

Mr Peter Achterstraat
NSW Productivity Commissioner
By email: ProductivityFeedback@treasury.nsw.gov.au

18 September 2020

Submission to the Productivity Commission
Green Paper: *Continuing the productivity conversation*

Dear Mr Achterstraat

The Sydney Desalination Plant plays a key role in securing Sydney's water resilience by providing water security to ensure Sydney has a non-climate dependent high-quality source of drinking water.

In January 2019, the plant entered a restart phase producing 250 million litres per day (ML/day) of high-quality drinking water at full production, which is 15% of Sydney's daily water needs.

Section 5.2 of the Green Paper states *"By 2060, the state will need to accommodate perhaps another four million people, mostly in the Greater Sydney region. Population will grow most in the relatively hot Western Sydney, which in combination with global warming may add to per capita demand for water."*

The Green Paper also notes, Infrastructure Australia's 2020 Priority Infrastructure Report identified water security as a top priority. The growing uncertainty and variability in rainfall and run-off due to climate change demands alternate non-climate dependent sources of water to secure Sydney's water supply. Sydney Desalination Plant can play a critical role in this.

An expanded Sydney Desalination Plant will help provide for up to 30% of the expected average daily drinking water needs of the Sydney population. The initial plant design anticipated the doubling of the capacity of the desalination plant so it could produce 500 ML/day and some crucial infrastructure was sized to accommodate this increase that includes major civil assets like our seawater intake and outlet tunnels and the 18km of pipeline that delivers desalinated water to the Sydney Water network.

Project planning approvals granted in 2009 were for a 500 ML/day plant and the NSW Department of Planning, Industry and Environment has agreed with Sydney Desalination Plant's assessment that no further approvals are required subject to ongoing compliance with Project Approval conditions. The plant can therefore be doubled in capacity on the existing site of the plant at Kurnell, NSW.

These factors mean that increasing the supply of Sydney's non rainfall dependant drinking water by up to 15% can be achieved in a shorter timeframe and at a lower cost than building a new greenfield desalination plant.



SDP worked with the NSW Government in a planning exercise which developed plans around the timing and cost of the doubling of the capacity of the Sydney Desalination Plant. The planning process was put on-hold by the NSW Government following a significant rainfall event in February 2020 in order to give itself the opportunity to complete a long term strategy for Sydney's water needs referred to as the Greater Sydney Water Strategy .

Since the asset was privatised in 2012, Sydney Desalination Plant has proven itself to be a reliable partner working with Government to supply high-quality drinking water when required.

Following the recent restart notice in January 2019, first water was delivered to the Sydney Water network in mid-March 2019 with full production achieved earlier than required in late July 2019. In all 65 giga litres (GL) was delivered to March 2020.

In March 2020, Sydney Water issued an Emergency Response Notice requesting the plant remain operational until September 2020 in a high availability, low flow arrangement to assist mitigating dam water quality risks from the large February 2020 rain event and recent bushfires which burnt the majority of the dam catchment areas.

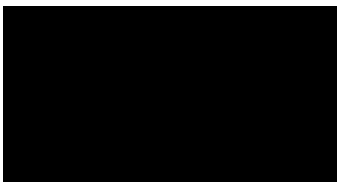
Sydney Desalination Plant's continued operation also mitigates against any potential adverse COVID-19 impacts on Sydney Water's network and the operation of its infrastructure.

We stand ready to continue to work with Government at their request to supply high-quality, non-climate dependent, drinking water for the benefit of all Sydneysiders.

If you would like any more information or to discuss this further please contact me at



Yours sincerely



Sydney Desalination Plant Pty Limited