



6 October 2015

Dr Peter J Boxall AO, Chairman
Sydney Water Corporation Price Review 2016
Independent Pricing and Regulatory Tribunal
PO Box K35,
Haymarket Post Shop NSW 1240

By email: ipart@ipart.nsw.gov.au

Dear Dr Boxall,

SUBMISSION TO IPART SYDNEY WATER CORPORATION PRICE REVIEW 2016

The NSW Business Chamber (the Chamber) welcomes the opportunity to provide this submission on the Independent Pricing and Regulatory Tribunal IPART Sydney Water Corporation Price Review 2016. As you may be aware, the NSW Business Chamber is one of Australia's largest business support groups, with a direct membership of more than 18,000 businesses, providing services to over 30,000 businesses each year.

Tracing its heritage back to the Sydney Chamber of Commerce established in 1825, and the Chamber of Manufactures of NSW established in 1885, the NSW Business Chamber works with thousands of businesses ranging in size from owner operators to large corporations, and spanning all industry sectors from product-based manufacturers to service provider enterprises.

Sydney Water's Pricing Proposals

We welcome Sydney Water's proposals to reduce both fixed and usage based water fees for the next four years, as this will relieve what is a significant cost burden on both residential and non-residential customers.

We support the approach of passing on cost savings, as has been proposed for water and wastewater services, so that the present value of revenues are equal to the present value of expected costs over the determination period.

However, this approach has not been taken for stormwater services, where proposed revenue slightly exceeds expected costs over the determination period. We do not see a justification for this and recommend IPART reduce wastewater pricing, bring it into line with expected costs and the prices for other services.

IPART's Price Determination Process

A four-year price path commencing from 1 July 2016 is an appropriate timeframe for this price determination.

We welcome Sydney Water's modelling of the impact of proposed pricing on non-residential customers, which found that 43% would see a 10% reduction while 6.5% would see greater reductions of between 35% and 39%.

NSW Business Chamber
incorporates

- Sydney Business Chamber
- Australian Business Lawyers & Advisors
- Australian Business Recruitment Solutions
- Australian Business Consulting & Solutions
- Australian Business Apprenticeships Centre
- Australian Business Training Solutions
- Australian Business Defence Industry Unit
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More analysis of the pricing impacts on non-residential customers would be useful as this is a key customer segment for Sydney Water.

Please feel free to contact Mr George Powell, Policy Adviser, Infrastructure, New South Wales Business Chamber on [REDACTED] or via email to [REDACTED] if you wish to discuss these matters further.

Yours sincerely,

[REDACTED]

Paul Orton
Director, Policy & Advocacy