

Submission to the draft Regional Water Strategy

Cobar Shire Council

The current Macquarie- Castlereagh long list of options in the draft Regional Water Strategy presents a broad range of options which meet the objectives set out for the region. However, one particular intervention is missing from this list. At the extremities of the Macquarie- Castlereagh system the Nyngan to Cobar pipeline provides the only source of water to the community of Cobar and provides emergency supplies to the satellite towns of: Canbelego, Hermidale, Mt Hope, Nymagee, Euabalong and Euabalong West and provides critical water supplies which underpin the ongoing operations for five operational mines: Peak Gold Mine, CSA, Tritton, Hera and Endeavour. The inclusion of an option to replace the Nyngan to Cobar pipeline in the RWS is essential to the ongoing water security for Cobar and some of the remote communities in the Cobar Shire and the continued economic prosperity of the region.

Currently the Nyngan to Cobar pipeline consists of a 300mm mild-steel cement lined pipeline and a 375mm ductile-iron cement lined pipeline which run 130km from Nyngan to Cobar. These trunk mains are 57 and 37 years old respectively and have reached the end of their useful life. External corrosion has led to an ever-increasing frequency of failure on both pipelines which severely impacts on both water security for the dependent communities and routine operations of the mines in the area. The high level of risk presented by the condition of this critical infrastructure was recently recognized by the state government in a project which replaced the first 30km of the mild steel pipeline in (2018). Since that project was completed there have been multiple failures of the remaining old pipe.

From a strategic perspective the options proposed in the RWS all provide greater water security for the Macquarie- Castlereagh region but in their entirety even delivery of all the options would still only increase the availability and reliability of water to Nyngan. If the Nyngan to Cobar pipeline is not replaced, then Cobar and the dependent mines will still be subject to a high level of risk to their water security.

In terms of the objectives of the RWS, the Nyngan to Cobar pipeline clearly meets two of the strategy's objectives. Replacement of the Nyngan to Cobar pipeline will directly improve water security and water quality to 3 regional towns and communities and will maintain their long-term viability. In addition to this the replacement pipeline will improve the water access reliability for the regional mining industry. In 2019/20 the mines supplied by the Nyngan to Cobar pipeline were requested to reduce their water use below optimal levels for four months which impacts upon the productivity of this essential primary industry.

The economic impact of a failure of water supply to the mining concerns in the Macquarie- Castlereagh region has not been quantified but the RWS itself stated that "in 2018/19 the six mines in the region employed 1,407 people, had a total value of about \$968 million and contributed almost \$39 million to the New South Wales economy in royalties". Of these six regional mines five of them receive water from the Nyngan to Cobar pipeline which is critical to maintaining this water supply, there is no alternative and the pipeline is currently failing.

To replace the remaining 100km of the Nyngan to Cobar pipeline is estimated to cost in the order of \$70 million. The risks of not completing this project are that the existing pipes fail catastrophically. Failure of the pipeline would result in a need to truck or train water to Cobar and surrounding towns. In the 2017 – 2020 drought event the cost of bringing water to Cobar via trains was estimated at

\$750,000 per 4.8 ML which would be the equivalent of 7 days critical water supply for domestic water needs of the Cobar Shire community.

The effect on the mines has also not been accurately calculated but water is an essential component of the mining operations and without it the operations would cease with the associated consequences of reduced revenues and the potential for significant job losses.

By adding the Nyngan to Cobar pipeline replacement to the options under consideration makes all of the other initiatives in the RWS relevant to Cobar and the mines. Currently the NSW DPIE risk rating for Cobar is rank 5 for water security / water supply, (Risk ID 1023). However, the department has indicated that the pipeline is not eligible under any funding program currently available. With a new resilient Nyngan to Cobar pipeline this high level of risk would be effectively reduced.

In summary, the water security risk to Cobar and the regional mines is beyond drought-dependency. Cobar Shire Council supports all of the options in the long list of the draft RWS and is confident that the options assessment process will select the most appropriate solutions for the region. However, it is our contention that replacement of the Nyngan to Cobar pipeline should be added to the options list as part of option 8. This option should be Burrendong Dam to Cobar or replacement of the Nyngan to Cobar pipeline could be added a separate and additional item.

Additional information on the asset condition of the existing pipeline, the risk of failure and the emergency water supply options considered may be obtained from [REDACTED]

[REDACTED]