

**ADDITIONAL QUESTIONS  
BUDGET ESTIMATES 2008-2009  
QUESTIONS ON NOTICE  
General Purpose Standing Committee No. 5  
Water, Rural Affairs and Regional Development  
Friday 17 October 2008**

**Questions from Mr Cohen**

**1.** What is the Status of the Far North Coast Water Plan as required under the Far North Coast Regional Strategy?

**Answer:**

The Far North Coast Regional Water Plan is a component of the Far North Coast Regional Planning Strategy. The key outcome sought from the Plan, currently under preparation, will be to ensure effective, long term regional water management with improved water efficiency, demand management and drought security. Data from relevant local water utilities has been collected and population projections for the Far North Coast are being confirmed through the Department of Planning. Assessment of existing water supply infrastructure, demand factors and water saving initiatives is also in progress.

**2.** If the Water Plan was developed could its implementation result in the deferral of significant capital expenditure by Councils on the Far North Coast?

**Answer:**

The potential outcomes will be better known once all the environmental and financial considerations have been fully evaluated and recommended supply options put forward in the plan.

**3.** If the Water Plan was developed could its implementation result in the reduction of stress on rivers such as the Richmond?

**Answer:**

The purpose of the Far North Coast Regional Water Plan is to produce a strategy that will guide the provision of a secure regional water supply that caters for the projected growth of the Far North Coast during the next 25 years and beyond. The Plan will analyse the various options to meet regional demand, which is expected to increase due to population growth, despite improved water supply management and water use efficiencies. Again, the final outcomes, including any potential implications for the Richmond River, will be better known following evaluation of all financial and environmental considerations and the recommended supply options put forward in the plan.

**4.** If the Water Plan was developed could its implementation result in improved security for urban water supplies in the Far North Coast?

**Answer:**

Yes, the purpose of the Far North Coast Regional Water Plan is to produce a strategy that will guide the provision of a secure regional water supply that caters for the projected growth of the Far North Coast during the next 25 years and beyond.

5. Why has there been delays of over a year in the development of the Water Plan?

**Answer:**

The Department of Water and Energy has prioritised a program to complete the outstanding water sharing plans under the *Water Management Act 2000*, including those for coastal NSW, in order to meet its COAG and National Water Initiative commitments. On the Far North Coast, the first priority has been with the Tweed Macro Water Sharing Plan.

6. Under the Water Management Act 2000 and the Water Act 1912 how many penalty notices have been issued for 2007-08? Would the previously low level of penalty notice issuance change under the proposed Water Management Amendment Bill or is it more of a on the ground enforcement capacity issue?

**Answer:**

The Department issued 18 penalty notices for breaches of the *Water Management Act 2000* in the 2007-08 financial year. There are no penalty offence provisions under the *Water Act 1912*.

One of the reasons the Government introduced the *Water Management Amendment Bill 2008* was to address deficiencies in the legislation so that action could be taken if a breach of the Act occurred. This may increase the number of situations where a penalty notice can be issued. The appropriate compliance action for a matter is determined using Departmental compliance procedures taking the particular facts of the matter into account. The number of penalty notices issued is dependent on the number of offences detected that would appropriately be dealt with using a penalty notice.

7. The Director General acknowledged in a letter to Mr Phil Thompson and Mrs Judi Thompson in relation to the construction and operation of a 600ML irrigation storage dam that “the filling of earthen water storages with groundwater and surface water is common practice across NSW”. Has the Department considered efficiency savings from requiring irrigation dams to use dam covers and associated measures?

a. Why is the Department spending \$137 million on piping stock and domestic water sources to reduce evaporation yet not requiring irrigation dams - from which much larger volume evaporates – to implement tarp dam covers or similar technologies?

**Answer 7 & (a):**

The Department of Water and Energy has just awarded a major consultancy which is aimed at achieving significant evaporation savings at Menindee Lakes and in the NSW section of the upper Darling Basin. This consultancy will include a review of on-farm efficiency measures relating to farm storage dams and on farm irrigation processes.

The consultants are due to report their findings to government in September 2009, which will include a strategy to secure water savings from farm dams.

8. In relation to the offtake structure – flow regulator/choke – at Nimbo Creek the Acting Deputy Director General, Mr Rob O'Neill stated in a letter that;

*“Prior to the construction of the offtake in 2002, “cease-to-flow” conditions in Nimbo Creek occurred when the flows in the Tumut River were in the order of 500 ML/day. Some 5 years after construction of the offtake, cease to flow conditions now occur when the flows in the Tumut River are in the order of 300 ML/day. This indicates that the structure has improved the minimum flow conditions and reduced the number of cease-to-flow days in Nimbo Creek.”*

Could the Minister provide evidence that establishes the cease-to-flow conditions in Nimbo Creek prior to the 2002 construction of the offtake structure?

**Answer:**

The offtake structure was put in place in 2002 to stop the main channel of the Tumut River diverting to the Nimbo Creek and to manage erosion in the creek and adjoining lands.

The community of Brungle on the Nimbo Creek is experiencing changes to the flows in the creek system that have not been seen in recent memory, due to the unprecedented drought.

Managing the Murrumbidgee and Tumut Rivers for critical water supply in these extraordinary times has meant that, on occasions, the Nimbo has not flowed as people have come to expect. This has led to a belief that the structure that was constructed in 2002 at the mouth of the Nimbo has choked the flows, so that the creek receives less than it might receive in times of low flow in the Tumut. Data that the Department of Water and Energy has gathered suggests otherwise.

This data, held by the Department's Tumut Hydrometric Unit, shows the statements of the Acting Director General to be valid, and the Department is happy to discuss the data with any interested party.

