



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 5

BUDGET ESTIMATES 2009-2010

QUESTIONS ON NOTICE

General Purpose Standing Committee No. 5

Water, Regional Development

Friday 18 September 2009

Answers to be lodged by: Wednesday 14 October 2009

Budget Estimates Secretariat
Telephone 9230 3528
Fax 9230 2981
budget.estimateds@parliament.nsw.gov.au

Hearing date	Portfolio	Answer to be lodged by
17 September 2009	Primary Industries, Mineral Resources	13 October 2009 [21 days]
17 September 2009	Commerce	13 October 2009 [21 days]
17 September 2009	Climate Change and the Environment	13 October 2009 [21 days]
18 September 2009	Energy	14 October 2009 [21 days]
18 September 2009	State Development	14 October 2009 [21 days]
18 September 2009	Water, Regional Development	14 October 2009 [21 days]
18 September 2009	Housing, Western Sydney	14 October 2009 [21 days]

Questions relating to the portfolios of Water and Regional Development

18 September 2009, 2.00 pm – 4.15 pm

Questions from Dr Kaye

1. Why is the Hunter Region not required to have the same demand management and water efficiency measures, or Water Wise Rules, as Sydney and many other urban areas in NSW and Australia?
2. Why did the Minister announce that Central Coast customers would not be paying for Tillegra Dam in January 2009?
3. How much will Hunter Water ratepayers be paying towards Tillegra Dam in the next round of IPART pricing from 2012 to 2017?
4. Why is heavy industry given bulk water discounts for using potable water in the Hunter Region?
5. Why did the Minister regazette the Tillegra Dam proposal as a Critical Infrastructure Project under section 75C of the Environment Planning and Assessment Act 1979 on 22 May 2009 when new reports have shown that dam is not needed?
6. Can the Minister explain why Hunter Water sent a letter to Dungog Council in April 2004 telling them to proceed with a \$1 million investment in a local bridge as the proposed Tillegra Dam was not on its 20 year planning horizon?
7. Figures from the independent SKM Report commissioned by IPART show that Tillegra would be an absurd level of drought security. How does the Minister justify the \$477 million needed for the dam when the Hunter has a 1 in 10,000 year chance of storages falling to 5%?
8. How can the Minister justify using \$477 million of the state's borrowing capacity to build a white elephant when areas like health, roads, rail, and education are all screaming for capital expenditure?
9. Dungog Council has passed a unanimous motion for an Upper House inquiry into the need for the proposed Tillegra Dam. As Hunter Water and the NSW Government have not been able to produce a single document to justify the need for this \$477 million infrastructure, will the Minister agree to a transparent investigation into the dam's need?
10. Can the Minister explain why Hunter Water personnel were dishonest with the Tillegra Dam Community Reference Group and Hunter community over the critical infrastructure gazetting of the proposed Tillegra Dam?
 - a. Does the Minister consider their behaviour a breach of the state owned Corporation Act?
11. Can the Minister explain why Hunter Water is being investigated by the Ombudsman over their FOI actions in relation to the proposed Tillegra Dam?

12. Can the Minister explain why, in a radio interview on Newcastle's 2HD, he told listeners that the proposed Tillegra Dam would create up to 1850 jobs, when an FOI application by the Nationals has proved this to be untrue? (280 jobs and up to 5 long term jobs)
13. Presently there are 13,000 Hunter residents on partial payments, struggling to pay their water bills. Why is the Minister wasting \$477 million of the taxpayer's money when water specialists are saying that there are cheaper and better alternatives?
14. Why would Hunter Water executive apply for a critical infrastructure gazetting of the proposed Tillegra Dam?
15. When Hunter Water applied for a critical infrastructure gazetting to the Department of Planning, it noted: Such a declaration is considered sensible by Hunter Water, as it reduces the risk of project delays and increased costs on the assumption that government will finalise the required planning approval. What are the Minister's comments in relation to this statement?
16. Why hasn't the Minister explained which parts of the Institute for Sustainable Futures Report on the proposed Tillegra Dam he disagrees with?

