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Lachlan Valley Water Inc

Representing and Uniting Lachlan Valley Water Users

**Submission to
Department of Planning, Industry and Environment
Lachlan Regional Water Strategy**

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SUBMISSION ON THE DRAFT REGIONAL WATER STRATEGY

1. Introduction

Lachlan Valley Water (LVW) welcomes the opportunity to make a submission on the draft Lachlan Regional Water Strategy. Lachlan Valley Water is an industry organisation representing more than 500 surface water and groundwater entitlement holders in the Lachlan and Belubula valleys. Irrigated agriculture is an important component of the regional economy, and LVW supports sustainable, productive and efficient water use.

Membership of LVW is voluntary and our members represent all categories of licences except for those held by environmental water managers. This submission is made on behalf of all members, but individual members also reserve the right to make their own submissions.

In view of the importance of the Regional Water Strategy (RWS) we would like to provide a more in-depth response than is required in the submission questionnaire.

2. Overview

LVW supports the overall intent of the RWS and this submission is informed by LVW's understanding of water management in the Lachlan and Belubula valleys, particularly over the last 30 years when there has been huge variability in water availability, from extensive and prolonged flooding in 1990 to severe water shortages during the Millennium drought.

This submission addresses how to effectively deliver on the 5 key objectives of the RWS:

- Deliver and manage water for local communities
- Enable economic prosperity
- Recognise and protect Aboriginal water rights, interests and access to water
- Protect and enhance the environment
- Affordability

An over-riding issue for the Lachlan is that a 'step change' in water security and reliability will provide significant progress in achieving these objectives, and for that reason we support the Government commitment to the Wyangala Dam wall raising.

The options contained in the draft RWS comprise a mix of infrastructure, investigative, policy and co-ordination projects, and LVW's view is that combinations of options will generally provide effective and cost-efficient ways to deliver outcomes for the Strategy.

LVW also recommends that the ongoing development of an effective Regional Water Strategy requires much more collaborative engagement by Department of Planning, Industry and Environment with a wider spectrum of water users and the community than has occurred in the development of the draft RWS. As the initial feedback from this public exhibition process is assessed and factored in to Stage 2 and 3 of the RWS decision-making process, LVW believes it is necessary for the Department to engage with the full range of stakeholders including local councils, licence holders, agricultural and other industries and communities.

The long list of options within the draft RWS includes a focus on improving community preparedness for climate extremes, and supporting water use efficiency and conservation, but these do not fully align with the RWS objective of enabling economic prosperity. The Lachlan has had a significant problem with under-usage since the Lachlan Regulated Water Sharing Plan was introduced, and the draft Strategy lacks specific options to address this under-usage as a high priority. LVW recommends that including an option to enable usage to reach the Sustainable Diversion Limit (SDL) offers significant benefits at low risk and low cost, and would contribute to the economic prosperity objective of the Strategy.

3. Government Commitments

A key factor for the Lachlan is that it is already a highly variable system, which was identified in the State Infrastructure Strategy 2014, and we can expect that this variability will become more intense as climate changes. The Lachlan is described as having some of the poorest levels of water security and reliability in the state in terms of regulated/licensed irrigation and urban water supply¹. A number of projects have been developed and assessed through the WaterNSW Lachlan Water Security Investigations, and in 2019 the Federal and NSW Governments committed funding to the Wyangala Dam Wall raising project, which was designated as Critical State Significant Infrastructure, to improve water security and drought resilience.

LVW supports the Government commitment to the Wyangala Dam raising project as a priority option, because it provides both reliability and security benefits for towns, the entire regional population, Aboriginal people, agriculture and other industries, as well as improving flood mitigation capability. This project is also required to meet all regulatory approvals.

4. Deliver and manage water for local communities

LVW supports the need to ensure a high level of security for town water supplies, and that this must involve full engagement with Councils. While local water utilities use a relatively low proportion of the total water resource in the catchment they require an extremely high level of reliability, and we therefore support options which can achieve this without having a negative impact on the reliability of other categories of licence. LVW's position is that options which enable access to multiple sources are an effective way to manage this, ie, **Options 10, 9, 4 and 5**, which encompass groundwater and surface water access; pipelines; engineering options; stormwater capture and reuse.