The data indicates, from a purely hydrometric point of view, that Nimbo Creek now commences to flow when there is a flow of approximately 330 megalitres/day in the Tumut River. Prior to 2002, the commence to flow in Nimbo Creek was approximately 700 megalitres/day in the Tumut River. This information is being provided to the people of the Nimbo and a Departmental River Engineer is allocated to work with them to assist them in understanding the information.

## Questions from Mr Colless

### *Desalination Plant – Kurnell*

- 9. a.** What is the cost of the infrastructure required to increase the desalination plants output from 250 megalitres to 500 megalitres?
- b.** Was this included in the \$2 billion price tag for the desalination plant construction? If not, why not?
- c.** When will your department make a decision on whether the desalination plant will be upgraded from 250 to 500 megalitre capacity?

#### **Answer:**

##### **9 (a)–(c)**

The desalination plant at Kurnell will have a capacity of 250 megalitres per day, with the intake and outlet tunnels to the Tasman Sea and the distribution pipeline sized to accommodate up to 500 megalitres per day. The cost of the tunnels and pipeline is included in the total project cost of \$1.9 billion. Through an efficient tendering process, Sydney Water achieved this at roughly the same cost as the original estimate for a 125 megalitre per day plant. The output of the plant will not be increased until it is required.

- 10. a.** Minister, what was the reason for a commitment to the expenditure required to build the Desalination Plant at Kurnell?
- b.** How much money has been expended on consultants for the project?
- c.** how much money is it anticipated will be expended on consultants?
- d.** Please table a list of all consultants and the amount expended on each to date?

#### **Answer:**

**10 (a)** The decision to construct the desalination plant was taken by the Board of Sydney Water and by the NSW Government, in response to dam storages reaching record low levels in February 2007. At that time there was about two years of storage remaining or around 30 per cent. Dam storages were being supplemented by the Shoalhaven River transfers. Without these transfers, storages would have been very low. Without timely action, Sydney was at risk of running out of water.

The decision to construct also took into account the worldwide growing demand for desalination plant components and expertise. Many cities around Australia and the world are in the queue for the limited expertise and resources needed for the construction of desalination plants. This posed a risk that crucial desalination expertise and materials would not have been available to Sydney in time if the decision to construct had been delayed.

**10 (b)-(d)** Consultants are only engaged when the required professional expertise is not available internally or cannot be provided in a more cost effective manner.

The Government is continually looking for ways to improve its procurement policies and procedures to ensure maximum value for each dollar spent. The new “Prequalification Scheme for Performance and Management Services” is one such improvement which will provide agencies with:

- A streamlined competitive tendering process with high probity standards for external expertise across key areas of government activity
- Fee rates that represent value for money
- Quality assurance

The reforms have simplified the way consultants are engaged while maintaining competitive processes to ensure the NSW taxpayer receives the best value for money for these services.

Details of consultancy expenditure over \$30,000 will continue to be reported in agency annual reports.

- 11. a.** How much money has been spent on advertising for the project to date?
- b.** What is the projected future costs of advertising?
- c.** Has the advertising been paid by Sydney Water or your Department?
- d.** How much was expended on TV?
- e.** How much was expended on Radio?
- f.** How much was expended on metropolitan newspapers?
- g.** Were these ads cleared by the Auditor General?
- h.** Has the Auditor General made any comment upon them?
- i.** Will you supply on DVD to the Committee copies of all the ads, with the cost of each one?
- j.** Did the Minister approve the ads?
- k.** Who was the advertising agency?
- l.** How much was paid to the advertising agency?
- m.** Please list all advertising agencies consulted in relation to the Desalination Plant.

**Answer 11 (a)-(m) :**

The NSW Government has an obligation to inform all people in NSW about their rights, obligations and entitlements.

The government may legitimately use public funds to inform the public of these rights and obligations, as well as explain government policies, programs, services and initiatives.

On 22 August 2008, the former Premier released memorandum M2008-15 NSW Government Advertising Guidelines.

This Memorandum introduces updated guidelines to reflect current government advertising policy, and to implement the recommendations of the Auditor-General following the Performance Audit of Government Advertising in 2007.

A copy of the guidelines is available from the Department of Commerce website (<http://www.advertising.nswp.commerce.nsw.gov.au/Home.htm>).

**12.** Last year the Minister denied that the desalination plant would have any impact on the migratory patterns of whales along the Eastern Coastline:

- a.** Do you agree with that?
- b.** What assurances will you give that the desalination plant will not affect migrating whales?

- c. What research have you personally looked at in regard to feeding patterns of migrating whales off Kurnell?
- d. You are aware of course that whale organisations say that it will affect migratory patterns and the wellbeing of whales, especially young whales? Do you say these groups are wrong?
- e. How much money has been expended in investigating the impact of the desal plant on migratory whales? Will you table those reports?

**Answer:**

**12 (a) & (b)**

I agree with the previous Minister's statement last year.

The desalination plant intake and outlet structures are on the edge of the typical whale migration pathway offshore from Sydney. Modelling shows that the seawater concentrate, which is twice as salty as normal seawater, will disperse quickly and the area of increased salinity will be no more than 50-75 metres around each of the outlet diffusers.

If whales or their calves were to dive through the seawater concentrate discharge, it is expected that contact would only be for a brief period before the whales returned to the surrounding water with normal background level salinity.

**12 (c)** The northern migration period for whales ended in July, prior to my appointment as Minister for Water. I have, however, been advised that the whales southern migration is typically further offshore, and therefore even less likely to be impacted by the desalination plant.

**12 (d)** Since construction started, Sydney Water has held discussions with whale experts from the University of Sydney and the Department of Environment and Climate Change (National Parks and Wildlife Service). It is highly unlikely the desalination plant will have any affect on whales.

