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19 April 2013

Ms. Yvette Berry MLA
Chair
Select Committee on Regional Development
ACT Legislative Assembly
GPO Box 1020
Canberra ACT 2601

	A.C.T. LEGISLATIVE ASSEMBLY COMMITTEE OFFICE
SUBMISSION NUMBER	8
DATE AUTH'D FOR PUBLICATION	

Dear Ms. Berry

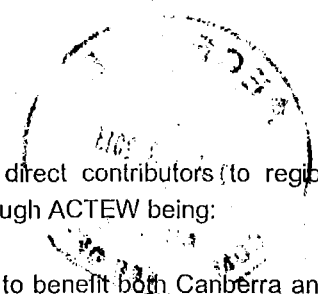
Re: SELECT COMMITTEE ON REGIONAL DEVELOPMENT – PUBLIC SUBMISSION

ACTEW Corporation Limited (ACTEW) applauds the Assembly for its establishment of the Select Committee on Regional Development (Committee). The Committee's work coincides with a renewed emphasis within ACTEW on the surrounding ACT region and the opportunities it presents for co-operation and mutual benefit. ACTEW is a resolute supporter of development across the region, and very gladly offers its resources and thoughts to the Committee during the present inquiry and beyond.

Water, Sewerage and Regional Development

It is convenient to consider 'regional development' as being the implementation of measures which enhance the economic, social and environmental well-being of both the ACT and neighboring New South Wales local council areas. Water and sewerage services provide the backbone for such development. For example:

- The provision of water and sewerage infrastructure in turn allows for the development of housing, commercial and public infrastructure;
- Clean, treated water and robust sanitation systems are fundamental tenants of public health;
- By undertaking water security projects, water operators provide the foundation upon which businesses and governments may make substantial, long-term investments in the region; and
- Water utilities have a very large incentive to protect the integrity of water sources, which in turn aligns with environmental objectives of regional development.



Additionally, water and sewerage service providers are direct contributors to regional economic development. In the case of ACTEW, this is manifested through ACTEW being:

- A major investor in infrastructure with the potential to benefit both Canberra and other areas. The new Cotter Dam and the Murrumbidgee to Googong Pipeline are two recent such examples;
- The supplier of treated water to Queanbeyan;
- A substantial employer of highly qualified personnel residing in the ACT and surrounds; and
- A key contractor engaging local businesses.

Opportunities for Future Regional Development

In the field of water and sewerage services, tremendous scope exists for ACTEW to work together with local councils in the pursuit of regional development. ACTEW has commenced a program to actively identify and then implement projects of mutual value to itself and local councils. ACTEW is keenly aware that regional development in the water and sewerage field will *not* succeed if 'regional development' becomes seen as a euphemism for 'ACT domination' by others in the region; rather, it is vital that all parties share benefit from heightened regional prosperity.

Regional cooperation in the provision of water and sewerage services might take forms which include:

- Designing water and sewerage networks in the ACT and surrounds in a manner which gives priority to efficient network design over ACT and council boundaries. Opportunity for such cooperation already exists in connection with property developments planned or occurring in the vicinity of the ACT border;
- The supply of water from the ACT's catchments to surrounding local councils (in addition to Queanbeyan), and potentially vice-versa. This could occur in conjunction with a coordinated approach to demand forecasting and drought planning;
- ACTEW's participation, either in partnership with NSW local councils or otherwise, in the ownership and/or operation of other water and sewerage networks in the surrounding NSW region. For both local councils and ACTEW, this may result in reduced operating and procurement costs. As water and sewerage treatment plants increase in complexity, such arrangements might also allow a pool of qualified operators to be available on a regional basis. Risks to the regional environment and health might also be reduced through coordinated approaches to maintenance, operation and investment;
- Streamlining of standards and approval practices; and
- The sharing of corporate, engineering, environmental, scientific, IT systems, procurement, educational, risk management and other services across water and sewerage operations.

It is noted that ACTEW is already pursuing regional development opportunities in conjunction with local councils and developers. For example, ACTEW has recently agreed to establish infrastructure for the provision of treated bulk water to the new Googong Township within Queanbeyan.

ACT Government Assistance

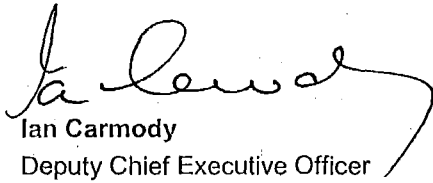
Opportunity abounds for the ACT Government to play a pivotal, constructive role in the development of the region. From its perspective, ACTEW sees great benefit in the ACT Government:

- Supporting commercially sound investments by ACTEW in water and sewerage networks outside the boundaries of the ACT;
- Being an active supporter of specific cross-border projects as they arise. In particular, the ACT Government has a unique ability to facilitate and support projects with its elected counterparts in NSW local and state government;
- Potentially lending weight to NSW local council applications for project grants. Often, the economic viability of cross-border projects may depend upon the existence and size of government grants available to local NSW councils;
- Removing any ACT 'red-tape' which, on balance, unnecessarily hampers cross-border water and sewerage projects relative to the benefit such 'red-tape' purports to provide. As importantly, the ACT Government can reinforce the desirability of facilitating cross-border projects within the Territory's public service;
- Recognising that it may not be appropriate for ACTEW activities outside the bounds of the ACT to fall within the purview of the ACT Independent Competition and Regulatory Commission. For local councils in the region, this may be an important component of shared, rather than ACT dominated, growth. From ACTEW's perspective, the commercial viability of cross-border projects may be enhanced through diversification away from a single pricing regulator;
- Pursuing regional development projects in a forthrightly commercial and transparent manner, while at the same time providing real value added services to its local government counterparts. This allows costs and benefits to be clearly apportioned between relevant stakeholders;
- Taking a long-term perspective when assessing the merits of regional proposals in the water and sewerage field, commensurate with the long term nature of the infrastructure which underpins the provision of water and sewerage services; and
- Assessing the benefits to the ACT of individual regional development projects in a holistic manner. For example, regional projects may indirectly benefit the ACT by attracting workers into Canberra or by providing additional business for Canberra businesses, notwithstanding such projects may not directly engage ACT ratepayers.

Offer to Assist

ACTEW is very eager to actively assist both the Committee and the ACT Government in its regional development efforts. To that end, we would welcome the opportunity to participate in any activities which are planned as a consequence of the Committee's inquiry. ACTEW representatives would be most pleased to meet with the Committee or to provide the Committee with such other information which might assist it in its endeavours.

Yours sincerely


Ian Carmody
Deputy Chief Executive Officer


Duncan Edghill
Senior Manager Corporate