

25 August 2025

Independent Pricing and Regulatory Tribunal NSW  
Level 16,  
2-24 Rawson Place  
Sydney NSW 2000

## Consultation Paper – Prices for WaterNSW Greater Sydney from 1 October 2025

Thank you for the opportunity to make a submission in response to the consultation paper as part of the draft report on prices for WaterNSW in the Greater Sydney region from 1 October 2025.

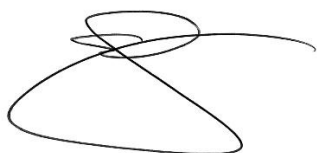
National Seniors Australia (NSA) is the leading advocacy organisation for older Australians. Through our research and advocacy activities, National Seniors Australia works to improve the wellbeing of all older Australians.

Cost-of-living remains a particular concern for seniors, including those on fixed incomes such as the Age Pension. Older people relying on pension payments are highly sensitive to price increases for essential service like water, especially when these increase faster than their pension income.

As such, we are concerned about the impact that the proposal for substantial increases in bulk water charges will have on end consumers. **If WaterNSW is concerned about its financial position in the absence of substantial price increases, then we question why it should be paying a dividend to the NSW Government.** In our view, this is robbing Peter to pay Paul, which reflects poorly on the NSW Government as it appears to be a tax disguised as a water bill.

These issues are discussed in further detail below.

Yours Sincerely



**Chris Grice**  
Chief Executive Officer

Older people in NSW would be dismayed to learn that the IPART is proposing a “10.4% per year before inflation” price increase for bulk water consumers, and be even more critical that WaterNSW, as a state-owned enterprise, had proposed an even higher 14% increase in price.<sup>1</sup> While this does not directly apply to residential consumers, IPART indicates that higher costs will inevitably be passed on in higher residential water bills.

A proper functioning water system is an essential service. However, we find it incongruous that WaterNSW can justify that a substantial price increase is needed to avoid “disastrous consequences”, including “year-on-year...losses”, “insolvency”, and “failure to pay dividends” to the government.<sup>2</sup> If a business is truly at risk of insolvency, then it should not be paying dividends to the NSW government.

WaterNSW forecasts that it will pay \$40 million in dividends to the government in both 2024/25 and 2025/26, before it rises to \$45 million in 2026/27.<sup>3</sup> This is in addition to other return to government, including taxes, fees, and return of capital.<sup>4</sup>

The payment of dividends does not appear in the Statement of Expectations for WaterNSW from 2022, but it does say that WaterNSW is expected to “put the customer first” and to prioritise investments and services...to minimise the pressure on end users’ bills”.<sup>5</sup>

The NSW Treasury Policy and Guidelines: Capital Structure and Financial Distribution Policy for Government Businesses (TPG21-10)<sup>6</sup>, sets out that a government business “must aim to pay dividends annually, except where the shareholder determines a payment is not required”.

The document states there could be circumstances which warrant that a dividend is not paid for a period of time, including “to repair the business’s balance sheet after a shock” and also that “the payment of a dividend should not place additional pressure on prices, service quality or future reliability of the business”.

To our mind, if WaterNSW requires very large price increases to avoid insolvency than this would qualify under the Policy and Guidelines for a dividend to be paused.

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<sup>1</sup> [Review of prices for WaterNSW’s services, Draft Report, July 2025 | IPART](#)

<sup>2</sup> [WaterNSW Response to IPART’s Information Paper – Prices for WaterNSW Bulk Water Services | WaterNSW](#)

<sup>3</sup> [Statement of Corporate Intent 2024-25 | WaterNSW](#)

<sup>4</sup> [WaterNSW Annual-Report-2022-23.pdf](#)

<sup>5</sup> [Statement-of-Expectations-for-WaterNSW-26-April-2022.pdf](#)

<sup>6</sup> [TPG21-10 Capital Structure and Financial Distribution Policy for Government Businesses](#)

NSA is not saying there should not be investment in water infrastructure. However, we should not be placing unrealistic burdens on end consumers, while the government takes a dividend. In our view, it makes no sense to allow higher charges for end consumers to enable government to raise revenue.

We question the inclusion of statements, such the following in the Draft Report, which appear to reinforce the illogical practice of raising prices to return revenue to the state government.

“We considered carefully the public interest in WaterNSW’s Greater Sydney business returning a dividend to Government for the benefit of the people of NSW”

As WaterNSW is a monopoly water provider, and water is an essential service, we do not understand how it can be said that charging people a higher price for water would benefit the people of NSW when they are the ones paying for this dividend. **This appears to just be a tax disguised as a water bill.**

We are also highly concerned that raising the cost of water, well beyond inflation, will contribute to inflationary pressures at time that the RBA is trying to get inflation under control.

While the Draft Report argues that water in Sydney only accounts for a very small portion of CPI change due to the relative weightings, this fails to account for the impact of rising prices across the economy: if every relatively small contribution to the cost-of-living increased by 10.4% then this would have a severe impact on inflation. Inflationary pressures need to be reduced in all parts of the economy, regardless of the size of their contribution to inflation.

Additionally, the Australian Bureau of Statistics (ABS) includes water and sewage in the ‘housing’ commodity group. The ABS Pensioner and Beneficiary Living Cost Index (PBLCI), which is relevant for those receiving the Age Pension, has a higher weighting to housing than the general Consumer Price Index (CPI), which indicates those receiving the Age Pension spend a higher proportion of their income on water.<sup>7</sup>

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<sup>7</sup> [Selected Living Cost Indexes, Australia methodology, June 2025 | ABS](#)