

Independent Pricing and Regulation Tribunal
PO BOX K35
Haymarket Post Shop NSW 1240

Submitted via IPART submissions portal

30 May 2016

Dear Madam/Sir

**RE: REVIEW OF WHOLESALE PRICING FOR SYDNEY WATER AND HUNTER WATER
AND THE FUTURE OF INNOVATIVE WATER SOLUTIONS IN NSW**

As you may be aware, the GBCA works with industry and all levels of government to encourage best practice, leadership and innovation and supports policies that encourage more sustainable outcomes for buildings, communities and cities.

Over 1060 projects have now achieved Green Star certification and amongst these are hundreds of examples of innovation that have led to steady improvements in the 'standard practice' both of industry and government. Many projects have delivered world-leading outcomes in spite of sometimes complicated and contradictory regulations. The GBCA is committed to working with industry and government to identify barriers and accelerate market transformation through ensuring a regulatory and policy environment that encourages innovative solutions and sustainable outcomes.

The GBCA commends the NSW Government's establishment of a competitive water market to encourage the uptake of recycled water innovation and deliver more sustainable water outcomes for businesses and communities. The Metropolitan Water Plan also aims to 'support liveable and resilient urban communities' through a range of measures including encouraging water recycling and efficiency.

The *Water Industry Competition Act 2006 (WICA)* and *Water Competition Amendment (Review) Act 2014*, enable best practice recycled and drinking water schemes, such as those at Central Park, Barangaroo and Green Square, as well as driving infrastructure investment and alleviating capacity constraints on the network.

However, continued investment in designing and implementing innovative solutions relies on a consistent and coordinated approach from all agencies to ensure an acceptable level of certainty and risk for such projects.

The GBCA and many of its members have serious concerns that applying a 'retail-minus tariff', currently under consideration by IPART, will discourage private investment in innovative water solutions, and put water operations such as those at Barangaroo and Central Park, out of business.

The GBCA encourages the Baird Government to consider the concerns of industry and business over the proposed retail minus tariff and its potential negative impact on state productivity, competition, innovation, resilience & liveability. The industry is concerned that the current review is focused solely on pricing and will fail to consider other relevant issues such as the impacts the proposed changes will have on competition, innovation and the loss of millions of dollars in potential investment. The GBCA encourages the Baird Government and IPART to conduct a broader review to examine the economic benefits of the WICA market to the state.

The benefits to encouraging and enabling alternative, innovation solutions to water provision and distribution are many and far-reaching. Projects such as those as Barangaroo and Central Park make NSW a leader, but if it is to remain that way, industry must be supported by government to transition to design and deliver 21st Century water infrastructure alternatives.

The GBCA has undertaken to play a national leadership role in advancing the dialogue, innovation and delivery of precinct-scale infrastructure in the areas of energy, water and waste and calls on the NSW Government to assist industry and business in establishing a roadmap with Government and IPART that will deliver water infrastructure competition, productivity and innovation to the NSW economy and liveability outcomes for communities.

The GBCA welcomes the opportunity to work with the NSW Government, IPART and industry over the coming months and years to support and accelerate innovative water solutions for buildings, precincts and communities. Please do not hesitate to contact me via email at [REDACTED] should you require any further information regarding the points discussed above.

Yours sincerely

Adam Beck
Policy Adviser – Cities, Communities and Infrastructure

[REDACTED]