

21 May 2024

Submitted via ["Have Your Say"](#) on IPART website

RE: COST OF STORMWATER DRAINAGE IN THE MAMRE ROAD PRECINCT - SUBMISSION

[REDACTED]

[REDACTED] is an active water and wastewater infrastructure investor with deep commercial and technical expertise and proven investment models. We seek to improve outcomes for our clients and communities through long-term partnerships. [REDACTED] is a fully owned subsidiary of the [REDACTED]

[REDACTED]

[REDACTED] owns and operates several water schemes where we have innovated and developed value for the community at an efficient cost:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

COMPETITION IN WATER SERVICES TO ENABLE DELIVERY AT EFFICIENT COST

We acknowledge the complexity of the planning and co-ordination of the Mamre Road Precinct justified the appoint of Sydney Water as the trunk drainage authority for stormwater management. However, it is still important to consider how competition can be encouraged in the deliver of outcomes and solutions below master planning to enable delivery at an efficient cost and fit-for-purpose solutions.

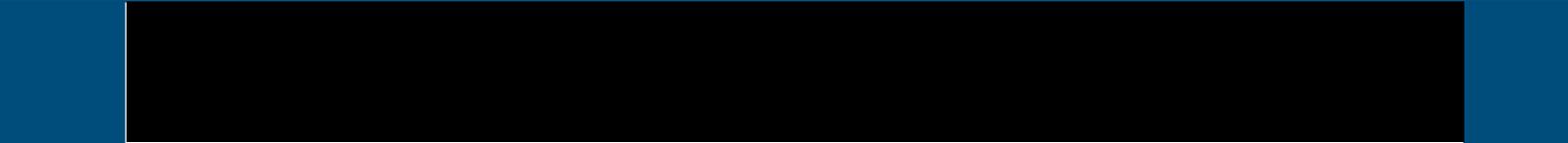
The process and plan going forward is void of true competitive tension that could enable actual efficient cost. If Sydney Water defines the solution to standard level of detail and the competitive component comes from a panel of contractors bidding the delivery cost, there is very limited potential reduce cost and this process is not truly determining the efficient cost of delivering the intended outcome, just the lowest delivery cost of the chosen solution.

We acknowledge that in this case Sydney Water is in the best position to deliver major infrastructure and master planning. However, efficient lifecycle cost and outcomes for the community for select portions of the plan can be driven through private operators offering alternative solutions and being responsible for the ownership and operation of these solutions for the life of the asset. These portions are downstream of master planning and could include, but are not limited to, components that are small/repeatable (compared to major infrastructure), where there is the potential for staging, are complex, require integrated solutions or could reduce cost by integrating commercial opportunities (such as water reuse). Sydney Water could define the outcome required and hold the private operators to account for delivering, but the solution would be created and delivered by the private market in an efficient manner.

RESPONSE TO FEEDBACK REQUESTED:

1. What is your feedback on our approach to this review? What else should we consider?

NSW has asked IPART to determine the efficient costs of providing stormwater drainage services and an efficiency review is currently planned of the plan. However, if this efficiency review is just considering the technical aspects or the cost of the implementation of Sydney Waters proposal it will not truly determine the efficient cost, as it does not consider the potential for other parties to provide efficient solutions based on the





required outcomes Sydney Water's plan. As noted above we are not proposing competing parties develop completely independent proposals for the full precinct, we are encouraging a consideration of the delivery model for portions of the plan that could benefit from innovative solutions, such as stormwater harvesting and reuse. Encouraging competition is the most effective way to ensure Sydney Water has "effective incentives to deliver fit-for-purpose stormwater drainage infrastructure", as is a key intended outcome of this review.

2. Does the Stormwater Scheme Plan meet the needs of the community?

The current plan does not enable innovative community driven solutions to be proposed and implemented.

3. Are there alternative stormwater management methods or works that would deliver better outcomes for the Mamre Road Precinct and broader Western Sydney Aerotropolis community?

Alternative methods are best determined by defining the intended outcomes at levels below master planning and letting competition determine the most efficient life cycle cost solution. In our experience this often involved engaging and delivering value for the community which will deliver better outcomes. This type of solution is almost impossible for Sydney Water to develop and deliver efficiently.

4. How should the costs of delivering Sydney Water's Stormwater Scheme Plan be funded? Are there elements that should be paid by developers, taxpayers, or other parties?

Through bringing in private infrastructure owners some of the costs could be born by the value and commercial opportunities created by independent schemes.

5. What would be the costs if Sydney Water's Plan did not go ahead in its current form?

Counter to the premise of this question, we believe that alternative deliverable models to that proposed in its current form could create benefits for the community and businesses through competitive tension and innovation.

6. Are there any other related issues you would like to tell us about?

As per response to (1) the potential for competition in delivering outcomes should be considered in determining efficient costs.

Should you have any questions or comments, please do not hesitate to contact me.

Yours sincerely,

[Redacted signature block]