**12 (e)** The Institute of Marine Science at the University of Sydney prepared a report for Sydney Water on the impact of marine drilling on whales off Cape Solander. The report stated that during the migration period, whales generally do not feed. It would therefore be highly unlikely that the desalination plant will have any affect on the feeding patterns of migratory whales

## ***Tillegra Dam***

**13.** Minister, the Budget papers for 2008-2009 specifies the total estimated cost for the completion of Tillegra Dam would be \$379,006 million. Since the budget it is now said that the Dam will cost \$406 million. So far only \$74,025 million has been expended, with only \$25,964 million further allocated for 2008-2009.

**Answer:**

As per Budget Paper No. 4, expenditure to 30 June 2008 was estimated to be \$74.025 million and the allocation for 2008-09 is \$25.964 million.

**14.** How much money has been expended in the last 5 years in resuming land for the proposed Dam?

**a.** How much is it estimated will need to be expended in the future?

**b.** How is the figure of \$406 million made up?

**Answer:**

Hunter Water has been purchasing land for the proposed dam since 1981 as it came onto the market. In the past 5 years Hunter Water expended \$61 million purchasing land for the proposed dam, including \$5.3 million for land which became available prior to the announcement to proceed with the project and \$55.7 million by negotiation since the announcement.

The \$5.3 million is not included in the project budget as it was incurred prior to the project announcement.

**a.** \$28.7 million

**b.** The \$406.3 million comprises pre-construction costs, including investigations and design; land purchases; construction activities, including the main structure, roadworks, relocations and recreation facilities; less the resale value of surplus land.

**15.** Given that the great majority of Government public works programs are heavily over budget and this project has already increased by \$27 million in 4 months from \$379 to \$406 million, what guarantee can you give that the Dam will be built at this cost? What allowance has been made for Budget overrun in construction?

**Answer:**

Major projects are by their very nature susceptible to cost pressures which are beyond the control of Government. Their long duration dramatically compounds variations in inflation and the limited pool of large contractors makes the market more volatile. International economic conditions can significantly impact the construction market in Australia.

For the formation of the Tillegra construction budget, specific estimating advice was sought from major construction companies and estimating consultancies. Specialist consultants were also engaged to provide forecasts of inflation rates specifically as relates to the construction industry. A risk assessment is also being undertaken to confirm the budget as design progresses.

The budget includes sums totalling \$54.7 million to cover contingencies.

**16.** How many staff will be employed in the completed Dam?

**Answer:**

It is anticipated that 2 to 3 staff will be required for ongoing operation of the completed dam.

**17.** What is the estimated operational cost of running the completed Dam?

**Answer:**

The estimated operational cost of running the completed dam is \$0.6 million per year.

**18.** How much money has been expended on consultants for the Dam project?

**Answer:**

Consultants are only engaged when the required professional expertise is not available internally or cannot be provided in a more cost effective manner.

The Government is continually looking for ways to improve its procurement policies and procedures to ensure maximum value for each dollar spent. The new "Prequalification Scheme for Performance and Management Services" is one such improvement which will provide agencies with:

- A streamlined competitive tendering process with high probity standards for external expertise across key areas of government activity
- Fee rates that represent value for money
- Quality assurance

The reforms have simplified the way consultants are engaged while maintaining competitive processes to ensure the NSW taxpayer receives the best value for money for these services.

Details of consultancy expenditure over \$30,000 will continue to be reported in agency annual reports.

**19.** How much money is it anticipated will be expended on consultants?

**Answer:**

I refer to the answer to question 18.

**20.** Please table a list of all consultants and the amount expended on each to date?

**Answer:**

I refer to the answer to question 18.

**21.** What guarantees will you give the people of the Central Coast that you will not seek a contribution by them for the cost of the construction of Tillegra Dam or from Wyong and Gosford Councils?

**Answer:**

Hunter Water will only require a contribution from Wyong and Gosford Councils if those Councils request to purchase capacity provided by Tillegra Dam in terms of



long term drought security and increased yield. Hunter Water has no components within its IPART price submission to seek a contribution directly from the people of the Central Coast.

**22.** What guarantees will you give the people of the Central Coast and Wyong and Gosford Councils that you will not seek, nor make representations to IPART that they contribute to payment for Tillegra or its continuing operation without their consent or request?

**Answer:**

Hunter Water has submitted its price submission to IPART which clearly includes no requirement for Wyong and Gosford Councils to contribute to Tillegra Dam.

***Mooney Mooney and Cheero Point sewerage connection***

**23.** Minister, residents of Mooney Mooney and Cheero Point are facing a cost in excess of \$10,000 to \$30,000 plus connection costs for sewerage. Their neighboring suburb of Brooklyn is paying only \$148 plus connection for the same service. In Brooklyn, Sydney Water and Hornsby Council subsidise the difference in cost, however the Mooney Mooney residents receive no such subsidy from Sydney Water or Gosford Council.

**Answer:**

The residents in both Brooklyn and Mooney Mooney are both required to pay the full cost of connecting their private house service to the sewerage system. Under determinations by IPART the residents of Brooklyn are required to pay a fee of \$148, whilst residents of Mooney Mooney are required to make a capital contribution. These charges have been determined by IPART, the independent pricing regulator in NSW. IPART publicly sought submissions from all interested parties and made its determinations after considering all submissions.

**24.** Representation has been made by the Shadow Minister to the previous Minister for Water, Nathan Rees, but is still awaiting a response. When do you intend to respond to this correspondence?

**Answer:**

If the Shadow Minister would forward to me a copy of the correspondence to which this question refers, I would be delighted to provide a response.

A response concerning the provision of sewerage services to Mooney Mooney and Cheero Point has been sent to the Shadow Minister. **(Suggest this would be the preferred response – file is currently marked to DDG for approval on 30/10)**

**25.** Why does it cost thousands of dollars more for homes in Mooney Mooney, some not more than a few hundred metres from their Brooklyn counterparts?

