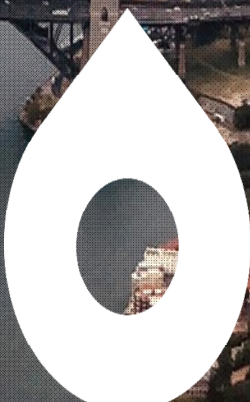


An aerial photograph of Sydney, Australia, showing the Sydney Harbour Bridge and the Sydney Opera House. The water is dark blue, and the city buildings are visible on the islands and the mainland. A large blue circle is at the top center, and a large white water drop is at the bottom right.

Sydney
WATER

Final Statement of Corporate Intent 2024-25





Acknowledgement of Country

Sydney Water respectfully acknowledges the Traditional Custodians of the land and waters on which we work, live and learn. We pay respect to Elders past and present.

First Nations peoples have been caring for Greater Sydney's land and waterways for thousands of years. Water is deeply entwined with First Nations culture and well-being, and Sydney Water embraces a Caring for Country approach to waterway health. We will continue to work together to provide safe, affordable and reliable water services for future generations and to align with First Nations practices to restore our connections with water, land and each other.

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1. Agreement

This 2024-25 Statement of Corporate Intent (SCI) has been prepared and submitted to the Shareholding Ministers in accordance with the State Owned Corporations Act 1989 and Sydney Water Act 1994.

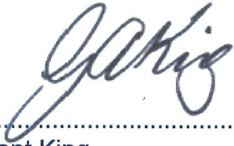
The existing Statement of Expectations reflects the priorities and expectations of the previous government and is currently being updated to ensure that expectations of the current government are conveyed.

Sydney Water Corporation has identified the following key priority areas for the coming year:

- prioritise investments and services through meaningful engagement with customers and stakeholders (including Government agencies) to address key risks (e.g. asset failure, water quality, public health, water security), service key areas of population growth, minimise the pressure on customer bills and enhance resilience to climate change;
- deliver a price submission to IPART for 2025-2030;
- operate the organisation in a financially sustainable manner that balances the investment drivers (growth and climate change), fiscal and economic conditions, and the impact on customer prices and returns to shareholders;
- contribute to communities through the better integration of land use planning and provision of water and wastewater services in a timely way to support the Government's priority for the provision of housing and enhancement of waterway health;
- operate in a way that is consistent with the Government's Net Zero Plan, including Stage 1 of that plan to fast-track emissions reduction over the next decade; and
- build trust with customers, stakeholders and the community through providing transparent, meaningful and timely information and engagement.

1.1 Agreement

This 2024-25 Statement of Corporate Intent for the Sydney Water Corporation has been agreed between:




.....
Grant King
Chair
Sydney Water Corporation



.....
Roch Cheroux
Managing Director
Sydney Water Corporation

and



.....
The Hon. Daniel Mookhey MP
Shareholder



.....
The Hon. Courtney Houssos MP
Shareholder

Date 10/2025

Sydney Water Corporation
1 Smith Street
Parramatta NSW 2124

Board of Directors

Grant King (Chair)
Niall Blair
Roch Cheroux (Managing Director)
Kate Dryden

Greg Couttas
Dr. Alex Fisher
Craig Roy
Associate Professor Susan Petterson



2. Objectives

The *Sydney Water Act 1994* (section 21) and the *State Owned Corporations Act 1989* (SOC Act) (section 20E) set out the principal objectives of the Corporation, namely to be a successful business, and to protect the environment and public health. Our vision and strategy respond to a complex and changing operating environment and deliver on customer outcomes. We have recently evolved our strategy to address customer priorities identified through the Our Water, Our Voice customer-engagement program.

