Keeping Sydney liveable, productive and thriving for a sustainable future

Price proposal 2020-24

1 July 2019

A summary for you - our customers
Here’s our plan. It’s all about you - our customers, for our future

It’s kind of magic how water gets to your tap and wastewater flushes from your toilet and goes safely back to the environment...we look after these things, so you don’t have to!

But we know that you want us to be open and transparent, and we know that you want value for money, so we’re delivering this with our customer-informed Price Proposal 2020-24.

Our Price Proposal goes to our regulator, the Independent Pricing and Regulatory Tribunal (IPART) on 1 July 2019 to review and set our prices from 1 July 2020 to 30 June 2024.

As Australia’s largest water utility, we will continue to provide the quality services that you value - water, wastewater, recycled water and some stormwater services.

We do this every day for you and over five million customers across Greater Sydney, the Illawarra and the Blue Mountains, in line with our Operating Licence.

To inform our proposal we conducted a Customer Engagement Program – with over 10,000 customer interactions across Greater Sydney. You told us that you want quality and reliable services, at affordable prices. You also said that you want us to be future ready, protect the environment and provide great customer service.

So, we’re delivering on what you told us. We will invest in expanding our network to keep pace with our growing city. We will maintain our services, infrastructure and protect the environment – so we can keep your taps on and your toilets flushing.

Water is not only an essential daily service - it’s critical to achieving the vision for a bigger, more liveable and greener Greater Sydney.
We’re investing to build a Greater Sydney for our future

We have a rich 130 year history of providing our services to you. We plan, build, operate and maintain our essential assets to provide our services to your standards (in line with our Operating Licence).

We employ about 2,500 passionate people from across Greater Sydney, and partner with the private sector to provide you our services.

We maintain almost 50,000 kilometres of pipes over 12,700 square kilometres. That’s from Broken Bay to Kiama and out past Katoomba! Treating and delivering billions of litres.

Each year we build and renew more than half a billion dollars worth of critical infrastructure. We’re looking into the great potential recycled water can play. Over the next 25 years we expect to double our water recycling to more than 80 billion litres a year.

We’re preparing us for our future.
Here’s what we’ll be delivering over the next four years

Greater Sydney has an exciting future and water holds the key to its success.

We all want our future generations to live with beautiful healthy waterways, clean harbours and vibrant, cool, green places.

To keep pace with our growing city and changing climate, we need to sustainably invest to renew and expand our network.

So, to set the foundations for our future, we’re proposing to invest about $1.1 billion a year to build and renew infrastructure over 2020-24.

We’re looking at how we can think about doing water differently, so that we can be more resilient and efficient with how we use water.

To do this we’ll collaborate with our partners and Government - so we can continue to deliver our quality services and improve our city.

Here’s some of our key programs

Renewing our critical assets

We’ll be renewing our critical mains, treatment plants and reservoirs. This will reduce interruptions to you – so you continue to have our reliable and quality services.

Estimated: +$2.5 billion

Meeting the needs for growth

We’re building to meet the needs of growth – including investment in treatment plants also known as “water factories” in Lowes Creek and South Creek in south west area and new airport precinct.

Estimated: +$1.5 billion

Upgrading our digital technology

We’ll be upgrading our digital technologies, cyber security and privacy protection – to improve our processes, insights and analytics, so we can improve your customer experience.

Estimated: +$260 million

Improving our waterways

Our stormwater renewals, flood mitigation and pollution removal programs will improve safety and enhance liveability – so you can continue to enjoy our waterways.

Estimated: +$150 million

Find out more about the other projects we’ll deliver – for you and our city – at sydneywater.com.au
How we work out the price

So that we’re ready for our future, we have an 18-month price review process to plan, budget and forecast what we need to deliver our services and how much it will cost. Changes in our prices are driven by a number of factors, both in and out of our control.