**Answer:**

The cost of providing sewerage services in Mooney Mooney and Cheero Point is not higher than in Brooklyn. The charging regime for Mooney Mooney and Cheero Point residents is determined by the independent regulator, IPART. IPART's determination results in different contribution costs, since Sydney Water spreads its costs across its entire rate base and Gosford does not. The IPART determination for Gosford is

consistent with the charging regime adopted by Gosford City Council over the last few decades.

**26.** What funding will you offer the residents of Mooney Mooney to assist them in getting the sewerage connection at a reasonable cost?

**Answer:**

The Government has already provided subsidy of \$4.68 million towards the total cost of the sewerage scheme to serve Mooney Mooney / Cheero Point, which is currently estimated by Gosford City Council at \$10.6 million. That funding is on the same basis as provided to all other local water utilities from the Country Towns Water Supply and Sewerage Program.

**27.** Will you again review the Small Towns Water and Sewerage Scheme and provide a subsidy of a greater percentage of capital cost and change the guidelines?

**Answer:**

In 2004 the Government reviewed the Country Towns Water Supply and Sewerage Program and adjusted the rules to ensure that remaining Program funds were directed to the most needy projects. The Government has no plans to reverse those 2004 changes.

***Advertising***

**28.** How much money was expended by Sydney Water on advertising from 1 July 2007 to 30 June 2008?

- a. How much was expended on TV?
- b. How much was expended on Radio?
- c. How much was expended on metropolitan newspapers?
- d. Were these ads cleared by the Auditor General?
- e. Has the Auditor General made any comment upon them?

**Answer 28 & (a)-(e):**

The NSW Government has an obligation to inform all people in NSW about their rights, obligations and entitlements.

The government may legitimately use public funds to inform the public of these rights and obligations, as well as explain government policies, programs, services and initiatives.

On 22 August 2008, the former Premier released memorandum M2008-15 NSW Government Advertising Guidelines.

This Memorandum introduces updated guidelines to reflect current government advertising policy, and to implement the recommendations of the Auditor-General following the Performance Audit of Government Advertising in 2007.

A copy of the guidelines is available from the Department of Commerce website (<http://www.advertising.nswp.commerce.nsw.gov.au/Home.htm>).

**29.** Will you supply on DVD to the Committee copies of all the TV ads, with the cost of each one?

**a.** Did the Minister approve the ads?

**b.** Who was the advertising agency?

**c.** How much was paid to the advertising agency?

**Answer 29 & (a)-(c):**

I refer to the answer to question 28.

### ***Central Coast Water Corporation***

**30.** The Central Coast Water Corporation Act 2006, which you administer, allows the Government to charge a licence fee to the Central Coast water corporation. The amount is unlimited. Minister, will you give an assurance to the people of the Central Coast that their supply system won't be used as a hidden tax to pay dividends to the Government, as is the case with Sydney water?

**Answer:**

*The Central Coast Water Corporation Act 2006* provides that the Corporation may only pay dividends to its shareholders, Gosford City Council and Wyong Shire Council. The provision in the Act for the payment of licence fees will not be used to raise taxation revenue.

**31.** Minister, unlike your predecessor, will you give an assurance to the people of the Central Coast that they will retain ownership of the water and sewerage infrastructure in Gosford City and Wyong Shire?

**Answer:**

My predecessor has stated publicly on many occasions that Gosford City Council and Wyong Shire Council will be the owners of the Central Coast Water Corporation. *The Central Coast Water Corporation Act 2006* provides that only the Councils may be shareholders in the Corporation and that the Councils cannot sell or dispose of their shares.

### ***Storm water & Recycling***

**32.** What would be the cost in metropolitan Sydney of developing a program to catch storm water and use it for non-potable purposes?

**Answer:**

It is assumed that this question focuses on stormwater which reaches the ground rather than roofwater collected in rainwater tanks, for which there are several NSW and Commonwealth funding programs.

A single cost estimate for "a stormwater recycling program" cannot be determined. Such an estimate would depend on a number of factors, including the target volume to be recycled, the end-use of the recycled water (ie industrial, commercial, irrigation or domestic) and the geographical areas to be included. The Government already has a program for improved stormwater management, which integrates beneficial use of stormwater for water conservation benefits and reduction of pollution for water quality benefits.

**33.** The Minister implied in his recent *Stateline* debate with the Leader of the Opposition that he had all the figures for this and the amount of infrastructure that would be required?

**a.** Can these be tabled?

**Answer 33 & (a):**

As an example, to capture 20% of Sydney's available stormwater runoff would require around 150 reservoirs or dams on creeks dotted around Sydney, each holding 20 million litres. A preliminary estimate of the cost of doing this is around \$5 billion (2007 dollars). More detailed figures would require extensive engineering and environmental assessment of a large number of potential projects. This work is not warranted because such costings are being revealed with new stormwater projects as they progress through concept and planning stages to commissioning.

**34.** What plans are there for the future development of storm water harvesting?

**a.** What costing has been done?

**b.** Can this be tabled?

**Answer:**

The Government will continue to review options such as stormwater harvesting as part of its adaptive approach to meeting water needs at least cost to the community.

The future development of stormwater harvesting will also be driven under the Water Sensitive Urban Design framework by innovative developers and local government, which controls 95% of the stormwater infrastructure, with support from NSW Government funding.

**a) and b) :** See answers to questions 32 and 33.

**35.** What improvements or works have you made in the last 12 months to increase recycling, especially from the Sydney outfalls?

**Answer:**

In 2007/08, Sydney Water recycled around 25 billion litres of wastewater. This is an increase of around 3 billion litres from 2006/07. Sydney Water is on track to recycle 70 billion litres per year by 2015. In 2007/08, \$46.9 million was spent on capital costs for recycling schemes. This is part of a major spend on recycling.

For example, the Wollongong Recycled Water Plant continued to make a large contribution to water recycling. Since commissioning in September 2006, the plant has supplied about 20 million litres of high-quality recycled water a day to BlueScope Steel. The plant will soon supply a further 1.6 million litres a day to additional industrial and irrigation customers.