We've aligned our strategic framework to customer priorities

Our customer outcomes



Customer experience

Deliver a great customer experience



Water quality and reliability

Provide safe, clean, reliable drinking water every day



Environmental protection

Ensure we protect our waterways and environment now and for the future

Our key enablers



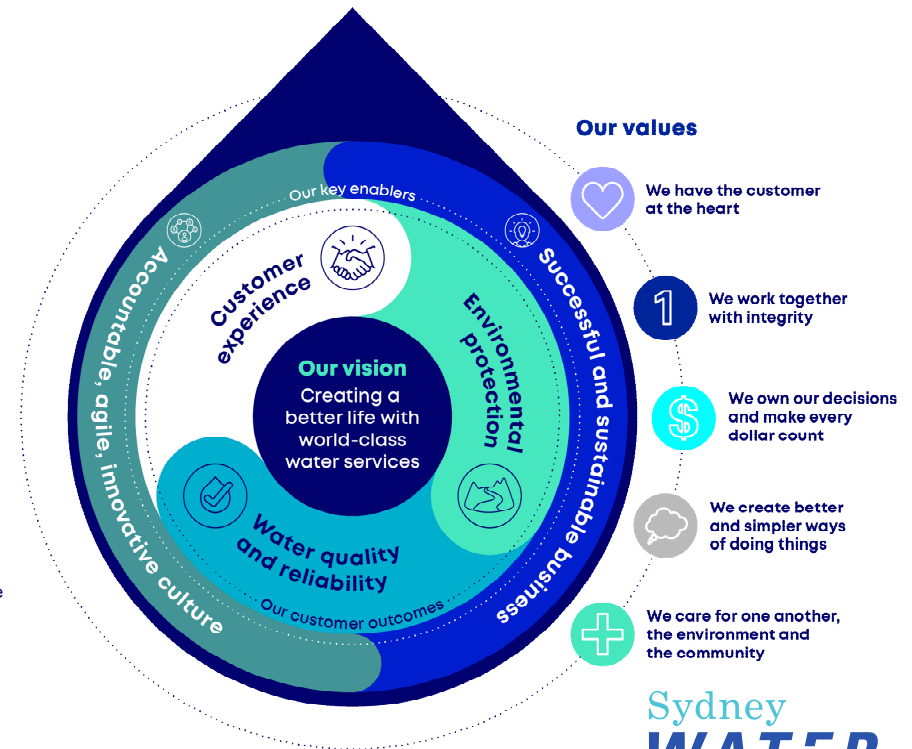
Accountable, agile, innovative culture

Enable our customer outcomes through an accountable, agile, innovative culture



Successful and sustainable business

Enable our customer outcomes by being a successful and sustainable business



Sydney
WATER

3. Business Overview

Business Scope

- Sydney Water delivers essential water to over five million people in Sydney, the Illawarra and the Blue Mountains. These services include:
 - supplying drinking water in compliance with the Australian Drinking Water Guidelines
 - collecting and treating wastewater to regulated standards
 - recycling treated wastewater for non-drinking purposes, partially re-using treatment by-products and responsibly disposing of treated wastewater
 - managing stormwater in defined areas
 - identifying rainfall-resilient sources of drinking water to meet the future needs of fast-growing Greater Sydney and surrounding regions.

Regulatory Operating Environment

- In addition to its principal Acts, Sydney Water operates within a statutory and regulatory framework established through other legislation such as the *Protection of the Environment Operations Act 1997* and various regulations.
- Another key source of regulation is the *Independent Pricing and Regulatory Tribunal Act 1992*. Under this Act, the Independent Pricing and Regulatory Tribunal (IPART) determines Sydney Water’s prices (for regulated services) and acts as the Operating Licence regulator
- NSW Health primarily regulates Sydney Water under the *Public Health Act 1991*. As required by section 35 of the *Sydney Water Act 1994*, there is a Memorandum of Understanding (MoU) between Sydney Water and NSW Health.
- The NSW Environment Protection Authority (EPA) is the primary environmental regulator for NSW. As required by section 35 of the *Sydney Water Act 1994*, there is a MoU between Sydney Water and EPA.

Principal statistics	
Service an estimated 5.3 million people	Provide drinking water to about 2.13 million properties
Supply 527,529 million litres of drinking water per year	Collect over 601,195 million litres of wastewater per year
Manage 22,804 km of drinking water pipes	26,759 km of wastewater pipes
Regulated Asset Base (RAB) of \$23.9 billion at June 2023, with a Depreciated Replacement Value (DRC) of \$63 billion	RAB annual forecast growth rate of 12% p.a. on average over next 3 years



4. Financial Summary

\$m (nominal)	24/25	25/26	26/27
Revenue	3,402	4,303	5,032
Operating expenses	1,503	1,741	1,811
Earnings before interest tax depreciation and amortisation (EBITDA)	1,899	2,562	3,221
Earnings before interest and tax (EBIT)	1,450	2,060	2,655
Profit before tax	640	1,100	1,564
Net Profit after tax	448	770	1,095
Net Debt	16,968	19,801	22,725
Regulated Asset Base (RAB)	29,319	33,881	37,193
Capital expenditure	2,940	3,466	3,666
Dividends	245	443	280

