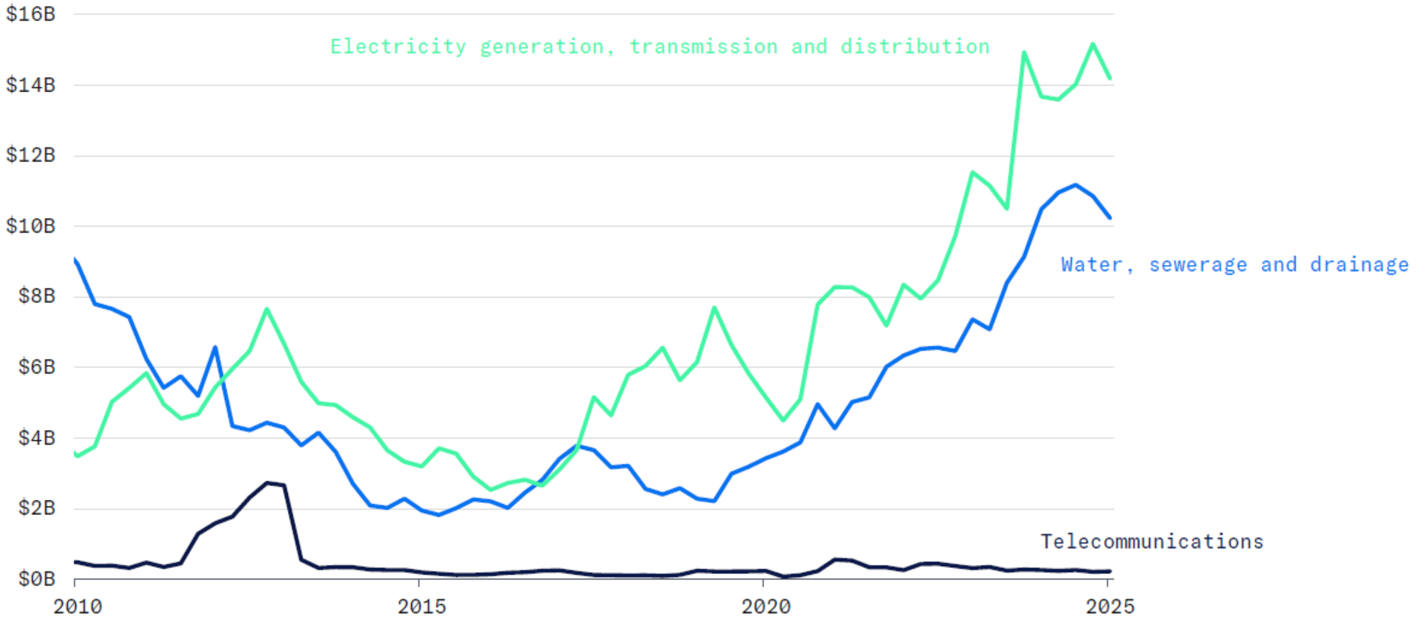


Preliminary results. Final results will not differ materially

View shared by others

The CAPEX supercycle

