



GE

Kirby Anderson

Policy Leader – Energy Infrastructure

GE Energy Australia & New Zealand
Level 18

127 Creek Street
CITY QLD 4000

April 20, 2012

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
CANBERRA ACT 2600

Email ec.sen@aph.gov.au

RE National Water Commission Amendment Bill 2012

General Electric (GE) is a global provider of water treatment equipment and chemicals

GE has worked with partners, customers and government on projects across Australia to deliver increased and improved water supplies for communities, businesses and the environment. GE employs almost 6000 staff in Australia and New Zealand across its Capital, Energy, Healthcare, Aviation and Transportation businesses.

In terms of the National Water Commission Amendment Bill 2012 (“the Bill”), GE supports the Bill’s provisions for the continuation of the NWC and the provision for the role for Council of Australian Governments to –

“[C]ommission the NWC to conduct any study or analysis, or to provide any report in the relation to matters of national significance relating to water (including the sustainable management of water resources and access to, and use of, water), or the COAG Water Reform Framework”.

Clause 6 amending Section 7 - Functions of the NWC

GE believes the proposed amendment, creating Section 7 (1)(i) of the National Water Commission Act 2004 ("the Act") is significant, as it states:

"if requested by COAG, to conduct any study or analysis, or to provide any report, in relation to:

- (i) matters of national significance relating to water (including the sustainable management of water resources and access to, and use of, water); or*
- (ii) the COAG Water Reform Framework."*

GE welcomes the opportunity to work with the Commission and its stakeholders on water reform issues and the integration of water planning, policy development and regulation with other sectors including resources and energy, urban and municipal supplies, agriculture and food production.

GE believes there is matter of national significance COAG could refer to the NWC for its study or analysis include:

1. Access to water supply and wastewater services to Indigenous communities

COAG has agreed to a range of initiative to improve conditions, service delivery and health outcomes for Indigenous Australians through Closing the Gap and its five targets:

- close the life expectancy gap within a generation;
- ensuring all Indigenous four year olds in remote communities have access to early childhood education within five years;
- halve the gap for Indigenous children in reading, writing and numeracy within a decade;
- halve the gap for Indigenous students in Year 12 attainment or equivalent attainment rates by 2020; and
- halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

Improving water supply security and quality would support the achievement of all of the above targets.

The 2011 Productivity Commission Inquiry into Australia's Urban Water Sector focused on the quality of water supply and wastewater services provided to Indigenous communities and recommended they] should be comparable to the

standards of services provided to non-Indigenous communities of a similar size and circumstance.

The Productivity Commission acknowledged while there was little data or information on water supply outcomes in Indigenous communities, there were genuine concerns about the quality of water and wastewater services in some and it further recommended that subsidy payments should be made available where governments determine that customers should not pay for the full costs of service provision in these communities.

In 2009 COAG recognised that the quality of water services provided to some Indigenous communities is of considerably lower standard than for the wider community.

The COAG National Partnership Agreement on Remote Service Delivery, which includes the following national principle of relevance to the project -

“[R]emote Indigenous communities and remote communities with significant Indigenous populations are entitled to standards of services and infrastructure broadly comparable with that in non-Indigenous communities of similar size, location and need elsewhere in Australia”.

In addition, the 2009 report to the Australian Government from the Northern Australia Land and Water Taskforce also identifies that the quality of water services provided to some Indigenous communities is of considerably lower standard than for the wider community.

The Taskforce report stated -

“Quality drinking water is unevenly supplied across the north, with many Indigenous communities and some regional towns not having access to potable water. This poses unacceptable risks to human health and well-being and should be addressed by all governments as an urgent priority.”

1. Adoption of water reuse in Australia

In 2007 then Opposition Leader Kevin Rudd committed an incoming Labor Government to a national target of 30% recycling of wastewater by 2015.

According to the Australian Bureau of Statistics, the reuse of water made up 374GL of total water supplied by water providers in 2009–10, compared to 348GL in 2008–09.

Despite the increase it continued to represent less than a 4% of total water supplied by water providers. The 26GL increase in the use of reuse water was almost solely attributable to the 23GL increase in reuse by the agriculture industry (up from 103GL in 2008–09 to 126GL in 2009–10).

Typically, water recycling and reuse is most common in communities that face limited water supplies.

The drivers for water reuse can include water scarcity and drought, population and economic growth, wastewater management, ecological protection, accessibility to population centres, and availability of proven treatment technologies. These factors as well as political and regulatory frameworks at local and national levels will also dictate the uptake of water reuse and recycling.

2. Energy-Water nexus

Energy and water are co-dependent. Energy is required for making water and water is required in the production of energy.

While agriculture is the largest consumer of water at around 12,000 billion litres or 65% of Australia's total water consumption in 2004-05¹⁶, approximately 65% of generating capacity in the National Electricity Market "depends on fresh water for hydro-electricity generation or cooling in coal or gas fired thermal generation".

In 2009, the NWC examined the interaction between the water supply and electricity generation. Specifically, the Commission has identified –

"[I]ssues related to water availability and carbon dioxide emissions present long term challenges for generators... While there is considerable research underway around the world into reducing carbon emissions from power stations, few countries face Australia's limited water supplies. Research priorities in Australia therefore need to include the development of low water-use technologies".

In 2008, GE integrated its Power and Water businesses to assist our customers meet pressing energy and water challenges.

The Australian Government established the Federal Ministry of Climate Change and Water in 2007 and expanded this in 2010 to Climate Change, Water and Energy Efficiency.

A State and Territory Ministers responsible for energy also have responsibility either for water supply and management and/or resources, including the recently Newman Government in Queensland where a Minister for Energy and Water Supply The Honourable Mark McArdle MP and a Queensland Department of Energy and Water Supply is to be formed.

With the passage of the Clean Energy Future reforms, COAG should ask NWC to update its 2009 report recommendations, particularly *“in light of the need to reduce carbon emissions and the impact on water demand for cooling in power stations, priority should be given to focusing research and development in Australia on water management and efficiency in electricity generations”*.

Clause 22 amending Section 44 Public availability of certain documents

GE also notes and supports the proposed amendments to Section 44 of the Act for public availability of NWC audit or assessments done under the Bill’s amended Section 7 (1) (a), (b) or (c) including any advice given or recommendation made for the purposes of any of those paragraphs.

GE believes the provisions should be extended to reports resulting from requests from COAG in the aforementioned Subsection 7(1)(i).

This would be consistent with Section 44 of the Act which already provides for:

“(1) The NWC must make its assessments and recommendations under subsections 7(2) and (3) available to the public unless the Minister does not agree.

(2) The NWC must not make any other advice or recommendations available to the public without the agreement of the Minister.

(3) If agreement is not given under subsection (1), the Minister must advise the NWC of the reasons why agreement has not been given. The NWC must make these reasons available to the public.”

Subsections 7(3) of the Act includes assessment of performance against the COAG Water Reform Framework.