

ATTACHMENT 11

SUMMARY OF THE DRAFT REPORT ON THE "SUSTAINING THE CITY" PROPOSAL COMMISSIONED BY THE NEW SOUTH WALES GOVERNMENT INFRASTRUCTURE CO-ORDINATION UNIT

Services Sydney Pty Ltd (**Services Sydney**) submitted its "Sustaining the City" proposal (**Proposal**) to the New South Wales (**NSW**) Government in 2002 as an unsolicited private sector infrastructure proposal. The Proposal advocates wider water conservation outcomes to an earlier proposal submitted by Services Sydney and that it is superior to Sydney Water Corporation's (**Sydney Water**) water management plan, WaterPlan21, in terms of environmental and financial outcomes.

The purpose of the review was to clarify the scope and costs of the Proposal, compare the Proposal to WaterPlan 21, and provide comments and conclusions on the relative merits of the Proposal in achieving the NSW Government's objectives. These comments and conclusions were based on, and limited to, information and cost estimates of WaterPlan 21 and the Proposal provided to the NSW Government by Sydney Water and Services Sydney respectively.

The key findings of the draft report prepared in April 2003 at the conclusion of the review included that:

- the Proposal raises both potential environmental benefits and costs. A significant benefit of the Proposal is that it offers additional environmental benefits in the form of improved discharge water quality and overflow abatement, opportunities to increase environmental flows to rivers and assistance to meet Sydney's future water needs;
- overall, the Proposal is probably worthy of further consideration due to:
 - (i) the potential to modify the proposal to develop a better value proposition for the Government. This includes combining the better elements of the Proposal with Sydney Water Corporation's WaterPlan21; and
 - (ii) the potential benefits offered by the new coastal catchment trunk sewers, wet weather storage and central water reclamation plant components of the Proposal, which are not greatly more expensive than the WaterPlan 21 works, may result in improved environmental outcomes and provide a platform for future water reuse options,

- based on the current results of water quality monitoring at Sydney's ocean beaches, there does not appear to be a pressing case for immediate upgrading to secondary treatment at the three main ocean plants due to environmental reasons;
- Sydney's water needs and Hawkesbury-Nepean environmental flow requirements to the year 2021 can probably be met through water conservation measures and improved management of the existing headworks system;
- considerable investigation would be needed to demonstrate that the recycled water flows of several hundred megalitres per day could be added to the river system without adverse environmental impacts. It would also need to be demonstrated that the Water Reclamation process could provide a reliable guarantee of protection to public health; and
- Sydney's future water needs should be considered in the context of an adaptive and integrated water cycle management framework. Any proposal for water reuse would need to be developed in full consultation with the community and considered against a range of least cost engineering and non-engineering alternatives.