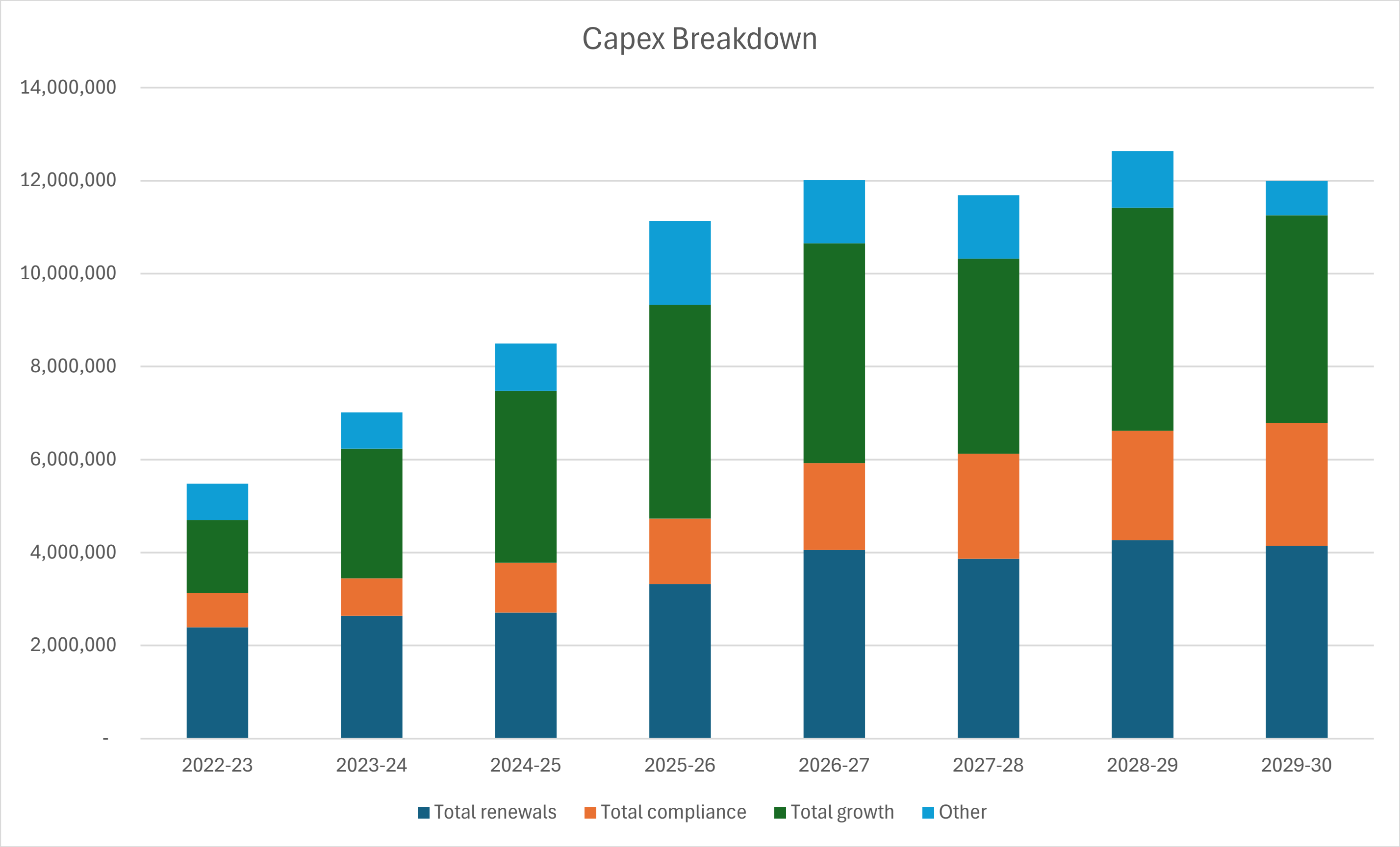
Engineering construction work yet to be done, Australia



Source: ABS, BuildSkills Australia
Notes: data trended and adjusted for inflation.