Questions from Ms Pavey

17. Desalination Plant
 - a. What are the estimated retail prices of water from the desalination plant produced with (a) black electricity and (b) green electricity?
 - b. What is the projected carbon footprint of the desalination plant when it is operating on black electricity?
18. Recycled Water
 - a. Given that both the 2007 and 2008 Progress Reports on the Metropolitan Water Plan both state that the projected water saving for 2008/09 is 31 billion litres and that for 2009/10 is about 44 billion litres of water, why does the latest information of the Sydney Water Web Site indicate that the water saving for 2008/09 is only 25 billion litres?
 - b. Is the advanced water treatment plant at St Marys on budget and on time and what is its scheduled completion date?
19. Consultants
 - a. How many consultants, on Water Portfolio issues, has the Department of Climate Change the Environment and Water and its predecessors engaged since 8 September 2008?
 - b. What are the names of each of these consultants and/or their companies?
 - c. How much was each consultant paid?
 - d. On what specialist projects were each of these consultants employed?
 - e. Which of these consultants did the Minister directly appoint and which were appointed by way of a public tender process?
 - f. If directly appointed what were the specific professional qualifications upon which the appointment was made?
20. Water Embargo
 - a. What specific conditions must Victoria meet before the NSW embargo will be lifted?
 - b. Given reports in the media that the Victorian Parliament is likely to lift the 10% cap on the volume of water entitlements that can be purchased by licence holders outside of Victoria,

will you review the embargo on the further sales of water licences to the Federal Government Water Buy Back Scheme?

- c. What is the status of your discussions with the Federal government to come to an agreement about a volumetric allocation of water that can be purchased from each State as part of the Federal government's Water Buy Back Scheme?

21. Diverting Water Inland

- a. When was the most recent study of the feasibility of turning waters from northern NSW rivers, such as the Clarence, inland to provide additional flows into the Murray Darling basin undertaken?
- b. What was the outcome of this report, its costings and did it recommend any specific locations or routes for pipelines?

Questions from Mr Cohen

22. Water Management Act Compliance/Metering

- a. According to the Department of Water and Energy Annual Report, there hasn't been a single prosecution for non-compliance over the last four years and only one licence suspension. Considering there are roughly 117,000 water licences managed by DWE, is the Minister satisfied with the enforcement capacity of the Department?

23. Cap and Pipe the Bores Program

- a. How successful has the Cap and Pipe the Bores Program been this year in reducing water loss to the basin?
 - i. Could the Minister confirm that in the first four years of the program 24GL was saved and the end of 2009 would save 47GL?
 - ii. If this correct this would mean 23GL would have been saved over 2009. What would account for this disproportionate savings in 2009?
- b. Can the Minister confirm that the pressure of the Great Artesian Basin has gone up since the start of the Cap and Pipe program, as opposed to the pressure just going down at a slower rate?
 - i. How much of this might just be attributed to increases in rainfall since the worst of the drought rather than the program itself?
- c. Will the Minister indicate what price was paid for the 1.2 GL of water sold off at the Walgett auction in July this year?
- d. Will the Minister detail how auction proceeds will be spent, and how future funds from similar auctions, if they go ahead, will also be applied?
- e. Under the Cap and Pipe the Bores program farmers have to pay for one half of the costs of projects. In light of this, has the Minister consulted with any farmers unhappy about the auction prior to and after the auction?
 - i. If yes, how will the Minister be responding to these farmers?
- f. Is the Minister concerned about the reaction of farmers participating in the program to the Walgett auction? Is the Minister concerned that the auctioning might deter future program participation given that many farmers have said on the record that they wouldn't have spent their money if they had known that the savings would be sold off?
- g. Will the Minister give an update on the progress of negotiations with the Commonwealth to extend the program for a further five years?
- h. If the program is to be extended, can he give any details of what changes there might be in relation to funding arrangements?

