

## *NSW Productivity Commission Green Paper, Water section.*

### **Draft recommendation 5.1: Set a vision and a plan for water**

Outline the long-term vision for the whole water sector (including rural water, wastewater, stormwater, flood management) and develop a plan to meet the challenges facing the sector.

### **Draft recommendation 5.2: Issue Statements of Expectations**

Issue Statements of Expectations to state-owned water corporations to provide clear guidance on the Government's plans and direction.

### **Draft recommendation 5.3: Fight fragmentation in NSW water services**

Bring together leaders from all key NSW water sector organisations to coordinate and deliver the vision outlined in the planned state water strategy.

Identify more permanent governance measures to solve the fragmentation of water responsibilities across New South Wales.

Draw on the experience of the Infrastructure NSW South Creek Sector Review to identify other areas in New South Wales that would benefit from integrated land use and water planning.

### **Draft recommendation 5.4: Improve wastewater pricing**

Sydney Water should continue to work with IPART to estimate long-run marginal costs for its wastewater catchment areas and consider implications for pricing.

### **Draft recommendation 5.5: Engage on water recycling**

Coordinate with state-owned water corporations to develop and implement a public engagement program for recycled water. **Explore the establishment of a Demonstration Plant in Sydney to help people understand the water cycle.**

### **Draft recommendation 5.6: Assess alternatives for local water utilities**

Identify and assess alternative models to help local water utilities meet quality and reliability standards.

### **Draft recommendation 5.7: Monitor and refine scarcity pricing**

Monitor the effectiveness and efficiency of the new Sydney Water scarcity pricing model in managing demand and use this to guide water demand management policy.

[ From : [Water & Energy | Commissioner for Productivity \(nsw.gov.au\)](#) ]

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## **Executive Summary: Water Section:**

Water Population growth and rainfall variability will continue to challenge the water sector. Better water management can ensure households and businesses continue to have access to safe, reliable and affordable water services.

### **Key findings:**

The water sector's functions are spread across a number of agencies and corporations. That makes coordinated long-term decision-making harder.

Integrated water cycle management can achieve better economic, social and environmental outcomes—but some barriers still remain to its uptake in New South Wales.

Many regional water utilities face operational challenges because they are small and remote, and cover large areas.


Managing demand for water can ease supply pressures, but it can also have social and economic costs.

### **Summary of draft recommendations:**

- Improve governance by setting a vision and a plan for the sector, clarifying roles and responsibilities, and improving collaboration and cooperation (Recommendations 5.1-5.3).
- Remove unjustified barriers to water recycling to 'keep all options on the table' for safe, affordable and reliable water services (Recommendations 5.4-5.5).
- Improve the way regional utilities are funded, to target those that need it most and encourage efficient operation (Recommendation 5.6).
- Ensure the way we manage water demand maximises benefits for the community (Recommendations 5.7-5.8).

[ From: [Productivity Green Paper Report ExecSumm final.pdf \(nsw.gov.au\)](#) Pg. 8 ]





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The Draft NSW Water Strategy covers the substantial issues and approaches required to confront the challenging legacy issue of water security. Water security as a component of human security, is a key responsibility of government.

The human security discourse, originally focused “hard” threats has expanded to include water security. This is not meant to be an alarmist statement, but when can turn on the taps, flush the toilets, hose the garden, wash the car without much thought of the depletion of our water resources we need to do a fundamental rethink. The recent drought has caused our current preoccupation with water.

If the strategies and actions in the *Draft NSW Water Strategy* can be implemented, it will go a long way towards addressing the issue of water security.

There is a number of water groups across the Lismore Electorate that I represent, including water user groups. I have interacted with them on the current and future needs for water security, including harvesting.

The key issues that require serious and sustained attention that our local communities are seized with, but not limited to, are contained in the Draft NSW Water Strategy.

1. educating the community
2. water efficiency
3. diversification of supply
4. Indigenous management and heritage
5. investment in change, security and new technology, and
6. climate change

I shall refer to some of these key issues covered in the *NSW Draft Water Strategy* in summary form.

Below is specific reference to sections in the Draft NSW Water Strategy.

P21: **We need to do things differently**, speaks to the lack of knowledge, the lack of education and the lack of discussion around water, other than the contentions concerning dams and the Murray-Darling.

P27: **Doing more with less: high level approaches** This recognizes that current and projected water usage outstrips supply.

P71: **Action 3.2 Take landscape scale action to improve river and catchment health**. The Richmond River is rated D- and F in some parts (The Wilson). Report after report has ensued and all with little action to clean it up. The most recent report is the then OEH "Alluvium" commissioned report that addressed governance options, badly needed. Rous County Council prepared its own high level strategic report called the Northern Rivers Watershed Initiative (NRWI) to address this. I have advocated its adoption with staged funding, even over a ten-year period, to repair and reverse the damage. The Northern Rivers Watershed Initiative (NRWI) and still no action. Additionally, we still have antiquated septic in a number of places and that needs to be part of the water security plan, changing that. The recent floods have put the spotlight on this.

The prolonged and severe drought highlighted the need to understand, manage and plan water security. Tenterfield that was badly impacted is in my electorate and I got to witness and engage firsthand on this. Other areas were also in drought.

P83: **Net Zero Plan-taking action on climate change**. This has to guide thinking and underpin planning, and not be left to competitive grant funding.

P101: **Regional NSW Special Activation Precincts**. The SAPs can be a good structure for the Dept of Regional NSW to embrace the efficient use of water in the design of its five SAPs. However, SAPs were not awarded to all regional areas, and this approach leads to the fragmentation we have now. Therefore, the question is, how will the Dept socialise this in the regions that missed out on being awarded SAPs? The SAP awards appeared to be deficient on process and procedures, with winners picked. This cannot be the criteria or framework for water security measures. If it is a requisite for the five SAPs surely it is for all regional areas.

PP115-116: **Regulating local water utilities in NSW**. It speaks for itself. I note a significant part of my electorate the Rous County Council is a water supplier to some councils. It has an outdated legal framework, (see the

Alluvium report cited above) plus insufficient funding across a range of mandated functions.

**NSW Productivity Commission Green Paper**

I refer to the water section of the NSW Productivity Commission Green Paper and make the following comments. I support their draft recommendations vis-a-vis water highlighting 5.1, 5.2, 5.3, 5.4, 5.5 (noting that if this demonstration plant recommended is constructed it should be made available to regional and rural NSW) 5.6 and 5.7. (See attached recommendations referred to above a summary of key findings)

The appointment of a Water Commissioner could be considered as there is a lot of work to do in terms of informing the community all about water security and that water is a finite and most precious resource and on the key issue of water reuse. The Rous County Council has a water reuse project 'shovel-ready', and it requires resources. I have submitted this to the Minister for consideration. Everyone says society has an attitude problem regarding water reuse. We know that, so the question is what is being done to change that?

I am happy to expand upon my comments if needed.

I wish you all well this is a critical and essential piece of work.

Yours sincerely,

