



## Full Day Hansard Transcript (Legislative Council, 5 November 2014, Proof)

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Extract from NSW Legislative Council Hansard and Papers Wednesday, 5 November 2014 (Proof).

### WATER NSW BILL 2014

#### Second Reading

**The Hon. NIALL BLAIR** (Parliamentary Secretary) [5.14 p.m.], on behalf of the Hon. Duncan Gay, I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

#### Leave granted.

The Water NSW Bill 2014 provides for the merger of the Sydney Catchment Authority and State Water Corporation into one statutory State-owned corporation—Water NSW.

The merger will deliver efficiencies in water infrastructure management that will improve customer service outcomes and enable the rollout of much-needed capital investment in water infrastructure across New South Wales.

Proper management of this vital resource is necessary to ensure the future health and wellbeing of the environment and the people of New South Wales.

This bill will enable the achievement of important public health outcomes through improved water quality.

For the first time, rural and regional communities across New South Wales will be able to obtain the benefit of the Sydney Catchment Authority's skills and experience in catchment management.

The bill provides the framework for the implementation of long-awaited improvements in water quality for rural and regional towns, which will lead to important public health benefits.

The bill will also enable the delivery of improved service to agriculture and industrial stakeholders by creating a stable platform for infrastructure investment.

Bulk water is a crucial part of the water cycle in New South Wales.

Bulk water is managed to ensure there are potable supplies for town water, irrigation, stock and domestic purposes in rural areas, industrial purposes, industry and power generation, as well as water for the Sydney area.

The future health and wellbeing of the environment and the people of New South Wales is dependent on efficient and effective management of our State's bulk water resources.

Water NSW is being created to bring together two equals—Sydney Catchment Authority and State Water Corporation—into a modern and responsive service provider.

For this reason, this bill re-enacts and consolidates with necessary modifications the provisions of both the Sydney Water Catchment Management Act 1998 and the State Water Corporation Act 2004 into one Act.

Water NSW will provide the critical mass to further develop the skills, knowledge and experience needed to meet the increasing challenges of water management and water infrastructure in the future.

The two organisations have complementary knowledge and skills that Water NSW can foster and enhance for a more effective sharing of knowledge and expertise.

It will provide a focus on the most efficient way to manage bulk water in New South Wales, to provide certainty for food production, and to continue the high levels of attention given to the health aspects of drinking water.

I turn now to a more detailed discussion of the proposed bill.

The principal objectives of Water NSW will be to:

- capture, store and release water in an efficient, effective, safe and financially responsible manner; and
- ensure that declared catchment areas are managed and protected to promote water quality, for the protection of public health and safety.

As a statutory State-owned corporation, Water NSW must also maintain and operate its works efficiently and economically and in accordance with sound commercial principles.

The bill also provides for a range of functions for the management of catchment areas to ensure water quality and public health and safety.

These special catchment management functions will apply in "declared catchment areas".

At the present time, only one catchment is declared—the Sydney catchment area.

Catchment management in the Sydney area will continue to be carried out by a specialised division within Water NSW comprising the staff from Sydney Catchment Authority.

The bill retains all of the existing protections and regulatory controls for the Sydney catchment provided by the Sydney Water Catchment Management Act 1998.

Protecting catchment health requires a collaborative and long-term approach because of the wide range of land uses and the many individuals, businesses, industries, community groups and government agencies whose actions can affect water quality.

This bill recognises that over time it may be necessary to declare other catchments so that catchment management initiatives can be implemented to improve drinking water quality.

For this reason, provisions of the bill will make it possible to roll out catchment management initiatives in a scalable way.

Catchment audits, catchment reporting and even declarations of special areas may be implemented for any catchment in New South Wales that is declared for that purpose.

This is just one of the many ways that this bill will deliver real benefits to rural and regional communities.

The bill continues the stringent regulatory controls that presently apply to maintain the safety of dams and water management works and ensure that the Sydney catchment Special Areas are protected from pollution.

These regulatory functions include the planning approval and concurrence role carried out by Sydney Catchment Authority in relation to development in the Special Areas.

All of these regulatory controls will now be enforced by a Regulatory Authority.

The Regulatory Authority is the Minister administering the Act.

The Minister will also be able to nominate a public authority or a government agency to carry out regulatory functions.

In this way, it will be possible to ensure that the authority or agency with the best expertise and experience implements the regulatory framework for bulk water and catchment management.

The Minister administering the Act will maintain ultimate responsibility for overseeing the manner in which regulatory functions are exercised.

If there are concerns about the manner in which any regulatory function is addressed, it will be possible to withdraw the nomination as regulatory authority at any time.

In addition, there are a number of agencies which play an important role under other legislation to ensure that water quality standards are maintained and that bulk water is supplied to rural and regional communities in accordance with established rules.

These agencies include the New South Wales Office of Water, NSW Health, the Independent Pricing and Regulatory Tribunal [IPART] and the Environment Protection Authority.

The Water NSW Bill 2014 provides improved financial stability for water operations.

It will provide widespread benefits for public health and safety, water quality and healthy water

catchments to all areas of our great State.

The provisions contained in this bill provide a best practice framework to ensure this Government meets the highest governance standards for the management of bulk water.

I commend the bill to the House.