BuildSkills Australia

Growth, renewals and compliance



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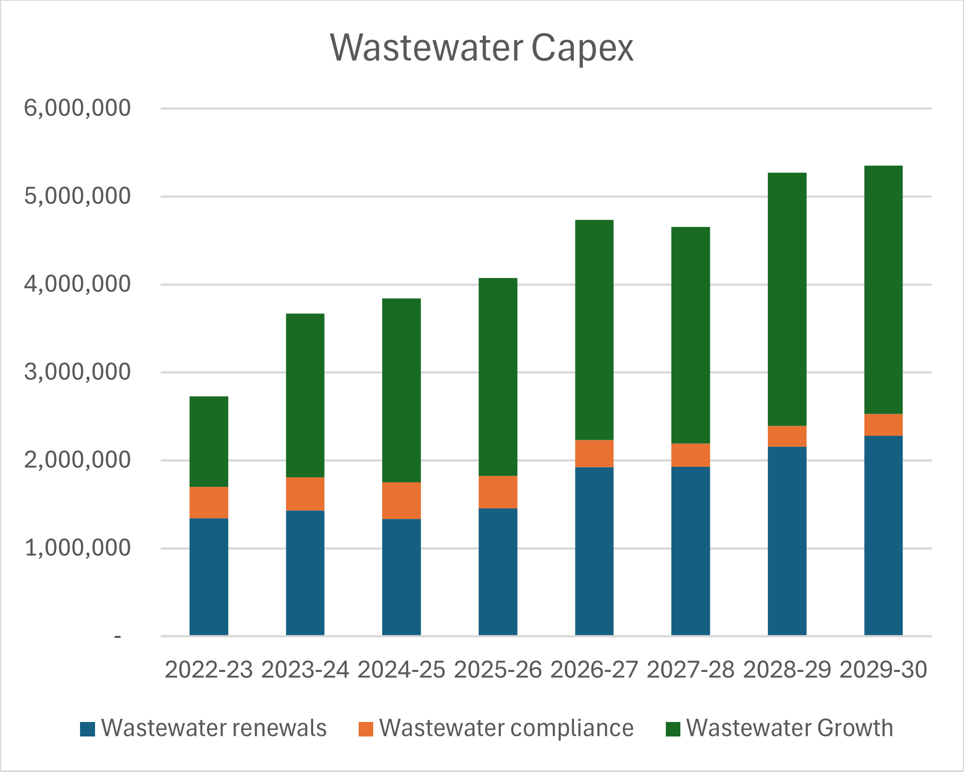

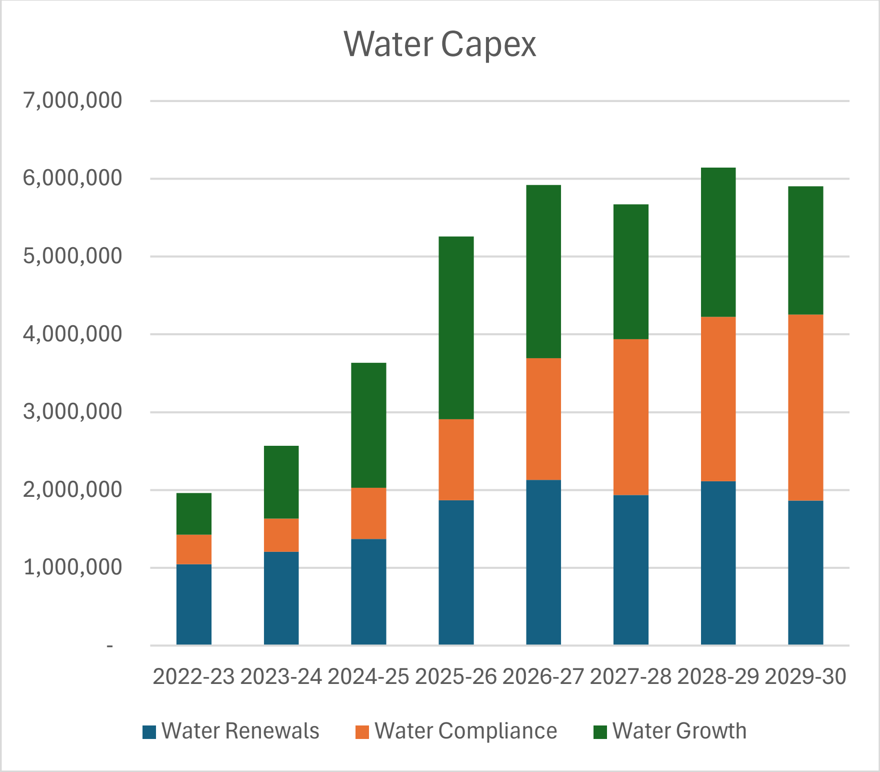

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The critical decade for water

Population growth

- Meeting housing targets (third to half of capex)
- Growth costs more!
- Who benefits and who pays

Ageing assets

- Long lived assets 70-100 years
- Lifecycle costs increasing (little further capacity)
- Intergenerational equity

