



**WATER SERVICES ASSOCIATION
OF AUSTRALIA**

24 February 2011

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

NATIONAL BROADBAND NETWORK CORPORATION BILL

Thank you for the opportunity to make a submission on the Inquiry into the National Broadband Network Companies Bill 2010 and the Telecommunications Legislation Amendment (National Broadband Network Measures – Access Arrangements) Bill 2010.

The urban water industry is concerned that the proposed amendments 5 and 6 to clauses 9, 11 and 12 of the NBN Companies Bill 2010 would prevent water utilities gaining direct access to the NBN leaving them with no alternative but to pursue other, perhaps more costly, options, that may result in unnecessary duplication of telecommunications infrastructure.

Water Services Association of Australia (WSAA) is the peak body of the Australian urban water industry. WSAA's members provide water and sewerage services to approximately 16 million Australians and to many of our largest industrial and commercial enterprises.

WSAA was formed in 1995 to provide a forum for debate on issues important to the urban water industry and to be a focal point for communicating the industry's views. WSAA encourages the exchange of information and cooperation between its members so that the industry has a culture of continuous improvement and is always receptive to new ideas.

The functions of WSAA are:

- be the voice of the urban industry at the national and international level and represent the industry in the development of national water policy,
- facilitate the exchange of information and communication within the industry,
- undertake research of national importance to the Australian urban water industry and coordinate key national research for the industry,
- develop benchmarking and improvement activities to facilitate the development and improved productivity of the industry,
- develop national codes of practice for water and sewerage systems,
- assess new products relating to water, sewerage and trade waste systems on behalf of the water industry,
- jointly oversee the Smart Approved Watermark Scheme for products and services involved in conserving water use
- coordinate annual metric benchmarking of the industry and publish the National Performance Report with the Federal and State Governments.

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In recent years Australia's urban water sector, has faced the full impact of climate variability and change. Diminishing rainfall, reduced runoff and consequent lower yields have undercut water security and resulted in water shortages in many cities and towns. More recently, floods have caused major threat, loss of life, damage and disruption to water infrastructure. Dramatic climate shifts and the potential for more extreme weather events present significant challenges to Australia's urban water utilities.

While the immediate water supply challenge has been averted, many significant issues remain, including:

- Maintaining both water quality and water quantity in the context of climate change and extreme weather events such as heat waves, bushfires or floods.
- Managing, maintaining and investing in critical water and wastewater infrastructure.
- Developing agreed decision-making tools that incorporate the complexities and uncertainty posed by climate change.
- Integrating water planning fully with urban planning to develop resilient "Cities of the Future" that successfully deal with climate change, population growth and demographic change.

Our future challenges include:

- Providing our customers with choice;
- Adapting to climate change;
- Complying to changing or new regulations;
- Responding to population increase;
- Providing for "Cities of the Future";
- Embedding an integrated water approach into our planning processes; and
- Managing under-utilised ageing Infrastructure.

A critical component of any intelligent water utility network is a communications network that delivers two-way broadband communications between the water utility's core network and the monitoring and control devices throughout water supply catchments, and the water supply and sewerage networks and treatment plants, including advanced metering infrastructure.

All water utilities require a communications network that is ubiquitous, secure, reliable, cost effective and interoperable. However, given water utilities operate throughout vast areas with diverse geographic features and population density, there is no single technology that is suitable in all circumstances. The NBN is an important candidate technology for many of the water utilities, especially those in our urban communities.

Many water utilities are currently investigating options to provide their needs through shared services with other utility business, e.g. electricity distribution, in order to determine whether NBN Co's network and service offerings can be designed to meet the requirements of the urban water utilities. While not yet finalised, it is clear that the nature of the service that water utilities potentially require from NBN Co are very different in its scope and features from the services supplied by standard retail consumers of the NBN.

The effect of the currently proposed amendments would be to prevent water utilities gaining direct access to the NBN leaving them with no alternative but to pursue other, perhaps more costly, options that may result in unnecessary duplication of telecommunications infrastructure.

Currently, water utilities along with other essential infrastructure providers are able to purchase directly from telecommunications infrastructure owners, and have existing exemptions from the requirements contained in the Telecommunications Act 1997 with respect to carriers and carrier service providers. This reflects the fact that these regulated monopoly providers of critical infrastructure need to gain access to essential

inputs in order to deliver their services. For example, water utilities require communications to manage their networks and fulfill their obligations to collect and provide real-time water data to organisations such as the Bureau of Meteorology.

The NBN Companies Bill 2010, as proposed, recognises and continues the existing arrangements. It allows water utilities and other infrastructure providers to purchase directly from NBN Co, just as they can continue to do with other telecommunications infrastructure owners. The urban water industry is concerned that the proposed amendments 5 and 6 to clauses 9, 11 and 12 of the NBN Companies Bill 2010 would change the intent of the existing Telecommunications Act 1997, but only with respect to NBN. It would introduce an inconsistency in that water utilities would still be able to purchase directly from other telecommunications infrastructure providers, such as wireless network owners, but not NBN Co.

WSAA understands that some telecommunications carriers and retail service providers are concerned that the NBN Companies Bill 2010, as proposed, would allow exempt bodies to on-sell telecommunications services in competition with them, without being subject to the same regulatory obligations. However, the Bill makes clear that the exemptions, which allow water utilities to purchase from NBN Co, are in relation to using the services for real-time data collection, asset management of their networks and customer metering. These dedicated services are separate from any purchase by water utilities of carriage services to on supply to the public.

The urban water utilities support the continuation of existing arrangements.

If there is any genuine residual ambiguity that the NBN Companies Bill 2010, in combination with the Telecommunications Act 1997, does not achieve this, WSAA would be willing to discuss this issue with you further to find a more appropriate resolution.

Yours sincerely

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