

Email

28 May 2005 10:45 AM

To: ipart@ipart.nsw.gov.au

Subject: Submission to IPART Issues Paper on Inv. into Water and Wastewater Service in Sydney.

Dear Sir/Madam,

Following is my response to IPART Issues Paper - Investigation into water and wastewater service provision in the greater Sydney region:

Ref. 3.1 P.12,13 - .Sydney Water (SW) has contracted its workforce approximately 83% in recent years. Although it retains a nucleus of a management staff, it can no longer supply the variety of technical skills required to undertake central planning for megaprojects that will be required in the future.

The great failing of SW since Corporatisation has been its inability to plan for expanding development, collection and storage required for the additional annual potable water demand rising from 600 gegalitres to 800Gs by 2029. State political management has compounded the problem by contracting the size of SW to reduce "expenses" in pursuit of dividends (profits) to the Treasury. It is not surprising that, as a proportion of gross state product (GSP) investment in Sydney and NSW, INFRASTRUCTURE as a growth business has conversely fallen sharply throughout the 1990's causing economic and employment growth to lag behind the national average. Inadequate planning at state level is obvious everywhere and as an entity NSW is in decline that has dragged down SW with it.

. The delivery and planning of large scale engineering, health, environment, water conservation and social equity is beyond the capability of SW in its current depleted state of organization without the stimulation of competitive rivalry. I recommend that planning be handed over to a national engineering organisation such as SMEC in Cooma that has demonstrated its capabilities since corporatisation, and 30 years before as the SMHEA, across a variety of domestic and international projects.

. Summary: In order to provide for a 33.3% increase in water demand by 2029 central planning will be necessary but SW lacks the engineering resources to perform planning for megaprojects that entail performance of feasibility studies and engineering design. Apart from SMEC, but unlike in the USA, Australia does not have the huge consulting organisations that could lead this task. On the other hand, Services Sydney (presumably highly competent) has been prevented from presenting in any detail to the public, an outline of its engineering proposal to divert and treat sewage ocean outfalls to tertiary levels to reduce demand for potable water. Whether they have the resources to plan and construct this huge grassroots project is unknown to consumers, as SW being a MONOPOLY, has stifled SS's desire to propose its legitimate plans at appropriate technical forums. After years of destructive stonewalling by the state government, SS has only recently exhausted all its other avenues of APPEAL that recently entitled it to present its case to the Australian Competition Tribunal. Hopefully, the Tribunal's determination will ensure that SS is given the chance to discuss its plan for reducing potable water demand in a way that is more environmentally friendly to Sydney.

Unfortunately, consumers have to deal with diminishing water storage shortages RIGHT NOW by being aware of the potential worsening supply crisis and assuming that levels in Warragamba Dam will continue to fall further below its current danger zone. Therefore rate increases at this time appear to be necessary to reduce demand and hopefully shepherd Sydney through its current storage crisis. Apart from water pricing which SW is capable of managing along with its decentralised methodology (out-sourcing service contracts) for day-to-day water supply and sewerage operations, SW's current management system will have to suffice because it cannot staff its operating requirements in its current "stripped" condition. It is too late to restaff in a futile attempt to rebuild Sydney Water to its previous size and technological competence prior to it becoming corporatised under the NSW Government Owned Corporations Act 1989.

In conclusion, the various options canvassed in this Issues Paper should be presented to consumers in such a way that "existing unfortunate conditions being as they are," consumers must move forward to make informed economic and technology decisions that are "correct" for Sydney; independent as far as possible from the vicissitudes of political wrangling that has been so damaging to its economic and social growth over the last 15 years.

Douglas A Robertson