



## Case study 18

# Water and economic development

## Providing broader benefits through the South Australia Strategic Plan

SA Water

### This case study showcases

how government can facilitate collaboration and integrated planning

### Problem

In response to a number of state-wide financial and social pressures, there is a strong imperative from the South Australian Government to bolster economic development. One priority for the Government is positioning SA as a 'renowned producer of premium food and water, from its clean water, clean air and clean soil'. As a State-owned corporation, SA Water has the capacity to foster and facilitate projects which have broader benefits to the community, for example through providing a secure recycled water supply to the food and wine industry. Previously, there has been a limited ability to pursue or finance such projects as the NPV did not consider the benefits that would be realised outside of SA Water.

### Solution

The development and implementation of the South Australian Strategic Plan has enabled an overarching blueprint for future planning across all government departments. KPIs and targets ensure previously siloed departments or organisations can move toward the same goal. For SA Water, this means it is able

to consider projects which may provide broader value to the State. Projects are financed either directly from the State and/or Federal Governments or via reduced dividends to its owners; hence these projects do not impact the customer base through higher water bills. One such project is the proposed Northern Adelaide Irrigation Scheme (NAIS), which will deliver an additional 20 GL of recycled water to support high value food production for export markets in the Northern Adelaide Plains. This will contribute to an estimated \$350 million of horticulture production annually and create over 3,600 jobs for the region.

### Business case

The initial estimates suggest that there is around \$170 million required for the recycled water infrastructure, which does not include the additional on farm investment for glass houses, irrigation systems etc. At present the funding model for this project has not been finalised, however there is discussion with private investors and the State and Federal Governments regarding how the recycled water infrastructure will be financed. Other aspects that were considered in the development of the business case, such as SA Water's commitment to the EPA to reduce nutrient loads to the marine environment.

### Key drivers

The key driver for this project was the SA Government's desire to boost employment and stimulate revenue for the State. The SA Strategic Plan and its State ownership provide SA Water with the mechanism to deliver broader benefits to the State.

As mentioned, a secondary driver is the reduction of effluent discharges and associated nutrient loads to the marine environment.

### Benefit/outcome

The main benefits that have been influenced by the State Strategic Plan include the ability to deliver the NAIS project, as described above. As an example, this project and other smaller supportive projects in this area will result in:

Jobs/economic development for SA (3,600 jobs)

Food production

Capacity building in SA Water – training staff to consider broader benefits and solutions

Reduce nutrient loads to the gulf