Total revenue is forecasted to be \$3.4 billion in 2024-25. Revenue projections are consistent with Sydney Water's IPART price determination for the 2020-24 period and one year extension to 2024-25, adjusted for water demand forecasts. For 2024-25, revenue increases to \$3.4b, this increase is largely driven by the phased introduction of Infrastructure Contributions, which support the funding of growth capital expenditure.

FY 2025-26 is the first year of Sydney Water's next 5-year pricing period. Subject to Government decisions and after IPART's determination in 2025, Sydney Water plans to expand its capital investment program. This will support Sydney Water to continue to deliver high quality resilient and reliable services, environmental outcomes and enabling growth in Greater Sydney.

The capital investment program in the three years from 2024-25 includes investment for Greater Sydney Water Strategy (Resilient and Reliable Water Supply) and growth.

Revenue forecasts are based on draft modelling for Sydney Water's upcoming price submission to IPART.

Sydney Water has prepared this SCI consistent with the Government's policies on Capital Structure Policy for Government Businesses and Financial Distribution Policy for Government Businesses.

The capital expenditure budget includes \$2.9 billion in 2024-25 and \$10.1 billion over the three years to 2026-27. The capital portfolio includes significant investment in water and wastewater network, wastewater treatment plant renewals, growth infrastructure in line with growth forecasts and investment in corporate programs including Information Technology.



5. Performance Measures

Outcomes		Performance measures
Customer Experience	Provide a great customer experience	<ul style="list-style-type: none"> Customer satisfaction Water literacy index Affordability Public access and recreation
Water quality and reliability	Provide safe, clean, reliable drinking water every day	<ul style="list-style-type: none"> Drinking water quality Drinking water use (residential) System leakage Water continuity Available water supply
Environmental protection	Ensure we protect our waterways and environment now and for the future	<ul style="list-style-type: none"> Quality of treated wastewater (concentration) Pollution and environmental harm incidents Volume of recycled water available Net carbon emissions Climate risk maturity health check Natural area and green infrastructure land actively managed
Accountable, agile, innovative culture	Enable our customer outcomes through an accountable, agile, innovative culture	<ul style="list-style-type: none"> Safety – TRIFR – Combined (contractor and employee) Employee Experience Index Diversity and Equity Index Proportion of revenue spent on Research and Innovation
Successful and sustainable business	Enable our customer outcomes by being a successful and sustainable business	<ul style="list-style-type: none"> Demonstrating value for money to our customers (ROIC) EBITDA Delivering Infrastructure when it is required Digitalisation Index



