



**INDEPENDENT PRICING AND REGULATORY TRIBUNAL
OF NEW SOUTH WALES**

EMBARGOED UNTIL 1100 am on Friday, September 2, 2005

**IPART RECOMMENDS MORE COMPETITION
FOR NSW WATER INDUSTRY**

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is recommending changes to Sydney's water and wastewater industry to develop new water supplies and attract private industry involvement.

In a draft report on the industry, released today, IPART has called for the State Government to change the current arrangements and open up some sectors of the water industry.

But the report does not recommend radical changes to Sydney Water's structure at this time.

IPART's main recommendations are:

- the private sector should be more involved in the development of innovative new water supplies and the provision of infrastructure in Sydney and new growth areas. This requires Sydney Water to change the way it purchases water and infrastructure services.
- access to Sydney Water's monopoly water and wastewater infrastructure should be available on certain conditions to the private sector to facilitate competition in retail water and wastewater services, initially for large industrial and commercial customers.
- The NSW Government should develop a State-based access regime to facilitate access.
- IPART should continue to regulate prices of water and waste-water services.

To implement these recommendations, current barriers to competition and private sector involvement in the water industry need to be removed. However the industry should remain heavily regulated to protect customers, security of supply and the environment.

Uniform pricing of water and wastewater services throughout Sydney would be retained under the recommendations.

IPART Chief Executive Officer, Mr James Cox, said competitive reform in similar industries has generally led to clear benefits, such as higher levels of innovation and productivity.

"Allowing competition is a step towards achieving a better use of all our water resources". Mr Cox said. "This will help ensure that Sydney's future demand for water can be met in the most efficient, effective and sustainable way".

But Mr Cox said the changes to the industry structure need to be introduced gradually, reflecting the limited experience of competition in this sector.

The Tribunal is calling for submissions on the recommendations before issuing a final report to the State Government by the end of October.

Further Information:

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