NEW SOUTH WALES

Minister for Climate Change, Environment and Water

MD07/2575
D07/1115

Mr Mick Gentleman MLA
Chair
Standing Committee on Planning and Environment
Legislative Assembly for the Australian Capital Territory
GPO Box 1020
CANBERRA ACT 2603

Dear Mr Gentleman

Thank you for your letter of 20 June 2007 providing an opportunity to provide a submission to your Committee's Inquiry into water use and management in the ACT.

NSW has undergone a long-term water reform process over the last 15 years. Major steps in this process have included the Council of Australian Governments' 1994 reforms, the passage of the *Water Management Act 2000*, the commencement of water sharing plans covering 90 per cent of the water used in NSW, and the Metropolitan Water Plan which secures Sydney's water supply in the long term. The NSW Government's ongoing commitment has been recently reaffirmed through the NSW State Plan. Implementation of State Plan Priority E1, *A Secure and Sustainable Water Supply for All Users*, will continue and extend the water reforms for another 10 years.

The NSW Government has invested a great deal of time, effort and resources in these reforms, because water management is a critical issue of public policy, and I congratulate your Parliament on conducting an inquiry into such a vital issue.

However, as many of the terms of reference of your inquiry are local matters of concern to the ACT Parliament, it is not necessary or appropriate for me to comment on those issues. In relation to the remaining terms of reference, I trust the attached information of activities currently underway in NSW may be of interest to your Committee.

Should you have any further queries regarding this matter, I have arranged for Mr David Harriss, Deputy Director-General of the Department of Water and Energy to assist. Mr Harriss can be contacted on (02) 6024 8843.

Yours sincerely

18 SEP 2007

Phil Koperberg

Level 25, 59-61 Goulburn Street, SYDNEY NSW 2000
Phone: 02 9995 6750 **Fax:** 02 9995 6654

Postal: PO Box A290, SYDNEY SOUTH NSW 1232
Email: office@koperberg.minister.nsw.gov.au

ACT Legislative Assembly Standing Committee on Planning and Environment - inquiry into water use and management in the ACT – Comments by New South Wales Government

Term of Reference A: *Likely impacts of climate change on water resources available to the ACT*

The CSIRO, Bureau of Meteorology and others have undertaken a range of work to examine the potential impacts of climate change on water resources at a national level. Whilst this work is useful, such broad scale scenarios cannot necessarily be applied directly to all water supply systems and it is important to examine the likely impacts at a more localised scale.

In relation to Sydney, NSW water agencies, in collaboration with the Australian Greenhouse Office, the University of NSW and CSIRO, are undertaking a project entitled *Climate change and its impacts on water supply and demand in Sydney*. The project is due to be completed by the end of 2008.

Key outputs expected from the project include:

- Refined climate projections for the greater Sydney region, which are expected to better reflect the local drivers of Sydney's climate than can projections prepared for larger areas, such as NSW or Australia as a whole;
- A refined understanding of how climate change might impact on rainfall runoff into Sydney's major water storages in the Hawkesbury-Nepean, Shoalhaven and Georges River catchments, and how this will affect the water supply system yield
- Novel research into the possible impacts of climate and climate change on urban water demand
- Appropriate adaptation responses for addressing the possible impacts of climate change on Sydney's water balance as part of a risk management framework, via periodic reviews of the NSW Government's *Metropolitan Water Plan*.

It is anticipated that these outputs will inform the future iterations of the NSW Government's *Metropolitan Water Plan* for Sydney.

Term of Reference C: *International best practice principles and priorities for urban water management suitable for the ACT*

In NSW, a range of approaches have been employed to ensure best practice urban water management. These include:

- The application of Integrated Water Cycle Management (IWCM) to ensure that urban water management takes into account the different elements of the water cycle, including water supply, stormwater and waste water.

Further information on the application of IWCM in NSW can be found at http://www.dwe.nsw.gov.au/;

- The commissioning of independent experts to advise on options for meeting Sydney's future water needs. Their analysis underpinned the development of the 2006 Metropolitan Water Plan, which can be viewed at http://www.waterforlife.nsw.gov.au; and
- The appointment of a Metropolitan Water Independent Review Panel to provide expert advice on how the 2006 Metropolitan Water Plan is progressing and whether there is a need to adapt it due to new information and changing circumstances. Their most recent advice can be viewed at http://www.waterforlife.nsw.gov.au/about_water_for_life/metropolitan_water_plan/independent_review_panel

Term of Reference G: ***The relative financial, environmental and potential health impacts of water capture and reuse practices***

In NSW's experience, there are a range of matters which affect the uptake of recycled water schemes. These include, but are not limited to:

- the appropriate quality of recycled water required to protect public health and the environment;
- the potential for recycled water to substitute for existing uses of potable water such as environmental flows and industrial processes;
- the feasibility of constructing dual reticulation piping to separate drinking water from recycled water in residential developments;
- developing an appropriate regulatory regime for recycled water schemes;
- the use of incentives, such as funding assistance, to make recycled water and reuse projects more economically viable; and
- community consultation and education to increase understanding and acceptance of recycled water projects.

In NSW, recycled water is an integral part of ensuring a sustainable water supply. By integrating recycling with other objectives, water recycling can become more cost effective, and increased use of recycled water can significantly reduce demand for potable water.

Under the NSW State Plan, the NSW Government has committed to increasing recycling in the Sydney metropolitan area. In the Sydney metropolitan area, a range of water recycling and reuse projects are underway, including a number of large scale recycling projects, such as Australia's largest residential recycling scheme at Rouse Hill, and the Sydney Recycled Water Grid.

In addition to undertaking large scale water recycling projects through public bodies, the NSW Government is assisting with the funding of recycled water projects by the private sector. For example, the Government's $135 million Water Savings Fund (now known as the Climate Change Fund) has allocated more than $55 million to 99 stormwater harvesting, efficiency, groundwater and

recycling projects, which will save more than 12 billion litres of water a year. More recently, the Government has announced a $100 million Recycling and Stormwater Harvesting Program to assist in implementing the Sydney Recycled Water Grid. This program will further facilitate the implementation of private recycled water schemes by increasing their financial viability. This project is also part of the broader $310 million Climate Change Fund, details of which can be found at http://www.environment.nsw.gov.au/grants/ccfund.htm

In summary, given that NSW governs some of the catchments upstream from the ACT, and the ACT governs some catchments upstream from NSW, it is important that we continue to share our experience in order to provide a sustainable and secure supply to our respective consumers.