6. Statement of Expectations Action Plan

Headline Expectation	High level description of key activities to meet expectation	Headline Expectation	High level description of key activities to meet expectation
Align with Government's strategic planning	<ul style="list-style-type: none"> Ensuring that Sydney Water's Capital Investment Plan supports the Greater Sydney Water Strategy and is aligned to the NSW Government housing objectives. Plan for new rainfall independent water supply to enhance resilience to drought Continue core business activities to deliver safe, affordable, reliable and high-quality water and wastewater services Deliver capital investment projects for water and wastewater infrastructure and servicing growth including Upper South Creek Advanced Water Recycling Centre, Prospect to Macarthur, Water filtration plant pre-treatment upgrades, & Growth Projects such as North West Treatment Hub plants 	Minimise cost of living pressures	<ul style="list-style-type: none"> Deliver a price submission to IPART for 2025-2030 to lessen price impacts on customers from investment in water and wastewater infrastructure Deliver Community Service Obligation Programs and support vulnerable customers through tailored financial support programs
Strive for excellence in customer service and experience	<ul style="list-style-type: none"> Incorporate insights from Our Water, Our Voice customer engagement and Customer and Community Reference Group in our price proposal Build water literacy and education including Purified Recycled Water Visitor Centre Enhance communication channels and accessibility through delivery of the Customer Business Telephony Uplift (CBTU) Optimise the flow of services and information, ensuring a smoother experience for our customers (Flow Program) 	Ensure the Government's investment of its capital is used efficiently	<ul style="list-style-type: none"> Continue to build organisational and supply chain capabilities aligned to the scale and nature of the capital investment program. Ensuring financially sustainable practices and meeting the evolving needs of our communities Facilitate the reintroduction of water infrastructure charges Optimise the Property Portfolio
Build trust with the community and stakeholders	<ul style="list-style-type: none"> Continue to share data sets and information to enhance customer experience Modernise our capabilities for business-to-business value transfer and engage with developers to enhance customer interactions and meet evolving needs Implement enhanced Water Conservation Program including managing water leaks, and implement smart water meter efficiency program Implement Protective Security Program including cyber security 	Deliver services safely	<ul style="list-style-type: none"> Foster a collaborative and safe work environment through our Become Better, Safer, Together program
Focus on environmental outcomes	<ul style="list-style-type: none"> Continue to maintain and improve existing assets to address environmental performance including Environmental Performance Improvement and Compliance Program and Water Resource Recovery Facility upgrades Plan for Western Sydney Stormwater Integrated Water Cycle Management Implement projects to deliver Net-Zero Carbon Program and explore opportunities to unlock the Circular Economy Plan to reduce climate risks to assets, services and the environment Partner to activate new swimming and water recreation sites via Urban Plunge and deliver amenity improvements via stormwater naturalisation projects Improve sustainability reporting 	Build an innovative culture	<ul style="list-style-type: none"> Continue to implement Innovation & Research Deployment Plan Increase the use of data and digital technology to improve business efficiency and customer experience
		Maintain high standards of public accountability & corporate governance	<ul style="list-style-type: none"> Continue to implement leadership programs Embedding of refreshed ethical framework
		Ensure robust procurement practices that support the economic and social outcomes of the State	<ul style="list-style-type: none"> Mature the efficiency and effectiveness of regional delivery model to deliver current needs Implement sustainable procurement practices and Aboriginal Procurement Participation Plan
		Ensure Sydney Water's workforce is engaged and has the capacity and capability to deliver the required functions	<ul style="list-style-type: none"> Continued implementation of the Reconciliation Action Plan Continued implementation of the Diversity, Equity and Inclusion Plan Embed our culture roadmap Deliver People Experience Program to streamline and optimise workforce processes



7. Representation and Commitment Statement

1. The Board of Sydney Water Corporation confirms that:
 - a) Key performance indicators within the 2024-25 SCI are based on and supported by Sydney Water's Business Plan.
 - b) The voting shareholders will be provided with financial and other information to assess the performance against commitments in this SCI and to assess the value of the Shareholders' investment in the business.
 - c) Asset maintenance policies and processes are adequate and appropriate to manage and control risks associated with physical assets.
 - d) All known key risks and major emerging contingent liabilities, including climate related and cyber security, which could materially impact the current and future results of Sydney Water for the coming year have been disclosed.
 - e) Internal audit and risk management practices are consistent with the Australian Standard AS ISO 31000:2018 and standards recommended for Australian Securities Exchange (ASX) listed companies. Where appropriate and relevant, Sydney Water has referred to Treasury's *Internal Audit and Risk Management Policy for the General Government Sector* (TPP20-08) for the NSW Public Sector, and the *Risk Management Toolkit* (TPP20-08) to support development of our risk management systems.
 - f) The Managing Director has an employment contract and performance agreement. The employment contract is appraised annually.
2. Sydney Water Corporation adheres to *Commercial Policy Framework* policies, as listed in Appendix 1 of the 2024-25 Guidelines: SCI and Business Plan for State Owned Corporations.
3. Sydney Water Corporation agrees it will pay charges fixed by the Treasurer in respect of government guarantee fees for borrowings from TCorp, in accordance with section 20U of the State Owned Corporations Act 1989.
4. Sydney Water Corporation complies with NSW Treasury accounting circulars and policies applicable to SOCs..
5. Sydney Water Corporation agrees to provide information during the year to NSW Treasury, as the representative of the Voting Shareholders, as specified in the State Owned Corporation Reporting Obligation Requirements (provided in Appendix 3 of the 2024-25 Guidelines: SCI and Business Plan for State Owned Corporations).
6. Sydney Water acknowledges the voluntary requirements of M2023-04 for State Owned Corporations and where possible will be guided by those requirements.