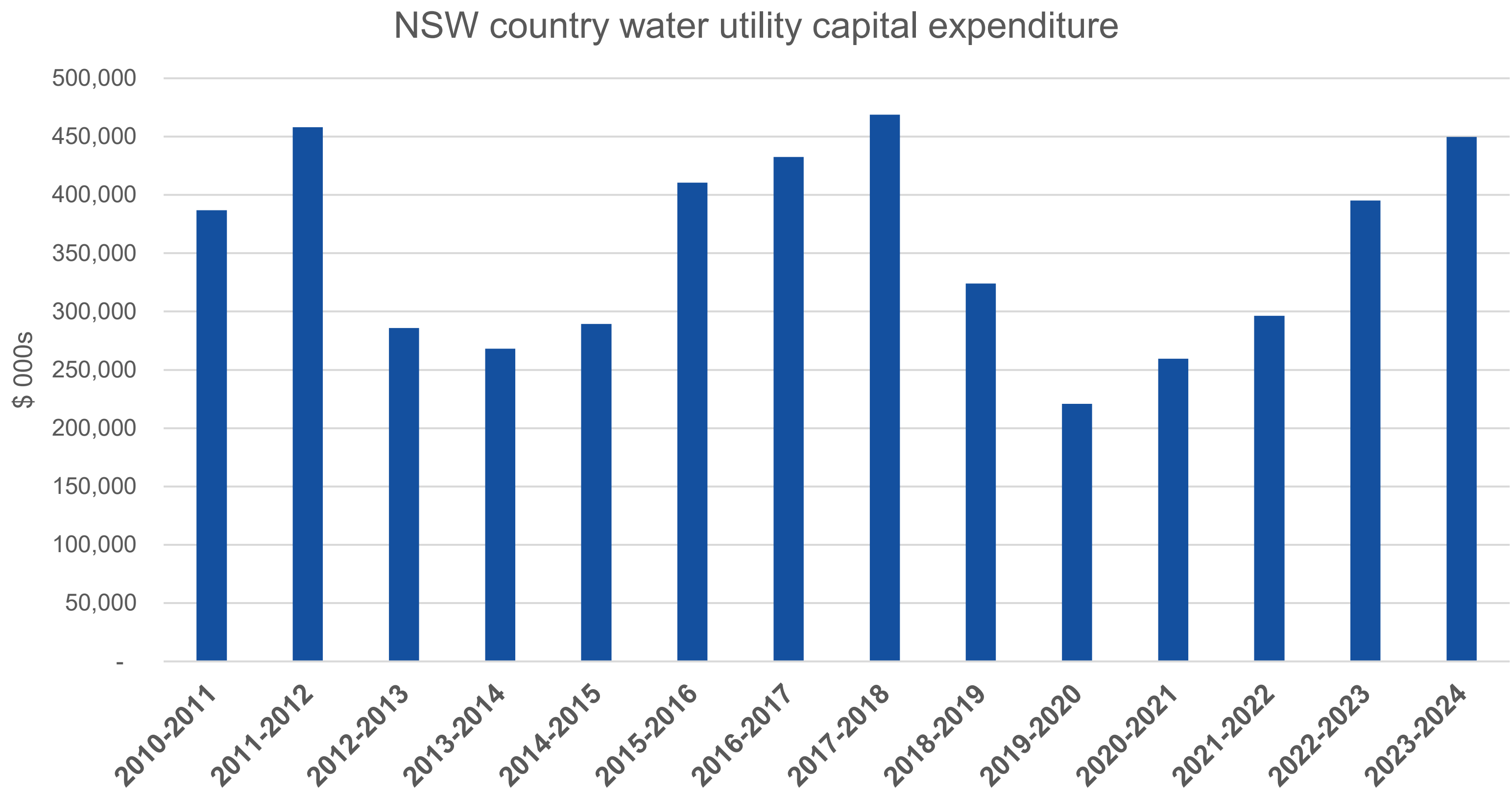
Climate change

- Water security – rainfall independent transition
- Extreme events (frequency and severity of flooding, bushfires)
- Blue and green infrastructure

