

1. Water pricing principle shouldn't be taking the least-cost approach. Rather it should be a cost-effective approach but with a long-term vision. Investment in water infrastructure and services will create jobs, stimulate the economy, and improve the quality of living for the community and the environment.
2. Water is an essential need and the government should treat this as a service rather than a business. The government should expect entities regulated by them to take the same approach. There are times the Government should inject funds to restore the system from major failures and/or to maintain a healthy and sustainable essential service to the community and the environment when needed.
3. There are currently no system resilience standards, i.e. no KPIs on how long should the system (dams, treatment plants, and pipelines, etc) recover when faced with major shocks such as climate change (drought, flooding, fire, etc) and other unforeseen circumstances. Entities should be encouraged to set up resilience standards and agree with the regulator, stakeholders, and customers. Entities should be allowed to invest in improving the system's resilience and not to restrain from doing this due to the concern of adverse price impact. As a matter of fact, when the system fails it will cost more to the community and the environment. It is noted that other leading water entities in the world are planning resiliently through a proactive approach which reduces the cost burden of reactive approaches such as currently seen in flood events and drought situations of Australia. It is of great concern that the current pricing principle may not encourage investment in this aspect.
4. Avoid the trap of minimal investment and infrastructural deferral driven by short-term political cycles and poor funding. Instead, entities should be encouraged to invest early in building new infrastructure to avoid higher costs when the infrastructure is to be built in a rush and panic mode. We should have learned from the pain and higher costs of building infrastructure during the millennium drought.
5. The pricing principle should encourage and make allowance for entities to invest in research and development and to conduct trials of new systems and technologies. And they should not be penalized in the pricing structure when these works fail or do not meet the expectations.
6. Pricing structure should make allowance and encourage investment by entities to bring their assets up to standards. This is particularly so for assets located in the smaller and remote regions.