

Department of Climate Change, Energy, the Environment and Water

# What we heard report - Sydney Water Regulation remake – August 2025

---

## Sydney Water Regulation remake

August 2025





---

# Acknowledgement of Country

Department of Climate Change, Energy, the Environment and Water acknowledges the traditional custodians of the land and pays respect to Elders past, present and future.

We recognise Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to place and their rich contribution to society.

Artist and designer Nikita Ridgeway from Aboriginal design agency – Boss Lady Creative Designs, created the People and Community symbol.

What we heard report - Sydney Water Regulation remake – August 2025

Published by NSW Department of Climate Change, Energy, the Environment and Water

[www.dcceew.nsw.gov.au/water](http://www.dcceew.nsw.gov.au/water)

First published: August 2025

Department or Agency reference number: PUB25/555

## **Acknowledgements**

Cover image: Conservation kayaking Sydney Harbour National Park, Rosie Nicolai NSW DCCEEW

## **Copyright and disclaimer**

© State of New South Wales through Department of Climate Change, Energy, the Environment and Water 2024. Information contained in this publication is based on knowledge and understanding at the time of writing, July 2025, and is subject to change. For more information, please visit the following websites:

For ECCS documents: <https://www.energy.nsw.gov.au/copyright>

For Water and Environment <https://www.environment.nsw.gov.au/about-us/copyright-and-disclaimer>

For General NSW Government <https://www.nsw.gov.au/nsw-government/copyright>

# Contents

Acknowledgement of Country.....	ii
<b>1 Introduction.....</b>	<b>4</b>
<b>2 What we heard.....</b>	<b>5</b>
2.1 Key issues raised.....	5
2.2 Next steps/Conclusion.....	6
<b>3 Appendix: Responses to webinar questions .....</b>	<b>7</b>

---

# 1 Introduction

The *Sydney Water Act 1994* (the Act) establishes the Sydney Water Corporation (Sydney Water) as a statutory corporation, owned by the NSW Government (section 57 of the *Constitution Act 1902*), with key objectives of protecting public health, the environment and to be a successful business.

The Sydney Water Regulation 2017 is a statutory instrument under the Act. It is used to regulate activities in the catchment areas and water storages, compliance with plumbing and drainage standards, protection of Sydney Water works, property or assets, and implementation of water restrictions. This regulation supports Sydney Water in delivering its services to the 5.4 million people and over 122,000 businesses in Greater Sydney, the Blue Mountains and Illawarra.

The Sydney Water Regulation 2017 (2017 Regulation) will expire on 1 September 2025. Public consultation on the Sydney Water Regulation 2025 (2025 Regulation) ran from 19 May to 15 June 2025. Two submissions were received during the public consultation process from members of the public.

As part of the public consultation process, the NSW Department of Climate Change, Energy, the Environment and Water hosted an online webinar on 5 June 2025 to discuss the proposed changes to be included in the 2025 Regulation. The webinar has been published on the [consultation website](#), and a copy of responses to questions raised during and after the webinar has been shared with participants. The question-and-answer document is also included in this report.

Overall, submissions were supportive of the 2025 Regulation. There was support for further strengthening Sydney Water's regulatory powers and imposing higher penalties. Both submissions supported increased and expanded penalties, especially on activities which posed a risk to clean drinking water supply.

The NSW Department of Communities and Justice was also consulted on the appropriateness of the new and changed penalties.

The Sydney Water Regulation 2025 commenced on 22 August 2025.

## 2 What we heard

### 2.1 Key issues raised

Feedback received during consultation reflected support for the contents of the Draft Regulation overall. Key issues raised by stakeholders on proposed changes, and our response to these issues are outlined in Table 1.