Residential water recycling continues to increase with over 17,000 homes at Rouse Hill now supplied with recycled water. It is Australia's largest residential water recycling scheme.

Good progress is being made on other major residential recycling projects such as the Replacement Flows Project which will substitute up to 18 billion litres of drinking

water currently being released each year from Warragamba Dam into the Hawkesbury Nepean River with recycled water treated to drinking water quality. Construction has commenced on this project and recycled water is expected to be available in early 2010. The total cost of this project is about \$250 million.

Sydney Water's sewage treatment plants have continued to increase their use of recycled water on-site, reducing discharge into the ocean, creeks and rivers. Sewage treatment plants used 14,917 million litres of recycled wastewater in 2007/08, an increase of almost 12 per cent compared to 2006/07. This is more than 90 per cent of the water the plants require on site.

**36.** In relation to the Liverpool to Ashfield recycled water pipe and associated works, when will the city-wide grid, of which it is a part, be completed?

**a.** At what cost?

**b.** How much water will it supply upon completion?

**c.** How much will be charged to industrial users of the recycled water?

**Answer 36 & (a)-(c):**

The Liverpool to Ashfield pipeline was completed in May 2008 at a cost of \$130 million.

The first scheme to receive recycled water from the Liverpool Ashfield pipeline will be the Rosehill/Camellia Recycled Water Project. This project will be delivered by the private sector at an estimated cost of \$100 million and will be commissioned in 2011. The price charged to industrial customers will be negotiated with those customers. Initially the new plant will supply 4.3 billion litres of recycled water a year but output is expected to increase as further industrial customers take up supply. The Liverpool to Ashfield Pipeline can also serve areas that include Olympic Park, Rhodes and growth along the Parramatta Road corridor.

***Maintenance***

**37.** What is the total maintenance cost for all water pipes in the Sydney metropolitan area?

**Answer:**

The forecast expenditure for water pipes (mains) for 2008/09 is \$204 million. This includes capital and operating expenditure.

**38.** How much is currently spent on maintenance per year?

**Answer:**

Sydney Water's total forecast capital and operating maintenance expenditure for 2008/09 for its water and wastewater assets is approximately \$345 million.

**39.** What percentage of water is being lost due to leaking pipes and how does that compare to international best practices?

**Answer:**

Sydney Water has had an extensive program for improving leakage management in place for several years. It is easily the largest program in Australia. The level of leakage is down from 10 per cent in 2004/05 to 8.1 per cent now.

Sydney Water is investing over \$400 million over the four years from 2006 to 2009 inclusive. In 2007/08, Sydney Water spent over \$110 million on its leakage management program. Renewals to the value of around \$102 million will be undertaken in 2008/09.

This level compares favourably to major world cities. For example, Thames Water in London, United Kingdom is improving from its 15 per cent level.

**40.** Will you publish a table showing how Sydney compares to other major cities in NSW and the developed world relating to water loss through leakage?

**Answer:**

The Infrastructure Leakage Index (ILI) is one measure of how well a distribution network is managed for the control of real losses, at the current operating pressure. An index of 1.5 to 1 is considered to be excellent. Sydney Water's ILI for 2007-08 was calculated to be 1.5.

I am advised that the average for water utilities in England and Wales is 2.6 and the average for North America was 4.9.

***Staffing in Department General from Papers***

**41.** As stated in the Budget Papers, why has the number of employees with the Department of Water and Energy risen from 69 to 80?

- a.** What role do the additional staff have?
- b.** What is their grading?

**Answer:**

This increase can be attributed to the Metro Water Branch, previously part of The Cabinet Office, being transferred to the Department of Water and Energy.

**(a)** The core element of the Metro Water Branch is to prepare and oversee the implementation of the Metropolitan Water Plan, which has the following objectives:

- Increasing and diversifying Sydney's water sources to insure against drought and to serve a growing population;
- Increasing recycling to save drinking water for drinking - the volume of recycled water will rise to 70 billion litres a year and meet 12% of Sydney's water needs by 2015;
- Using water more wisely – water efficiency measures will save 145 billion litres of water a year and reduce Sydney's water needs by 24% by 2015;
- Protecting the environmental health of rivers;
- Creating a competitive and dynamic water industry to enable the private sector to be innovative and increase recycling.

The Metropolitan Water Plan is revised every four years.

**(b)** Upon being transferred, the grading of positions were:

- Senior Officer 3 (one position);
- Senior Officer 2 (two positions);

- Departmental Professional Officer VI (one position);
- A&C Grade 11/ 12 (one position);
- A& C Grade 9/10 (three positions);
- A& C Grade 10 (one position);
- A& C Grade 5/6 (one position); and
- Clerical Officer 3/4 (one position).

### ***Fines***

**42.** How many fines were issued for breaches of water restrictions?

**a.** What was the total revenue?

#### **Answer:**

Total fines issued from 1 July 2007 to 30 June 2008 was 778.

**(a)** The value of the infringement notices issued by Sydney Water is \$161,700. The money from this goes to NSW consolidated revenue.

### ***Budget Support***

**43.** Does Sydney Water give a budget support allocation by way of money, equipment (such as IT equipment) or staff to the Minister?

**a.** If so, what is the nature and cost of this support?

#### **Answer:**

**43 and a)** I refer to the answer to question 47.

**(a)** Not applicable.

### ***Staffing Levels – Minister and Department***

**44.** How many employees does the Department of Water and Energy have?

**a.** How many staff at the Dept are on SES level?

**b.** Please list the number and the levels.

**c.** How many staff are supplied by the Dept to the Minister's office?

**d.** What is their grading?

**e.** Are staff supplied by the Dept to any other Minister's office?

**f.** If so, what is their grading?

#### **Answer 44 (a) & (b):**

This information is available from the Department's annual report.

