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01/09/08

Dr. Kerry Schott Managing Director Sydney Water Corporation PO Box A53 SYDNEY SOUTH NSW 1232

Attention: Dr. Kerry Schott

RE Sydney Water Submission to IPART's Draft Determination 25 August 2008

Dear Kerry,

As you are aware, during the current Review of Developer Charges, I have been attempting to clarify Sydney Water's responsibilities for dispute resolution under Section 31 of the IPART Act.

Representations have been made to both Sydney Water and IPART expressing our concerns at the lack of openness and accountability with Sydney Water's position since the IPART Determination 2000 expressly defines *Developer Charges* as the "charges paid by Developers to Sydney Water for Services supplied by Sydney Water to a Development".

However Sydney Water's current position is that *developer charges* are those charges calculated and shown in the relevant development servicing plan. Any developer appeal regarding developer charges can only be made on the calculated charge shown in the D.S.P. and during the 30 day period of exhibition. Sydney Water believes there is no appeal mechanism to an independent arbitrator for an individual developer regarding developer charges for an individual property.

Following our representations, the IPART 2008 Draft Determination, issued in July 2008, clarifies the current Determination by stating that developers can request dispute resolution under Section 31 of the Act at any time.

Sydney Water responded to the IPART Draft Determination (28th August 2008 – Page 9) and it is possible that S.W. now agrees with the proposal that developers have the right to dispute resolution for individual projects. However, without a precise definition of *developer charges*, it is still not absolutely clear whether S.W. is referring to developer charges calculated and shown in the D.S.P. or to developer charges paid to Sydney Water. Obviously the former would mean that Sydney Water have only agreed to an extension of the time to appeal its calculations within the D.S.P. and not to individual appeals on a particular property.

In order that there is absolutely no possibility of misinterpretation, could you please confirm that Sydney Water now agrees that an individual developer who is dissatisfied with how Sydney Water has calculated the developer charges applicable to their development has the right to have the matter determined by an independent arbitrator, as provided under Section 31 of the IPART Act.

It would be appreciated if you could reply A.S.A.P. so, if necessary, further adjustments can be made to the wording of the final IPART Determination.

Yours faithfully

Jim Pook

Jim Cook Director

P.S. A copy of this letter has been forwarded to the IPART "Review of Developer Charges for metropolitan water agencies".