

## **Speech to the LGSA Water Management Conference**

**The Hon Nathan Rees MP  
Minister for Water Utilities**

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Inverell RSM Club, Inverell**

As many of you know, I live in Sydney – always have. I've spent a bit of time in the regions and the bush over the years, but I won't pretend to you that I know or understand country NSW like virtually everyone in this room does.

You may or may not be as aware that Sydney has faced a fairly tight situation with water over the past few years – we've had to put in restrictions on how Sydneysiders use water and when, we've had to pinch a lot of water from the Shoalhaven River when it has some to spare – and thanks to our friends from Shoalhaven LGA for that.

And in recent times we've taken some other big steps to make sure Australia's biggest city – more than 5 million people with another million coming our way in the next 20 odd years – has secure quantities of high quality water for us and for our kids into the future. We're building a pretty big desalination plant and investing in massive recycling projects to supply water for non-drinking purposes so we conserve our stores of clean drinking water. All these measures and more, are investments Morris lemma's government is making now to set us up for the future. We've just come through a bastard of a drought – the worst in a century they say. Sydney's dam storages were in free-fall for several years until only very recently. When 5 million people see their water storage draining down to 30%, they start to get anxious.

I also have responsibility for Hunter Water – an excellent and expertly managed utility which is also blessed these recent years with full or overflowing dams. 100% storage – imagine that.

So you can see that with the bulk of our NSW population from north of Newcastle, down through metropolitan Sydney and south to the Illawarra on track for secure supplies and 21<sup>st</sup> century water infrastructure to guarantee future security, many might think I could put my feet up on the desk down there in Castlereagh Street, and feel pretty relaxed about the job the Premier has given me.

But I'm not relaxed. And the reason is that, whether people in Sydney are very aware of it or not, there are 107 other water utilities in NSW that I am also the Minister for. And, as a lot of people in Sydney are certainly not aware, city-folk really haven't got a clue what doing it tough with water shortages is compared to what people in many of the towns and cities you represent have been through over the years – especially these recent years.

So if there's one message I would want you to take from what I say here today it's that: I take my responsibilities as a Minister for every town, every community and every family in NSW very seriously.

We are on the way to drought-proofing Sydney, Newcastle and Wollongong. There's some work to do on the Central Coast, but I'm hopeful we can make some strides there too, working with the two Councils.

But I will not feel I've discharged my responsibilities fully or properly – I won't have done my job – if, when the time comes to hand over this portfolio area to someone else, we are not equally on the way to drought proofing every community in this state.

You and I know that there are any number of towns all over NSW that do not have anything like the modern infrastructure they need to secure good quality water supplies for the generations to come – come hell or low water.

It's not an option to just let that state of affairs go on neglected. No good government worth its name would do that. And the Government I'm a member of doesn't intend to.

Rural and regional communities live and die on reliable water supplies. Their economies depend on it.

I see it as a huge task in front of us as a Government and me as a Minister, to tackle. And if there's one other critically important message I want you to remember from what I say today it's this one:

The people who can help me pull that big, complicated job on and approach it with any chance of success are not sitting in high-rise towers in the CBD of Sydney....it is you and the communities you represent.

I think I know what we need to achieve – a massive and sustained upgrade of water infrastructure right across regional NSW, everywhere that needs it.

All 107 Local Water Utilities are facing growing challenges posed by six years of drought, climate change, environmental water allocations, demographic shifts, technological advances and skills shortages.

The NSW Government has worked closely with Councils over the years to meet these challenges in a number of ways- the 'Country Towns Water Supply and Sewerage Program' and 'Drought Emergency Works Program' have seen over 310 water supply and sewerage projects in regional NSW, directly benefiting over 1 million residents with improved public health, environmental and security of supply outcomes.

For the Councils really battling out there Emergency Drought Funding has delivered over \$27 million this financial year, securing water supplies for those towns most in need. The construction of emergency pipelines, the re-commissioning of drift wells and water carting have become the last resorts in some towns to address ever dwindling supplies.

We've approved \$20 million for the Goulburn pipeline, \$2.25 million for the Browns Creek Mine to Carcoar pipeline, \$2.25 million for a pipeline linking Cowra with Central Tablelands Water, \$1.1 million to Tamworth Regional Council for re-commissioning drift

wells and \$415,150 for water cartage - total government funding to over \$42 million since the drought began in 2002.

The NSW Government introduced Best-Practice Management of Water Supply and Sewerage Guidelines in 2004 as a key driver for continuing improvement in non-metropolitan local water utilities.

Today I am pleased to announce the release of the revised Best-Practice Management Guidelines 2007. The new guidelines include recommendations for pricing and regulation, financial planning, drought management and integrated water cycle management.

Working with your Association and water utilities in reviewing the guidelines they've been tailored to better reflect locality and size of Councils.

Water Utilities in central and western NSW will have the second tier threshold for residential users lifted from 450kl to 600kl per year, recognising the severe climatic conditions of the region.

Water Utilities with under 4,000 connections will only have to achieve 50% of residential revenue through usage charges, as opposed to 75%, recognising the higher fixed costs per capita faced by smaller Councils.

We now also have a new performance reporting data base, road-tested by Wyong, Eurobodalla and Shoalhaven. ... and thanks to those Councils for their contributions.

The data base will allow all utilities to report their performance data on line, and bestir themselves to best practice.

Also released today - the NSW Performance Monitoring Report shows that the 107 Local Water Utilities with 11 billion dollars worth of assets and a yearly turnover of 870 million are better on average, than in any other State.

Most importantly, and most vitally, our average annual residential water consumption in country New South Wales has fallen by over 40 percent in the last 15 years, and it's now 190 kilolitres per property. This too is lower than any other State.

ALL utilities by now, I'm pleased to note, have abolished their free water allowance, and 95 percent of them have full cost recovery, and the others will have within two years.

These are all good results, and heartening results, but I want better.

Many places are doing well already - Port Macquarie, Dubbo, Orange, MidCoast Water and Tweed.

But some are not.

In all honesty I have not formed an opinion about the way we achieve that. But I know I will have no chance of success unless everyone here today agrees to take part in the process. We need each of you, every Council you represent and every community you are here to advocate for, heavily involved and pulling together in the same direction.

I will be writing to all regional Councils and Water Utilities inviting you to join me this process of drought proofing our country towns and villages – my door is always open to meeting with you and I look forward to seeing as many of you as possible in the coming months.

I wish you all the best for the rest of the conference – thank you.