
Appendix one – Responses from agencies

Response from Department of Planning, Industry and Environment



Planning,
Industry &
Environment

Office of the Secretary

Your ref: D2009211

Ms Claudia Migotto
Assistant Auditor-General Performance Audit
Audit Office of New South Wales
GPO Box 12
SYDNEY NSW 2001

Claudia
Dear Ms Migotto,

Performance Audit – Metropolitan Water Conservation

Thank you for your correspondence regarding the final report for the performance audit on water conservation initiatives in Greater Metropolitan Sydney.

The Department of Planning, Industry and Environment (the Department) acknowledges that a greater emphasis on water conservation is needed and agrees with all the audit recommendations. It supports the report's findings that there are opportunities for the Department and Sydney Water to improve water conservation initiatives in Greater Sydney.

The report highlights the complexity of institutional arrangements in the water sector and many of the improvement opportunities raised in the report are a result of those arrangements. Since the formation of the Department and the recruitment of a Chief Executive Officer (CEO) for the NSW Water Sector, the Department has made considerable progress towards lifting water sector performance by having a single unifying role responsible for the strategic direction of the sector. This is the beginning of a significant program of reform that, as the audit recommends, will ensure the Department provides greater clarity around the NSW Government's desired outcomes for our community, defining water sector roles and responsibilities and an increased focus on useful monitoring and reporting. Actions relevant to the audit's recommendations that have been taken to date include:

- commencing work on a State Water Strategy to outline the Government's long-term vision and performance expectations for the sector
- establishing a coordinating group of CEOs and senior executives to agree responsibilities and implement the Government's vision for the water sector
- reviewing the barriers to good performance in the sector, including the regulatory and institutional arrangements.

Greater collaboration and information sharing with the water sector will be critical to lift water sector performance. In line with the audit's recommendations, the Department has commenced the development of a Water Efficiency Framework for NSW that will apply across all water utilities in the State and a water efficiency program for Greater Sydney specifically. This work involves:

- commissioning a detailed analysis of water conservation options to understand best-practice methods and initiatives for water efficiency
- collaborating with Sydney Water, WaterNSW and other stakeholders to build capacity for water conservation, and increase private sector involvement
- gaining a greater understanding of water use, improving the evaluation of water conservation programs, and developing a framework that considers the total water cycle, from water supply through to wastewater treatment and discharge to oceans and waterways

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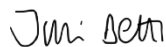
- providing a clear statement of government policy and direction about the need to support and invest in water efficiency regardless of dam levels, including the development of a water saving goal for Greater Sydney
- identifying clear governance arrangements between Sydney Water, WaterNSW and the Department
- coordinating with state owned corporations to develop and implement a public engagement program to understand public attitudes to recycled water
- exploring a range of funding sources to support the program.

The Department, with the support of Sydney Water and WaterNSW is developing the Greater Sydney Water Strategy. It will establish a future vision for water in the Greater Sydney Region and demonstrate how we will manage water to deliver a sustainable, productive and liveable city. It will highlight how the efficient use of water, in combination with additional supply-side options such as desalination and recycling, will ensure that we have the water to meet the needs of a city forecast to grow to around 8 million people over the next 30 years.

The Department has been working with Sydney Water and key stakeholders to address the issues raised and recommendations in the audit report.

If you have any questions, please contact Mr Jim Bentley, CEO of the NSW Water Sector on 0448 762 851.

Yours sincerely,



Jim Betts
Secretary

12/6/2020

Many thanks to the AO team.

Response from Sydney Water Corporation



15 June 2020

Ms Margaret Crawford
Auditor-General
Audit Office of NSW

Dear Ms Crawford

Thank you for your letter of 18 May regarding the Audit Office's final report for the performance audit on water conservation in Greater Metropolitan Sydney.

Sydney Water acknowledges the performance report's findings that there are opportunities to improve water conservation initiatives and agrees with the recommendations. We recognise the critical value of our most precious resource and place a high priority on conserving water as part of a range of measures to ensure a resilient and secure water supply for Greater Sydney.

I would like to highlight that we have made very significant achievements in water conservation and will continue to work collaboratively with the Department of Planning, Industry and Environment (DPIE) as we further implement our program and assist in the development of the Greater Sydney Water Strategy.

Our recent range of water conservation achievements and initiatives include:

- Overall water savings of 11.4 per cent against forecast since June 2019, in response to the recent drought. This equates to more than 76.4 billion litres of water saved – or 30,560 Olympic-sized swimming pools.
- Our water conservation awareness and education campaigns, along with current water restrictions, have reduced the average residential daily-water-used from about 210 litres per person in 2017 to about 180 litres earlier this year. Despite a 26 per cent increase in population, the total demand for drinking water remains lower than it did before mandatory restrictions were introduced in late 2003.
- Completed more than 14,000 WaterFix appointments since July 2019, with over 48,000 repairs and replacements completed for our residential customers. This will continue to save 404 million litres per year.
- Responded to increased leaks and breaks, caused by prolonged dry weather and drought conditions, by increasing investment in our frontline workforce. Sydney Water has also increased proactive inspections, preventative maintenance and longer-term asset investments.
- Introduced new technology to improve the efficiency of preventative maintenance inspection programs such as acoustic tools, sensors and robots, as part of a plan to improve condition monitoring of pipes.
- Reduced average response time to fix reactive and corrective leaks, to the lowest levels since 2016.

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Delivering essential and sustainable water services for the benefit of the community

- Completed more than 16,500kms of active leak detection this financial year to date, and we are on track to complete a record 18,000kms of our 23,000km water network by the end of June 2020, which is a 100% increase from 2018.
- Canine leak detection program to find leaks on the water network, using the smell of chlorine used to disinfect drinking water, which will be a first in NSW. This complements the two highly-trained dogs already working on leak detection across our wastewater network.
- Supplied about 44 billion litres of recycled for household, commercial, industrial and agricultural use. This helps recycle wastewater that otherwise would have been treated and sent to the waterways and ocean. Sydney Water's Rouse Hill Water Recycling Scheme services 32,000 properties and is the largest residential scheme in Australia. It treats 20 million litres of wastewater each day, then recycles most of it back to customers for non-drinking purposes. Over the next 25 years, we expect to at least double our water recycling to more than 80 billion litres a year.
- Conserving water through multiple other programs including our WaterFix Residential and Strata services, PlumbAssist, Councils Partnership, Schools Pilot Program, Water Wise Coach, and End Use Study.
- Sydney Water has requested \$40 million in our Pricing submission currently being finalised by the Independent Pricing and Regulatory Tribunal (IPART) for our 2020-2024 forward program.

I would like to also highlight that IPART's independent operational audits assessed Sydney Water as being compliant with Operating Licence requirements.

Sydney Water looks forward to working further with DPIE and key stakeholders to address the issues raised and recommendations in the audit.

Our alignment with DPIE in the development of the Greater Sydney Water Strategy will help deliver sustainable, efficient and productive water management to ensure the ongoing water supply needs of the growing Greater Sydney Metropolitan region.

Yours sincerely



Roch Cheroux
Managing Director