**(c)-(f)** I refer to the answer to question 47.

**45.** What was the total 2007/08 catering bill for the Dept?

#### **Answer:**

The New South Wales Government Expenses policy outlines sector-wide requirements, prohibiting the expenditure of State funds on any event that could provide predominantly personal benefit to New South Wales public sector employees.

The details of this policy are set out in Premier's Memorandum M2006-16 Out of Pocket Expenses and Christmas Season Parties.

Department and Authority Heads are responsible (and therefore accountable) to ensure that appropriate controls are exercised in this area of expenditure.

Strict guidelines apply to any expense claims related to working meals and gifts of protocol.

A copy of the Memorandum and the Guidelines are available on the Department of Premier and Cabinet web site ([www.dpc.nsw.gov.au](http://www.dpc.nsw.gov.au)).

**46.** How many corporate credit cards are in your department?

**a.** Is that more or less from last year?

**b.** What was the total bill for those cards in 2007 and so far this year in 2008?

**Answer 46 & (a) & (b):**

The Department's issuing and use of corporate credit cards is in line with Treasury Policy Paper 05-01 – *Credit Card Use Best Practice* Guide; the Audit Office's *Guide to Better Practice – Corporate Credit Cards*; and Treasurer's Directions 205.01 – 205.08.

**47.** How many Ministerial staff do you have?

**a.** Is that more or less than the previous Minister?

**b.** What is the total annual wages bill for your Ministerial staff?

**c.** How does that compare with the last financial year?

**Answer 47 & (a)-(c):**

Ministers' staff are employed by the Director General, Department of Premier and Cabinet, pursuant to the *Public Sector Employment and Management Act 2002*.

Arrangements for the employment of special temporary employees to carry out work for political office holders are the same for Ministers, Parliamentary Secretaries and the Leader of the Opposition.

Staffing of Ministers' offices follow a two-tier model of 8 and 12 staff. My office complies with the model.

### ***Staffing Levels – Sydney Water***

**48.** How many employees does Sydney Water have?

**a.** How many staff at Sydney Water are on SES level? Please list the number and the levels.

**b.** How many staff are employed as inspectors to enforce water restrictions?

**c.** How many staff are employed as maintenance?

**d.** How many staff are employed as clerical?

**e.** How many staff are supplied by Sydney Water to the Minister's office?

**f.** What is their grading?

**g.** Are staff supplied by Sydney Water to any other Minister's office?

**h.** If so, what is their grading?



**Answer:**

Staff numbers are available from Sydney Water's annual report.

**(a)** Sydney Water has no SES staff.

**(b)** 31 staff, as at 31 October 2008. These staff are deployed on other matters as well as water restrictions.

**(c)** There are 406 employees who attend to leaks and breaks. These employees make up 70 maintenance crews available to respond to leaks and breaks. Crews are available 24 hours a day, seven days a week to ensure main breaks are responded to as quickly as possible.

In addition Sydney Water has over 90 construction workers who work on large programmed maintenance and capital works projects. These workers are also available to assist the crews working on leaks and breaks when required. A further 170 mechanical and electrical trades employees and apprentices provide mechanical and electrical maintenance on Sydney Water assets and for capital and operating projects.

**(d)** 115.

**(e)-(h)** I refer to the answer to question 47.

**49.** What was the total 2007/08 catering bill for Sydney Water?

**Answer:**

The New South Wales Government Expenses policy outlines sector-wide requirements, prohibiting the expenditure of State funds on any event that could provide predominantly personal benefit to New South Wales public sector employees.

The details of this policy are set out in Premier's Memorandum M2006-16 Out of Pocket Expenses and Christmas Season Parties.

Department and Authority Heads are responsible (and therefore accountable) to ensure that appropriate controls are exercised in this area of expenditure.

Strict guidelines apply to any expense claims related to working meals and gifts of protocol.

A copy of the Memorandum and the Guidelines are available on the Department of Premier and Cabinet web site ([www.dpc.nsw.gov.au](http://www.dpc.nsw.gov.au)).

**50.** How many corporate credit cards are in Sydney Water?

**a.** Is that more or less from last year?

**b.** What was the total bill for those cards in 2007 and so far this year in 2008?

**Answer 50 &(a) & (b):**

Sydney Water does not use credit cards. Sydney Water uses Purchase Cards as a cost effective way of procuring low-value business related goods and services. Sydney Water's policy on the use of Purchase Cards complies with Treasury Policy Paper 05-01 – Credit Card Use Best Practice Guide; the Audit Office's Guide to Better Practice – Corporate Credit Cards; and Treasurer's Directions 205.01 – 205.08.

- 51.** How many staff from Sydney Water are seconded to your Ministerial office?
- a.** Is that more or less than the previous Minister?
  - b.** What is the annual cost of the seconded staff?
  - c.** Is this more or less than the previous Minister had?

**Answer 51 & (a)-(c):**

I refer to the answer to question 43.

***Staffing Levels – Hunter Water***

- 52.** How many employees does Hunter Water have?
- a.** How many staff at Hunter Water are on SES level?
  - b.** Please list the number and the levels.
  - c.** How many staff are supplied by Hunter Water to the Minister's office?
  - d.** What is their grading?
  - e.** Are staff supplied by Hunter Water to any other Minister's office?
  - f.** If so, what is their grading?

**Answer 52 & (a) & (b):**

This information is available from Hunter Water's annual report.

**(c)–(f)** I refer to the answer to question 47.

- 53.** What was the total 2007/08 catering bill for Hunter Water?

**Answer:**

The New South Wales Government Expenses policy outlines sector-wide requirements, prohibiting the expenditure of State funds on any event that could provide predominantly personal benefit to New South Wales public sector employees.