24. Cold water pollution

- a. Has State Water implemented the operating protocols for dams with multi-level offtakes mentioned on page 70 of the 2007/2008 State Water Annual Report?
 - i. If not, why not?
- b. How was the development of the operating protocols funded?
- c. Would State Water have the financial capacity to contribute to costs associated with cold water pollution attenuation or share the cost burden with water extractors?
- d. When reporting performance against the operating protocols, State Water must take into account the 'Guidelines for Managing Cold Water Releases from High Priority Dams'. Are the guidelines publicly available?
 - i. If not, would the Minister object to placing these guidelines on the State Water website?
- e. Would you also provide an outline of proposed activities of the Cold Water Pollution Inter Agency Group, along with their notional costs?

25. Snowy Hydro Water Licence

- a. Have you received the Snowy Hydro Water Licence Review Report and the Collation of Proposed Licence Variations from the Corporate Licencing Unit of what used to be Dept of Water and Energy?
 - i. If yes, when can we expect these reports to be approved by you?
 - ii. If no, have you asked the Corporate Licencing Unit what is holding up their presentation of the report to you?
- b. The Federal Minister for Water, Senator Penny Wong indicated on the 25th June 2009 that she wrote to you requesting that the draft outcomes of the review of the Snowy Water Licence be released as soon as possible. Minister have you responded to the Federal Minister?
 - i. If yes, what was the nature of your response?
- c. As of June 2009 what was the total entitlements in gigalitres recovered in NSW by Water for Rivers for the Snowy River?
 - i. Of the total entitlements recovered in NSW by Water for Rivers, how many gigalitres of entitlements were high security entitlements?
- d. What was the average unregulated flow over Mowamba and Cobbon creek weirs prior to the decommissioning of Mowamba Aqueduct in August 2002?
- e. What was the average diverted flow of the Moonbah River via Mowamba Aqueduct into Jindabyne Dam prior to the decommissioning of Mowamba Aqueduct in August 2002?
- f. The Engineering Features of the Snowy Mountains Scheme SMHEA 1993 p114, lists the diversion capacity of Mowamba Aqueduct as 4.8 m³/s, the Snowy Water Licence 2002, p.42, lists the diversion capacity of Mowamba Aqueduct as 6.0m³/s. How and when was the capacity at discharge of Mowamba Aqueduct increased?
- g. In which year and which month were the dry inflow sequence provisions in the Snowy Water Licence triggered?
- h. Would the Minister please provide the complete details of the calculation of the Dry Inflow Sequence Volumes equation (Snowy water Licence Schedule Four, s. 8.1) which triggered the provisions?
- i. Would the Minister please explain how the triggering of the dry inflow provisions specifically affected the repayment of the Mowamba Borrowings Account?

26. Weir Removal and Ownership

- a. In 2007 a Transfer Vesting Order to transfer ownership of unregulated river weirs from Department of Natural Resources to State Water was completed. What percentage of weirs in NSW does State Water now own? Which Government agency owns or has control of the remaining weirs?
- b. Would the Minister advise of the structures (weir names) that have potential to be removed, those that will be maintained and those that may require fish passage works under the State Water Total Asset Management Program (TAMP)?
- c. Would the Minister object to the Total Asset Management Program been available on the State Water website?
- d. Target 23B in the State Water Management Outcomes Plan is to remove at least 10 priority weirs or structurally modify 15 priority weirs. Assuming the funding for the 5 year works program is available from the Community Service Obligation Fund which weirs will be prioritized in the 5 year works program and at what expected cost for each weir?
- e. If funding is not available through the Community Service Obligation Fund for the 5 year works program what alternative funding sources will the Minister consider?
- f. Will the Department be issuing a new State Water Management Outcomes Plan?
 - i. If no, would the Minister seek to incorporate State Water Management Outcomes Plan targets into State Water's licence?

27. Office of the Hawkesbury-Nepean

- a. Will the Minister outline some of the projects the office is undertaking this year?

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