

23 May 2008

Metropolitan Water
Department of Water & Energy
GPO Box 3889
SYDNEY NSW 2001

For the attention of: Amanda Chadwick

Your Ref:
Our Ref:
Direct phone: 8907 9084

Dear Amanda

Draft Water Industry Competition Regulation

Hyder welcomes the opportunity to comment on the draft General Regulation and Regulatory Impact Statement of the Water Industry Competition Act that is currently on exhibition for public consultation. In addition we thank you for your time spent with us during the consultation period.

We have strong links to the land development industry and provide consultancy services to many large developers in NSW. Through these links we have received positive feedback in support of the regulations and the opportunity they provide to allow competition in the water industry.

On behalf of a number of large developers we are actively pursuing alternative wastewater and recycled water service provision from the private sector in NSW. We are aware of working models for private utility provision in Victoria and NSW for gated and community-titled developments. The Act supported by the draft Regulation will allow private entities to act as a utility provider to facilitate many development opportunities that are restricted by the current sewerage provision in NSW.

We have three specific comments for your consideration as follows:

- a In relation to the Retailer of Last Resort (RoLR), the draft Regulation does not provide detail on how the RoLR supply fee would financially impact on the licensee. This is important to evaluate the feasibility of projects at the time of applying for the licence.
- b The Act provides for the Minister to request from the licensees to give and maintain security for the fulfilment of their obligations under the licence. The draft Regulation does not clarify what are the financial implications of this requirement and how it is determined.
- c Currently, there is an established process by which, Councils refer applicants for DA approval to Sydney Water (or the local public utility) for confirmation of sewerage supply and compliance certificates. We are interested in how this might work in the case of a private water utility as it does not seem to be addressed by the draft Regulation.

Yours sincerely



Steve Taylor
Director
Civil

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Registered office:
Level 5, 141 Walker Street, North Sydney NSW 2060, Australia ABN 76 104 485 289