The details of this policy are set out in Premier's Memorandum M2006-16 Out of Pocket Expenses and Christmas Season Parties.

Department and Authority Heads are responsible (and therefore accountable) to ensure that appropriate controls are exercised in this area of expenditure.

Strict guidelines apply to any expense claims related to working meals and gifts of protocol.

A copy of the Memorandum and the Guidelines are available on the Department of Premier and Cabinet web site ([www.dpc.nsw.gov.au](http://www.dpc.nsw.gov.au)).

- 54.** How many corporate credit cards are in Hunter Water?
- a.** Is that more or less from last year?
  - b.** What was the total bill for those cards in 2007 and so far this year in 2008?

**Answer:**

Hunter Water does not use credit cards. Hunter Water uses Purchase Cards as a cost effective way of procuring low-value business related goods and services. Hunter Water's policy on the use of Purchase Cards complies with Treasury Policy

Paper 05-01 – Credit Card Use Best Practice Guide; the Audit Office's Guide to Better Practice – Corporate Credit Cards; and Treasurer's Directions 205.01 – 205.08.

- a. It is 23 more than last year.
- b. Expenditure in 2007 was \$417,792.03. For 2008, as at 25 October expenditure was \$482, 554.85.

**55.** How many staff from Hunter Water are seconded to your Ministerial office?

- a. Is that more or less than the previous Minister?
- b. What is the annual cost of the seconded staff?
- c. Is this more or less than the previous Minister had?

**Answer 55 & (a)-(c):**

I refer to the answer to question 47.

**56.** How many indigenous staff are employed by your Department, Sydney Water and Hunter Water? Please list separately.

- a. What percentage does this represent of overall staffing for each?
- b. Have you met your benchmarks for the employment of Indigenous staff levels for each?

**Answer:**

DWE has eight staff who have identified themselves as indigenous.

Hunter Water has three staff who have identified themselves as indigenous.

For 2007/08, 27 Aboriginal people and Torres Strait Islanders (including 3 cadets) were employed by Sydney Water.

a Within DWE this represents 1.2%.

Within Hunter Water this represents 0.7%.

Within Sydney Water, this represents 0.84 per cent.

The total numbers may well be more, as some staff do not volunteer personal information.

b The benchmark is 2%.

The Department and Corporations have recruitment and employment policies and practices that are conducive to working towards achievement of the benchmarks set by the Department of Premier and Cabinet.

DWE's percentage is expected to increase by another 0.2% with our next graduate recruitment intake.

Sydney Water advertised roles with the Aboriginal Employment Strategy, a not-for-profit organisation that specialises in placing and mentoring Aboriginal people into employment. During 2008/09, Sydney Water is working with Aboriginal communities and organisations such as Biami and the Aboriginal Employment Strategy to increase employment opportunities. In addition, Sydney Water plans to increase Aboriginal and Torres Strait Islander participation in traineeships and apprenticeships

**57.** How many people with disabilities does your Department, Sydney Water and Hunter Water employ? Please list separately.

- a. What percentage does this represent of the overall staffing by each?
- b. Have you met your benchmarks for the employment of people with disabilities for each?

**Answer:**

DWE has 27 people that have self identified as having a disability.  
Hunter Water has 22 people who have self-identified as having a disability.  
For 2007/08, 127 people with a disability were employed by Sydney Water.

**a.** Within DWE, this represents approximately 4%.

Within Hunter Water this represents 4.9%.

Within Sydney Water this represents 3.9 per cent.

**b.** The Department and Corporations have recruitment and employment policies and practices that are conducive to working towards achievement of the benchmarks set by the Department of Premier and Cabinet.

The benchmark is 12%, however not everyone self identifies themselves with a disability.

It is the intention of DWE to run an awareness campaign and then resurvey all staff in early 2009, which will give a better indication.

Not all Sydney Water jobs are suitable for people with a disability. During 2008/09, Sydney Water will develop a Disability Work Placement Program by establishing relations with disability employment agencies and increase employment opportunities for people living with a disability

***Rebates & DIY Water Saving Kits***

**58.** How many claimants have there been under the Rainwater Tank Rebate Scheme?

**a.** How much had been paid out?

**b.** How many Do It Yourself Water Savings Kits have been distributed by Sydney Water? At what cost?

**Answer:**

**58 & (a)** These questions should be directed to the Minister for Climate Change and the Environment.

**(b)** 60,353 DIY kits were distributed at a cost of \$753,000. This program is now estimated to be saving 934 million litres per year.

***Water Allocations***

**59.** How much General/Low security water allocation does NSW now own through various Government agencies?

**a.** How much High security water does NSW now own through various Government agencies?

**b.** Do the various Government agencies that own this water pay fixed charges to State Water?

**Answer 59 & (a)-(b):**

It should be noted that the Department of Water and Energy is not directly involved in any water purchasing programs. Accordingly, this question should be directed to the relevant Ministers.

**60.** In July this year, former Premier Iemma announced a feasibility study into a proposal by CENTROC to build a water pipeline through the Orange region. Is this feasibility study underway?

- a.** If so, is it complete?
- b.** If not when will it be completed?

**Answer:**

The Central Regional Organisation of Councils (CENTROC) has recently undertaken an open tender process for a consultant to undertake the feasibility study. The successful tenderer, MWH Consulting, was announced in early November.

- a.** not applicable
- b.** The feasibility study is scheduled for completion in late June 2009.

***Regional development***

**61.** What measures does the Government have in place, or have in development which will reduce the significant loss of population from inland NSW which has been experienced, particularly over the last three years due to the ongoing effects of drought?

**Answer:**

The Government's regional development programs and initiatives are helping address economic challenges in regional areas by attracting investment and job creation projects. The ability of those projects to create employment opportunities is critical to ensuring people stay in the regions.