Regulation

- Inconsistent regulatory frameworks
- Increasing expectations and cost of compliance
- Lack of Regulatory Impact Statements

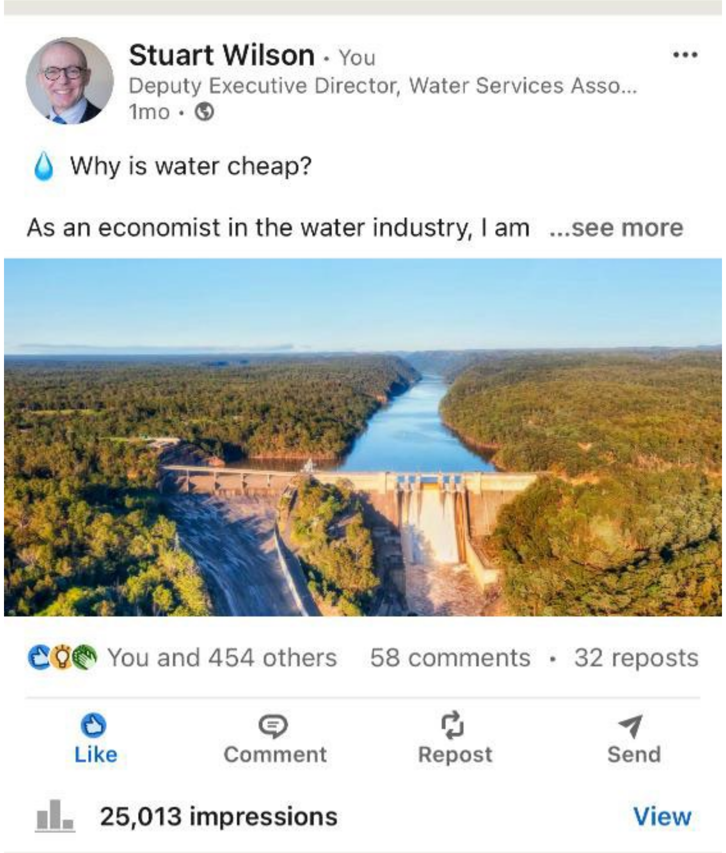
NSW country is different!

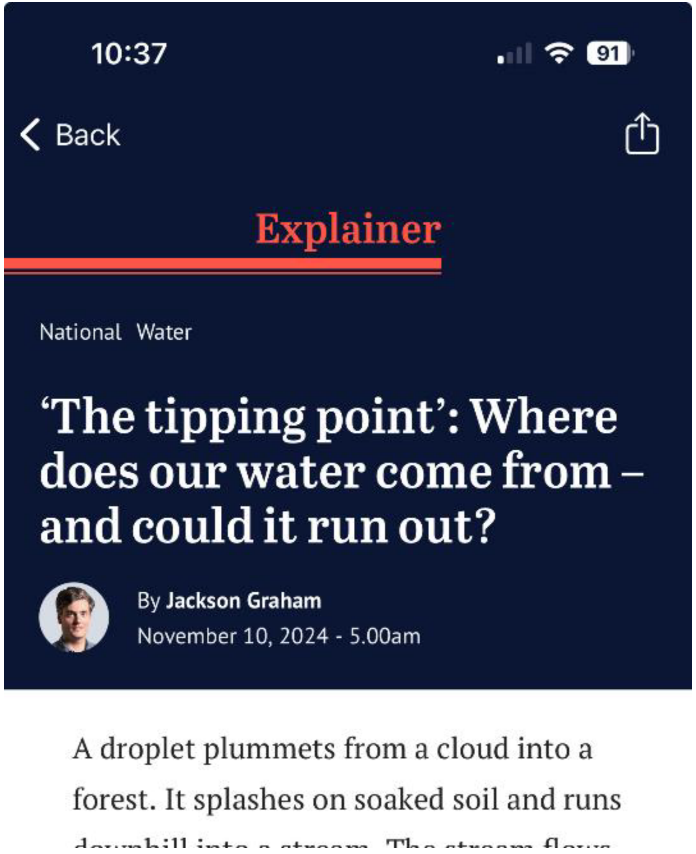


National Performance Report 2023-24

What has WSAA done

Getting out the message





Advocacy for investment

03 July 2025 | Submissions

WSAA's submission to IPART's Draft Report – Review of prices for WaterNSW

WSAA is pleased to share its submission to IPART's Draft Report - Review of WaterNSW prices

