

SUBMISSION NO. 80

Submission to Standing Committee on Agriculture, Fisheries and Forestry :
Inquiry into future water supplies for Australia's rural industries and communities

URS Australia was recently contracted by AFFA and EA, on behalf of the National Dryland Salinity Program, to examine the technical and economic issues surrounding desalination in the rural regions of Australia, in particular the priority regions of the National Action Plan for Salinity and Water Quality. The issues explored in this project and in the two resultant reports, are highly relevant to the abovementioned inquiry's terms of reference to examine future water supplies for Australia's rural industries and communities.

The detailed points of this submission are contained in the attached reports, "Economic and Technical Assessment of Desalination Technologies in Australia: With Particular Reference to National Action Plan Priority Regions" and "Introduction to Desalination Technologies in Australia".

These are publically available on the National Action Plan for Salinity and Water Quality website at <http://www.napswg.gov.au/publications/index.html>

In some parts of the world, such as the Middle East, desalination is relied upon as a significant source of fresh water for human use. Whilst desalination in Australia represents a very small percentage of total World capacity (approximately 1%), there is considerable scope, and mounting pressure, for it to be considered in more detail.

The main conclusion of the study was that desalination is currently only cost competitive with traditional forms of water supply (ie, mains) in certain limited scenarios. These are where there is currently an absence of water and/or where there are high costs for traditional forms of water supply such as in the more remote rural areas of Australia. I refer the reader to Figure 8 in the detailed version of the consultancy report which compares desalination operating costs with marginal supply costs of mains water in particular regions. However, the costs for operating desalination systems, in particular Reverse Osmosis, have been declining rapidly in recent years and as the pressure for real resource recovery continues and traditional forms of water quality and quantity declines, desalination will become even more cost competitive in those regions and a viable alternative in many others. Regulatory, market and policy changes that enable the price of water to reflect its true value to the community will accelerate this process.

For desalination to be considered more seriously in Australia, there is a need for a greater awareness of its capability particularly in the regions where it is most likely to be technically and financially effective. Not only can desalination provide a source of water for human use, but it can also provide environmental benefits and help address the salinity problem being faced in huge tracts of land throughout rural (and urban) Australia. Desalination is one way of effectively 'living with' the salt problem that Australia will always face and may be a more cost effective solution in areas where salinity cannot be effectively managed through purely biological means.

For more insights on desalination in Australia, I direct you to the reports, and thank you for the opportunity to provide input to this most pressing of Australian policy issues. I am available to present the results of the study in person to the Committee if required.

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(See attached file: Detailed Report *Long Finalupdate.pdf*)(See attached file *Summary Report Short Finalupdate.pdf*)

