

SYDNEY WATER CATCHMENT MANAGEMENT AMENDMENT (BOARD MEMBERS) BILL 2012

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Second Reading

The Hon. DUNCAN GAY (Minister for Roads and Ports) [11.10 a.m.]: 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 Sydney Water Catchment Management Act 1998 constitutes the Sydney Catchment Authority and establishes the Sydney Catchment Authority board.

The authority manages a total of 21 storage dams that can together hold more than 2.5 million megalitres of water.

This includes Warragamba Dam, which is one of the largest domestic water supply dams in the world, and the main source of drinking water supply for Sydney.

The area for which the authority is responsible occupies 16,000 square kilometres, and consists of 5 primary catchment areas.

The authority's vision is to ensure healthy catchments and quality water for the Sydney region.

The principal statutory objectives of the authority, as specified in section 14 of the Act, are:

- a) to ensure that the catchment areas and catchment infrastructure works are managed and protected so as to promote water quality, the protection of public health and public safety, and the protection of the environment;
- b) to ensure that water supplied by it complies with appropriate standards of quality;
- c) where its activities affect the environment, to conduct its operations in compliance with the principles of ecologically sustainable development; and
- d) to manage its catchment management infrastructure works efficiently and economically and in accordance with sound commercial principles.

This bill does not change these objectives.

The Sydney Catchment Authority board is responsible for:

- the policies, and the long-term strategic plans, of the authority;
- endeavouring to ensure the authority meets its public health and environmental requirements; and
- overseeing the effective, efficient and economical management of the authority.

The board consists of the chief executive of the authority, and between 4 and 8 other members.

Currently, these other members must include one nominee each from the NSW Farmers Association and the Nature Conservation Council, as well as an elected councillor from a council within the catchment area.

While selection based on defined stakeholder groups can sometimes be effective, it does not allow for representation across the full spectrum of stakeholders.

It can also inhibit the Minister from selecting the best person for the job at any given time.

The bill therefore removes the current requirement for the Board to include nominees from the NSW Farmers Association and the Nature Conservation Council, and a local councillor.

Instead, the bill specifies the skills and expertise that are required for the board to operate effectively.

This does not, of course, preclude members of the NSW Farmers Association or the Nature Conservation Council, or local councillors, from seeking appointment to the board if they have the necessary expertise and skills.

Quite the opposite—I encourage suitably qualified individuals from these organisations to apply. The amendments require full merit-based selection and this will ensure that eligible members of the community have equal opportunity to be selected for the board.

This approach is in line with government policy at both the State and Federal levels.

It will also bring governance arrangements for the Sydney Catchment Authority into line with those for other statutory authorities such as the Catchment Management Authorities, and with State-owned corporations such as the Sydney Water Corporation.

The Act currently requires the board, individually or collectively, only to have expertise in protection of the environment and public health, and other expertise that the Minister considers necessary to fulfil the authority's objectives.

This bill provides for these selection criteria to be expanded, in recognition of the important strategic role of the board and the statutory objectives of the authority.

Members of the board, individually or collectively, will now be required to have qualifications and experience relevant to:

- catchment management and protection;
- water quality and public health;
- running a commercial entity; and
- water supply planning and asset management.

As well, members of the board, individually or collectively, must have practical knowledge of, and experience in:

- agriculture and industry in the catchment area; and
- local government and planning in the catchment area.

In addition, the Minister will have the flexibility to specify additional expertise necessary to fulfil the authority's objectives.

Extending the selection criteria for board membership in this way will result in the board having the comprehensive skill-set needed to fulfil its obligations.

The amendments do not mean that every board member will have to meet all the selection criteria, but that the board as a whole must satisfy those criteria.

Knowledge of local issues is particularly important in relation to agriculture, industry, local government and planning, and this is reflected in the revised criteria.

The requirements for experience relevant to running a commercial entity, and to water supply and asset management reflect the level of governance responsibilities that apply to boards of statutory authorities.

Although all board memberships will expire on the proclamation of this bill, the bill provides for continuity between the existing board and the new board by allowing existing board members to be reappointed if they are eligible.

The bill proposes sensible amendments to introduce merit-based selection for membership of the board.

This will provide the Sydney Catchment Authority board with appropriate skills and expertise, and allow for the broadest stakeholder representation.

It will bring the board into line with governance arrangements for other statutory authorities and State-owned corporations.

The provisions in this bill will commence on proclamation.

I commend this bill to the House.