



Sydney Water Catchment Management Amendment Bill.

Second Reading

Mr GRAHAM WEST (Campbelltown—Parliamentary Secretary) [12.10 p.m.], on behalf of Mr Bob Debus: I move:

That this bill be now read a second time.

The proposed amendment to the Sydney Water Catchment Management Act 1998 is a further step towards achieving the Government's commitment to sustainable energy use and cutting greenhouse gases. Hydro-electricity is a key part of the Government's green power programs. This program specifically recognises the ability to retrofit small hydro-electricity plants to existing dams in New South Wales. In 1997 the Sustainable Energy Development Authority [SEDA] undertook a study into this source of green power by surveying which dams were capable of fitting such plants. SEDA sees these smaller sources of electricity as important contributors to adopting what it terms "distributed energy solutions", and a move away from large-scale and centralised capital investment in electricity production.

On some water outlets on our dams it is possible to install small hydro-electricity turbines. Because the pipes and other infrastructure are already in place, these installations can be cost-effective. I understand that the types of turbines used are generally quite small—in fact around the size of a member's office here in Parliament House—but they produce power at amounts that can usefully contribute to the electricity supply. The Sydney Catchment Authority [SCA] is proposing to generate hydro-electricity by building these small plants on its dams. Of course, this will occur only where such plants can demonstrate their commercial viability.

This bill will ensure that the SCA has all the necessary power in law to undertake these projects. As it stands now, the Sydney Water Catchment Management Act recognises that the SCA is to conduct activities in such a manner as to comply with the principles of ecologically sustainable development. However, the functions of the SCA, which are set out in section 14 of the Act, are ambiguous as to whether the SCA can build and operate the proposed plants. The amendment, therefore, does two things. First, it amends subsection 16 (1) to allow the SCA to undertake sustainable energy activities limited to the generation and supply of hydro-electricity, and any associated activities. Secondly, it amends section 24B to provide for payment into the Sydney Catchment Management Fund of any income received from its sustainable energy activities.

Honourable members may be aware that Sydney's drinking water supply system already has two large hydro-electricity schemes: the plant on Warragamba Dam, which is owned and operated by Eraring Energy, and the Shoalhaven scheme, which is jointly owned by the SCA and Eraring Energy. In 1998 SEDA released its assessment of potential small hydro-electricity facilities on New South Wales dams. The study identified the SCA's dams as having a strong potential for mini hydro-electricity plants. As part of its Energy Management Plan 2001-06, the SCA commissioned a feasibility study for such plants on its dams.

The study also examined optimal development and operating models. It found that the dams with greatest potential for technically viable plants are Warragamba, Cataract, Cordeaux, Nepean, Woronora and Tallowa on the Shoalhaven River. The study also found that such plants could be financially feasible investments. Most importantly of all, the combined plants could potentially generate 33 gigawatts of electricity. If all were built, the SCA would then become a net green power generator, producing up to five times more green electricity than the electricity it consumes.

Production of this green power will save a massive 31,000 tonnes of greenhouse gases. That is equivalent to taking 7,000 cars off the road every year. Following the passage of this bill the SCA will complete its analysis of preferred models for building, owning and operating mini hydro-electricity plants. It will also thoroughly examine the commercial risks involved, although I hasten to add that, as previously stated, plants will be installed only where their commercial viability can be demonstrated. But this work will be fruitless unless we have certainty that such plants can be actually installed if the SCA chooses to do so. I commend the bill to the House.

[Your feedback](#) [Legal notice](#)

Refer updates to Hansard Office on 02 9230 2233 or use the feedback link above.