



18 April 2017

Peter Harris AO
Chairman
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Mr Harris,

RE: SUBMISSION ON THE NATIONAL WATER REFORM ISSUES PAPER

Infrastructure Partnerships Australia (IPA) is pleased to provide input to the Productivity Commission's inquiry into National Water Reform, and specifically the Issues Paper released on 15 March. IPA's contribution to this Inquiry, will focus on the urban water sector.

IPA is Australia's peak infrastructure body, representing public and private infrastructure organisations, of all types, including; public and private water utilities as well as those who invest in and build Australia's water assets.

IPA has previously outlined the priorities for reform in the urban water sector and a possible pathway to achieving this reform in its joint paper with the Water Services Association of Australia (WSAA) which was released in November 2015. This report entitled *Doing the Important as well as the Urgent: Reforming the urban water sector* has been attached as an appendix to this submission.

The attached paper focuses on three key areas of reform, including:

- making economic regulation nationally consistent;
- establishing appropriate competition frameworks; and
- improving governance arrangements.

Significantly, the paper also sets out a pathway way for achieving reform through national leadership, where reform objectives are linked to Commonwealth incentive payments, like those made to states under the National Competition Policy Payment programme in the 1990s and early 2000s.

IPA submits that the current regulatory and governance arrangements combined with inadequate competition frameworks leaves the urban water sector unable to meet its long-term investment requirements effectively.





IPA welcomes the Productivity Commission's inquiry into National Water Reform and we hope that our enclosed paper informs your inquiry on the priority areas and steps that can be taken to progress reform across the water sector.

Should you require any further information please contact the undersigned or our Mr Gavin Chan

Yours sincerely,

BRENDAN LYON
Chief Executive Officer

