



8 June 2006

Legislative Council  
General Purpose Standing Committee No 5

**REPORT ON A SUSTAINABLE WATER SUPPLY  
FOR SYDNEY**

The Chair of the Legislative Council General Purpose Standing Committee No 5, Mr Ian Cohen MLC, today tabled the Committee's report on a sustainable water supply for Sydney.

The Committee initially adopted its inquiry into a sustainable water supply for Sydney in response to the Government's decision to construct a desalination plant at Kurnell. Subsequently, following the Government's decision to defer indefinitely construction of the desalination plant, the Committee's inquiry shifted to broader issues of water management in Sydney.

Commenting on the report, Mr Cohen observed: 'The ongoing drought and reduction in Sydney's water catchments in recent years has brought the issue of better and more sustainable water use in Sydney into sharp relief. Clearly, Sydney needs to adopt longer-term and more socially and environmentally sustainable water management practices, as opposed to the old method of harvesting water from the Hawkesbury-Nepean and Shoalhaven rivers, using it once, and then disposing of it in the ocean.'

With the adoption of good water management practices, the Committee believes that the likelihood of the Government ever needing to construct a desalination plant is small.

The Committee also finds in its report:

- There are clearly opportunities for Sydney to reuse wastewater, especially through recycling for industrial and agricultural use. The water reclamation and management scheme at Sydney Olympic Park and the Rouse Hill water recycling project are good examples of non-potable water reuse.
- The current cost of water to Sydneysiders does not reflect its value as a scarce resource. Accordingly, the Committee urges the Independent Pricing and Regulatory Tribunal to continue down its current path of pricing water to reflect rates of usage, with appropriate safeguards for the economically vulnerable.
- The capturing of large amounts of water in dams such as Warragamba and Tallowa to supply water to Sydney has entailed significant environmental costs to the Hawkesbury-Nepean and lower Shoalhaven Rivers. The finalisation of a water sharing plan to return environmental flows to both rivers is a matter of urgency.

I would like to recognise the contribution of all those who participated in this inquiry – especially those parties that made submissions and gave their valuable time to appear at the Committee's hearings. The value and quality of these contributions was very high.

The report, which includes 22 recommendations, is available on the Committee's web site at [www.parliament.nsw.gov.au/gpsc5](http://www.parliament.nsw.gov.au/gpsc5). The Committee awaits the Government's response with interest.

*For further information please contact the Committee Secretariat on (02) 9230 3544 or for comment, please contact Ian Cohen MLC, Chair of the GPSC 5 on (02) 9230 2603*

## Summary of Recommendations

**Recommendation 1** 46

That Sydney Water institute a regular liaison and information sharing process with the local councils and community groups near the Kurnell desalination plant site.

**Recommendation 2** 47

That the Minister for Planning remove the critical infrastructure status from the Kurnell desalination project.

**Recommendation 3** 47

That the Government commit to developing additional green energy generation capacity equal to the demand of the desalination plant, if it is ever built.

**Recommendation 4** 48

That Sydney Water develop, undertake and include in the Environmental Assessment (or replacement document) further analysis on the impact of seawater concentrate discharges on water quality and aquatic ecology.

**Recommendation 5** 49

That, as part of the planning process for the desalination plant, Sydney Water undertake and report on opportunities for accepting and making use of waste water from nearby industrial plants.

**Recommendation 6** 76

That Sydney Water consider utilising further housing developments to replicate the success of the water recycling project at Rouse Hill.

**Recommendation 7** 76

That Sydney Water consider a different structure of incentives for households that choose to install a rainwater tank, including subsidised professional instalment and maintenance costs.

**Recommendation 8** 77

That Sydney Water continue to develop its Active Leakage Reduction program and publish estimates of both the number of leaks in the system and their subsequent reduction.

**Recommendation 9** 77

That Sydney Water develop transparent measures through which to weigh the costs and benefits to the community of private involvement in water reuse initiatives.

**Recommendation 10** 93

That, during its next round of deliberations, the Independent Pricing and Regulatory Tribunal consider altering the price structure of water further in favour of variable costs over fixed ones. This may require the Government to investigate appropriate subsidies or other forms of assistance for the economically vulnerable.

- Recommendation 11** 93  
That Sydney Water produce a quarterly water bill that informs consumers of their water costs compared to the average consumed by similar households in the community, based on the national guidelines currently being developed by the Council of Australian Governments.
- Recommendation 12** 93  
That the Government expand and diversify its current community education campaigns to inform the community of the value of continuing commonsense and practical water conservation behaviours even in non-drought times.
- Recommendation 13** 94  
That Sydney Water allocate revenue from the sale of water over and above the water saving operating targets to the Water Savings Fund.
- Recommendation 14** 94  
That the NSW Department of Planning continue to monitor the success of the Building Sustainability Index, with a view to technological progress and the potential for the Building Sustainability Index to be expanded.
- Recommendation 15** 95  
That Sydney Water trial individual household water readings in high density housing, if possible in conjunction with simultaneous reading of gas and electricity meters, and that a cost benefit analysis of this trial be undertaken.
- Recommendation 16** 112  
That the Department of Natural Resources, as a matter of urgency, finalise the water sharing plan for the Sydney region, including allocations of environmental flows to the Hawkesbury-Nepean and Shoalhaven Rivers.
- Recommendation 17** 112  
That the Department of Natural Resources ensure that adequate environmental flows are restored to the Hawkesbury-Nepean River, in line with a finalised water sharing plan for the Sydney region.
- Recommendation 18** 113  
That the Department of Natural Resources ensure that adequate environmental flows are restored to the Shoalhaven River, in line with a finalised water sharing plan for the Sydney region.
- Recommendation 19** 113  
That the Government undertake a cost/benefit analysis of installing renewable energy resources to match the amount of electricity used to transfer water from the Shoalhaven to the Nepean and Warragamba Dams.
- Recommendation 20** 122  
That the Government apply a broader cost benefit analysis of the economic, social and environmental costs and benefits of water management options when developing Sydney's future Metropolitan Water Plans.

**Recommendation 21**

**123**

That the recommendations of the Metropolitan Water Independent Review Panel on all metropolitan water planning matters be made publicly available, together with a response from Sydney Water.

**Recommendation 22**

**123**

That Sydney Water and the Metropolitan Water Independent Review Panel engage with local councils when consulting on metropolitan water planning strategies for Sydney.