Table 1. Department's response to feedback received during consultation

Change consulted on	Feedback/suggestion	Response and justification
<b>Directions</b> – Directions issued by Sydney Water to fix defective plumbing works or conduct repairs will be valid for a period of 6 years after works have been completed, (instead of 2 years under the 2017 Regulation).	No feedback specific to this change was received. There was general support for stronger regulatory powers for Sydney Water to maintain and replace assets.	We will retain the proposed change to minimise the risk that directions expire before faulty works are identified and fixed. This change is consistent with changes made to the Hunter Water Regulation 2024.
<b>Water restrictions</b> – the penalty notice amount for failing to comply with water restrictions will increase from \$220 to \$450 for individuals; and from \$550 to \$900 for corporations.	There was general support for increased penalties, particularly where they helped Sydney Water achieve its core aims.	We will remake the Regulation with the new penalty notice amounts. This is consistent with changes made to the Hunter Water Regulation 2024.
<b>New offences and penalties</b> – new penalty offences have been included for failing to comply with the conditions of a suspension or cancellation of an authorisation or permit, with corresponding adjustments to the maximum penalties a court can impose, and fine amounts that Sydney Water can issue.	There was general support for increased penalties, particularly where they helped Sydney Water achieve its core aims.	We will remake the Regulation with these changes. They have been tested with the NSW Department of Communities and Justice to ensure they are appropriate and proportionate to the offence.
<b>Plumbing and drainage restructure</b> – the proposed 2025 Regulation is restructured to set out powers for Sydney Water to authorise connections to its assets (Part 3) and works for water supply, sewerage or drainage (Part 4).	No specific feedback was received on structural elements of the 2025 Regulation.	We will remake the Regulation with the new structure, as it aligns more clearly with powers in the <i>Sydney Water Act 1994</i> and is consistent with changes made to the Hunter Water Regulation 2024.

---

## 2.2 Next steps/Conclusion

Thank you to all who participated in the consultation. Your feedback was instrumental in developing the Sydney Water Regulation 2025. The new Regulation commenced on 22 August 2025.

---

## 3 Appendix: Responses to webinar questions

An online webinar was held on 5 June 2025. The following responses were provided to participants' questions.

**Question:** What impact does the regulation have on rainwater tank systems installed in residential developments that are not being used per design stamped by council for occupancy certificate?

**Answer:** This Regulation has no impact on rainwater tanks installed in residential developments that are not being used per design. Residential water efficiency standards, which can include rainwater tanks, are included in BASIX and are enforced by the Department of Planning, Housing and Infrastructure (DPHI).

Sydney Water works with NSW DCCEEW to provide information about impacts of rainwater tanks on water consumption.

**Question:** How will the compliance measures interact with non-potable (rainwater tank usage) for residential customers of Sydney Water and how these will be measured?

**Answer:** The compliance measures in this Regulation do not interact with residential rainwater tank usage. Sydney Water is exploring options to address defective plumbing and drainage on private properties to reduce wet weather overflows.

**Question:** How do the proposed changes affect our urban waterways in terms of improving water quality and addressing legacy issues such as the channelisation of urban streams and their naturalisation?

**Answer:** Stormwater drainage land owned by Sydney Water falls under the controlled areas part of the Regulation. We propose to retain the provisions for Sydney Water to control what activities do or do not occur in controlled areas which should help Sydney Water to manage water quality issues.

Naturalisation of stormwater channels is considered when putting forward investment plans and proposed prices to IPART. This process is separate from, and not affected by, the Regulation.

**Question:** Will the new regulation negatively impact the investment already approved by the NSW Government for Sydney Water infrastructure?

**Answer:** No, the new Regulation does not negatively impact any investment already approved by the NSW Government. It can however help Sydney Water protect and maintain existing infrastructure.

**Question:** To minimise incidence of illegal or non-compliant connections in the future, should it be made mandatory that an onsite inspection be undertaken by Sydney Water or a designated representative before backfilling of trenches is made, and/or before councils issue construction or occupation certificates?

Answer: A lot of the work on new mains is done by developers during the subdivision process. Monitoring is done via the Department of Fair Trading, which looks after that aspect of plumbing inspections—it is not part of this regulation. There are regular and random inspections by Fair Trading throughout the building process to ensure they are compliant.

**Question: Will the changes result in higher bills?**

Answer: No, the changes in the Regulation should not lead to price increases. Overall, the Regulation is designed to prevent damage to Sydney Water assets and avoid extra costs for customers. *(Customers who wanted to have a say on Sydney Water prices were directed to IPART's price review and invited to make a submission to that process by 23 June 2025).*

**Question: Why bother making such small changes?**

Answer: If the Regulation is not re-made it will lapse. The Regulatory Impact Statement shows that letting the Regulation lapse would result in significant costs for society. The changes, though minor, improve effectiveness of how the Regulation operates and facilitate Sydney Water's delivery of essential services.

The Regulatory Impact Statement prepared for the draft Regulation demonstrates that remaking the Regulation with minor amendments is considered the most effective option, in terms of any increased costs delivering greatest social and economic benefits. Most of the amendments are minor, however, they all have positive benefit.