READ MORE

18 March 2025 | Articles

Sleepwalking into a water crisis – latest data released in National Performance Report

OPINION

Our water bills are too cheap – and we'll pay dearly for that

ADAM LOVELL

There are no more important

of the future will be among the biggest water users in any capital, and dozens are expected in our big cities over the next decade.

In Sydney, against a backdrop of criticism for not keeping pace, Sydney Water has proposed to spend $15 billion over five years to

of new water and wastewater connections placing a handbrake on housing and productivity in Sydney.

The National Performance Report for the urban water sector was released this year by the Bureau of Meteorology. It went unreported in the media. It shows two

water customers or the environment. The type of thinking that could lead us to a water crisis.

Look no further than Britain or New Zealand if you want to see how this plays out. The UK government announced a new water commission to attract "the investment we need

infrastructure is no way to deal with a cost-of-living crisis – and waiting doesn't make things cheaper.

In NSW, IPART has the opportunity to get it right and approve the critical investment in Sydney's water infrastructure in its final decision, due in September. In

Prices are starting to move, slowly

Urban Utilities (QLD) - 3.6% (inc CPI)

Unitywater (QLD) - 4.9% (inc CPI)

Hunter Water (NSW) 6.9% from 1 July 2025, then average of 3.8% a year plus inflation (plus CPI)

WaterNSW (NSW) - 5.8% (plus CPI) for one year (rural)

Icon Water (ACT) - 7.1% (inc CPI)

Sydney Water (NSW) - 38% (real)(over 5 years) over 5 years

Risk and affordability

Risk versus affordability

Utilities are moving up the risk curve

Hunter Water took on more risk to support affordability in their pricing submission.

Coliban Water quantified their investment needs based on not exceeding an extreme risk.

But it hasn't stopped the critics

"In general we have found that Sydney Water has not justified that current levels of asset risk are too high and that customers should pay to increase expenditure and reduce risk."

Sydney Water efficiency review, 2025

Renewing assets

Table 6: Critical issues in our major ocean systems

Asset	Age	Status / condition
Bondi Ocean Outfall Sewer (BOOS)	143 years	• Services approx. 15% of Sydney's population. • Brick lining is failing in multiple locations causing silt accumulation and reducing hydraulic performance of the sewer.
South and Western Suburbs Ocean Outfall Sewer (SWSOOS)	84 years	• Services around 40% of Sydney's population. • SWSOOS Section 2 prioritised for rehabilitation consists of 2 reinforced concrete box structures a third concrete lined tunnel. • Widespread acid attack on structures and lining with fallen concrete causing silt accumulation and reducing hydraulic performance of the sewer.
Northern Suburbs Ocean Outfall Sewer (NSOOS)	109 years	• Services around 25% of Sydney's population. • The original concrete lining is failing in multiple locations causing silt accumulation and reducing hydraulic performance of the sewer.

Renewing assets

Table 7: Critical issues with drinking water assets needed to maintain system reliability and support rainfall independent supplies

Asset	Age	Status / condition
Watermain WMN01 (1800mm diameter)	137 years	• Decommissioned in 2014 due to poor condition but will be needed in a future configuration with RFIS and to support other major asset renewals • Lead in each one of its 2000 joints
Watermain WMN02 (1800mm diameter)	125 years	• Operational but condition is poor with constant leaks through corroded joints • Running at reduced pressure to manage risk
Watermain WMN03 (1800mm diameter)	100 years	As for WMN002
Distribution chamber at Potts Hill	100 years	• Operational but condition is poor • One wall held in place by temporary brace