Programs include:

- the Regional Business Development Scheme which assists firms from domestic and offshore locations to start-up, expand in, or relocate to regional areas;
- the Business Drought Assistance Program which helps regional firms to retain workers for the duration of the drought and implement business improvement or recovery strategies or diversify their operations; and
- the Regional Economic Transition Scheme which aims to attract new investment and sustainable jobs in regions affected by structural adjustment.

A range of activities are also undertaken through the Department of State and Regional Development to promote regional locations as a viable destination for business and the skilled personnel required for their operation. Activities are focussed on attracting investors and skilled workers to regional areas, as well as business matching and market exposure for industries in regional areas.

The Department of State and Regional Development constantly reviews its range of programs and services to meet the needs of regional locations

**62.** What costs does the Government incur through funding the Country Embassy on level 13 of the MLC centre?

- a.** What revenue is returned to the Government through this venture?
- b.** What is the purpose of the Embassy?
- c.** When was it established?
- d.** How is it promoted to country business people for their use?

- e. What feedback has been received from business people who have used it?
- f. Who uses it?
- g. What benefit is derived from having it located in the MLC Centre, and might another venue better suit its purpose?
- h. How many staff are employed through this venture?
- i. How often is it used?

**Answer:**

The NSW Trade and Investment Centre and Country Embassy is located on Level 47 of the MLC Centre and costs approximately \$1,208,000 per annum including rental, staffing and operational costs.

**a** The revenue charged for room hire to commercial and government organizations amounts to \$120,000 annually.

**b** The NSW Trade & Investment Centre and Country Embassy provides a venue and services for events that encourage business investment and expansion in metropolitan and regional NSW. The Centre delivers events that support the programs of the Department of State and Regional Development. It also has clients from the private sector that are involved in winning new business activity for NSW. Room hire fees are charged for these users.

**c** It was established in the early 1990's and was originally located in the State Office Block in Phillip Street and moved to Grosvenor Place in 1995.

**d** The Centre is promoted through the regional offices of the Department of State and Regional Development and through a number of marketing programs and the website. It provides businesses and organisations throughout NSW with a venue in the CBD that offers every possible advantage to promote new business, industry and investment for the State. Regional clients are not charged room fees. The Centre also provides a popular base for local government organisations wanting to promote community and economic development opportunities and activities such as the Country Mayors Association and Shoalhaven City Council.

In the past twelve months the following regional businesses and organisations have used the Centre: EcoCity Farm, Office of Rural Communities, Bed, Breakfast and Farm-stay Association, University of Wollongong, Office of Rural Affairs, Newcastle Port Corporation, Cootamundra Oil Seeds, Hunter Data Centre, Poacher's Pantry, Regional Arts NSW, BOA NSW (Backpackers' Operators Association), Regional Development Advisory Council, NSW Food Authority, Milk Marketing NSW, NSW Department of Primary Industries, Lovedale Vignerons Association, Dairy Farmers NSW, Misteltoe Wines, Riverina Food and Wine Association, Poultry Meat Committee, Riverina Oil and Bio Energy, Organic Wine Association of Australia, Kangaroo Industry Association of Australia, Tamberlaine Wines, the Sydney International Fine Food Festival, Good Food Month and the NSW Pork Industry.

**e** The Centre frequently receives positive feedback from internal and external clients praising both the venue and the level of client service provided.

**f** It is used by the Divisions of DSRD, commercial clients and other NSW agencies. Within DSRD it is used to support meetings and events for programs in investment attraction, industry development and innovation, small business development, export

promotion and regional development. Tourism NSW and the Office of Science and Medical Research (OSMR) use the Centre for tourism promotion meetings and OSMR for scientific and medical research meetings.

**g** The Centre was relocated to the MLC Centre from Grosvenor Place in 2005 when the Department of State and Regional Development consolidated its accommodation. Many visitors, particularly regional clients, cite the central location and proximity to public transport as a significant benefit as well as providing convenient access to DSRD staff.

**h** The Centre has a Manager and Coordinator as well as three Customer Service Officers. It also shares two receptionist and switchboard operator positions.

**i** The Centre delivers almost 2,400 events annually, an average of 50 events each week. These can range from one on one small meetings to large events with over 150 guests. Last year the Centre hosted 37,000 visitors.

**63.** What programs does the Government have in place to ensure the flow of skilled migrants to regional NSW to overcome specific skills shortages?

**Answer:**

In November 2005, the then Premier announced the *NSW Drive for Talent Program*, an expansion of the Government's efforts to attract skilled migrants to regional NSW, as well as to Sydney.

As part of the Drive for Talent initiative, the Department of State and Regional Development has participated in Skills Expos in Asia, the UK, Ireland and in Sydney to attract skilled migrants to Sydney and regional NSW.

The Department joined the Commonwealth Government's skills expo at Australia House in London in March 2008 where it met 250 skilled workers of whom between 50 and 75 are expected to migrate to NSW.

The Department sponsored the Illawarra Regional Development Board to attend the Work Worldwide expos in London and Manchester in March 2008. These expos were attended by over 3,000 people. 300 potential skilled migrants visited the NSW/Illawarra stand and over 150 of these people have since sent their CV to the Illawarra Regional Development Board for assessment.

The Department supported the Murray Regional Development Board to attend the Opportunities Australia migration expo in Leeds in October 2008. In November 2008 the C Change (Country Change) Bureau will be promoting employment opportunities in the Riverina and Murray regions at the Work Worldwide migration expos in Manchester and London.

The Department has supported several NSW Regional Development Boards to participate in two migration expos in Sydney which attracted over 12,000 overseas students, working holiday makers and other temporary visa holders interested in staying in NSW on a long term basis.

During 2007/08, NSW Regional Development Boards and other regional organisations certified or sponsored 575 visa applications under regional migration

programs. These migrants bring a range of skills in demand in regional NSW including in the professions (45%) trades (33%) and in management (10%).