

7 June 2019

Ms Angela Tsoukatos
Acting Managing Director
Sydney Water
E: angela.tsoukatos@sydneywater.com.au

Dear Ms Tsoukatos

RE: Sydney Water Pricing Proposal

The Urban Development Institute of Australia (UDIA) NSW is the leading industry body representing the interests of the urban development sector. UDIA represents over 500 member companies in NSW, and advocates for better planning, timely and affordable housing, and the building of vibrant communities to increase local job opportunities.

UDIA has a long and productive relationship with Sydney Water, we are proud members of the Customer Council and Sydney Water representatives participate in UDIA Committees.

UDIA attended the Customer Council Meeting on 5 June 2019. At the Customer Council meeting we were surprised to learn that Sydney Water was planning to reintroduce connection charges.

UDIA had long understood that Sydney Water did not support the introduction of connection charges and recognised the need to work with industry if this position were to change.

We also understood Sydney Water intended that any change of the current zero connection charge would need to be considered in the context of housing affordability:

We believe it will be important that any change to the methodology is conducted with consideration of the broader context of housing affordability. The Greater Sydney Commission's Draft Regional Plan – Our Greater Sydney 2056, a metropolis of three cities – connecting people (GSC Draft Regional Plan) articulates the need to:

carefully balance requirements to fund infrastructure without burdening private development unreasonably, by better understanding the cumulative impacts of developer contributions in different markets across Greater Sydney

Sydney Water supports this objective and looks forward to working with IPART and other stakeholders to ensure housing affordability is prioritised.

Sydney Water, Response to IPART's developer charges review issues paper, December 2017

The commitment to considering connection charges in the context of housing affordability and the GSC comment, was reiterated in Sydney Water's August 2018 response to IPART's Maximum prices to connect, extend or upgrade a service for metropolitan water agencies – Draft report and draft determination. Currently this change seems to be occurring without consultation with the development sector, and the cumulative impact of taxes and charges on new homes, at the time when Sydney remains one of the least affordable cities in the world to buy a home.

At the Customer Council on 5th June, you made a commitment to meet with UDIA to discuss this issue directly, we would be pleased to meet at your earliest convenience, please contact Mr Sam Stone, Manager, Policy, on (02) 9262 1214 or at ssone@udiansw.com.au to arrange.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Steve Mann', with a stylized flourish at the end.

Steve Mann
Chief Executive