<table>
<thead>
<tr>
<th>Money we need for our business</th>
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<tbody>
<tr>
<td>Capital expenditure Our investments</td>
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<tr>
<td>Operating expenditure Our day-to-day running costs</td>
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<tr>
<td>Uncontrollable costs Movements in the financial market</td>
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\[ \text{Money we need for our business} = \text{Capital expenditure} + \text{Operating expenditure} + \text{Uncontrollable costs} \]

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<th>Demands we forecast</th>
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<tr>
<td>Connections and consumption How many customers and how much water they’ll use</td>
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\[ \text{Demands we forecast} = \text{Connections and consumption} \]

\[ \text{Our prices} = \frac{\text{Money we need for our business}}{\text{Demands we forecast}} \]

To ensure we’re fit for the future, we’re proposing to invest more than $4.5 billion in capital expenditure over 2020-24 by expanding and renewing our networks to keep pace with growth.

We’re also proposing $5.4 billion in operating expenditure to maintain and operate our existing network, so we can continue to provide our reliable, essential services.

Although we need to invest more this is not increasing customer bills, because we have had an increase in customer numbers, business efficiencies and forecast low interest rates.

What we’re proposing

Our Price Proposal 2020-24 outlines what we need under business as usual conditions – so that you only have to pay for what we absolutely need for our city. This proposal will see about a $45 decrease on 1 July 2020 (without inflation) for an average customer.

Although we have other reviews and inflation that impact our prices.

In line with the 2017 Metropolitan Water Plan, the Sydney Desalination Plant (SDP) is operating as dam levels are below 60%. Our regulator IPART reviews and sets the Sydney Desalination Plant prices separately from this price review. If this plant is still operating on 1 July 2020, bills will decrease by about $40 (without inflation).
In line with what you told us – here are the prices we propose from 2020

**We’re keeping bills stable - it’s about $3 a day** for an average household to drink water, wash your clothes and dishes, flush your toilet, have showers, water your garden wisely and more (including your water and wastewater service charges).

We provide these services and much more – as water plays a big role to our city’s beautiful harbours, rivers, beaches, and to keep Greater Sydney liveable and thriving. On your bill to pay for our services you may notice we have a quarterly fixed charge and a water usage charge. This helps you monitor and have the flexibility to reduce your water use. For all the details go to sydneywater.com.au/ourprices

We’re here to support you

Our Customer Care team are here to help. We offer a range of flexible payment options to assist you:

- **Payment extensions** – increasing the time to pay accounts
- **Payment plans** – providing instalment plans
- **Centrepay** – regular deductions direct from Centrelink benefits
- **Financial counselling** – referral to qualified financial counsellors for help with budgeting
- **BillAssist®** – personalised support if you’re in debt, with reviews and referrals to support services within your local area.

Call us on 13 20 92 or go to sydneywater.com.au for more information.

You know water is precious – so let’s love water, not waste it

Greater Sydney is in drought. We’ve seen our dam levels drop faster over the past two years than they have in decades – even leading up to the millennium drought. In line with the 2017 Metropolitan Water Plan, the Sydney Desalination Plant has been operating since dam levels reached 60% in January 2019, and we have been in level 1 water restrictions since June 2019.

We all have a role to play to respond to drought and be more water wise. At Sydney Water we’re looking at a number of ways to be more efficient with water by increasing crews to reduce leaks and breaks in our network and looking at water efficient technologies for our assets, your homes and businesses.

But we need your help. An average Sydneysider uses around 200 litres of water every day. A small saving by everyone can make a significant saving across our community. This can be as easy as having a four-minute shower, instead of five!

For more info about how you can play your part go to lovewater.sydney

We will continue to work closely with our partners – WaterNSW, NSW Government agencies and industry to respond to this drought. We’re also continuing to build our resilience, so that we can deliver the services you value for generations to come.
You can influence your future

We want to continue to work with you – our customers, community and Government – so that we can continue to provide our great city with quality, affordable services you value.

Our regulator IPART will review and set our prices from **1 July 2020 to 30 June 2024**.

See the opportunities below to **have your say on our price proposal and your future - visit ipart.nsw.gov.au**

<table>
<thead>
<tr>
<th>1 July 19</th>
<th>10 Sept 19</th>
<th>26 Nov 19</th>
<th>24 Mar 20</th>
<th>16 June 20</th>
<th>1 July 20</th>
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