Additionally, it is essential to maintain the integrity of entitlements, and if pipelines for inter-regional connectivity (**Option 6**) are considered, no new licences should be issued. Either existing local water utilities who have surplus water available should be able to sell/transfer it to the Council(s) in the other region, or existing licences must be purchased.

We also recommend that the Government commitments 1 and 3, regarding the business case for the pipeline between Lake Rowlands and Carcoar Dam and the feasibility study into the augmentation of Lake Rowlands, must include engagement with licence holders in the Belubula River and other water users who may be affected by the projects.

Where managed aquifer recharge (**Option 8**) is considered, it is essential that further scientific investigation is undertaken to ensure the data is valid and the costs and benefits are quantified. This option may also provide multiple benefits, eg, environmental as well as security.

¹ 20 year Infrastructure Options Study Rural Valleys, WaterNSW, page 38

Looking at the longer term, in planning for population growth over the next 20-40 years planners need a strong understanding of what the current water infrastructure will support, what on-ground measures are required for increased population, and the expected cost.

5. Enable economic prosperity

A key goal is to provide the required water security and reliability to maintain and grow regional populations and regional economies, which in turn will support social and economic benefits for the whole state.

LVW does not support the application of stochastic modelling to resource management. This would require a large volume of water resources to be reserved to manage a very low probability risk, which in turn will impose significant limitations on agriculture and other industries and have a major flow-on cost for regional economies. Our conclusion is that to factor in a change in the 'worst inflow sequence' in terms of allocation policy, ie, **Option 34**, carries an extremely high cost, particularly when other options to manage this risk have already been implemented through the Extreme Events Policy and Incident Response Guide. We should be responsive not defensive.

Resource management planning in the Lachlan currently works on a 24 - 30 month advance period, so when inflows are less than planned it becomes clear well in advance and there is adequate time to implement management strategies. River operational savings measures as listed in the Incident Response Guide have previously been applied when required. **Option 33** recommends reviewing the effectiveness of the Incident Response Guide and we agree that learning from experience and progressive upgrading of the measures is a worthwhile option, but it must be undertaken using full consultation with licence holders and community members who would be affected by the outcomes.

Some critical regional industries do not require high volumes of water, but do require very high reliability. They contribute significantly to regional employment and the economy, and also underpin a more diversified and resilient economic base. **Options 24 and 32** would assist with providing the required level of security.

As noted in section 2 of this submission, LVW recommends that the RWS should include an additional option to investigate the Lachlan's water allocation and management process to allow usage to reach the SDL. This option should have a clear time frame to deliver a result. There is no risk to introducing such an option because the WSP already includes measures to manage usage if it exceeds the Plan Limit or SDL.

LVW supports **Option 39** to upgrade weirs between Hillston and Booligal to improve operational efficiency and notes that this option has also had positive feedback from water users in that region. **Options 25 and 26** have been considered as efficiency measures in the past, but received limited local support, so this will need to be addressed to enable further consideration of these options.

We are informed by members of LVW that **Option 27**, separation of the main lake at Lake Cargelligo onto 3 lakes, is not supported by the local population.

We understand that **Option 28**, review of the water market, is likely to already be addressed by the ACCC Water Market Review currently underway. In LVW's view, investigation of licence conversions, ie, **Option 35**, and a water pricing pilot study, ie, **Option 29**, are not high priority because would both require significant investigation and evaluation to ensure

they operate with proper equity and do not lead to different standards being applied to licences of the same nominal category.

LVW supports measures to improve understanding of groundwater resources, **Options 21 and 23**, and understands that some of this work is already underway. We reiterate our position that work such as this must involve full engagement with licence holders in the groundwater areas where the work is underway to ensure the information is shared and that the integrity of existing entitlements is maintained.

6. Recognise and protect Aboriginal water rights and interests

LVW considers that it is important to maintain the integrity of entitlements, and to distinguish between licences for cultural purposes and licences for economic purposes. We support **Option 45**, funding a water portfolio project for Aboriginal communities to purchase water entitlements, and recommend it could be expedited by accessing part of the \$40 million that the Federal Government committed to in 2018 as part of an amendment to the Basin Plan.

Water knowledge (**Option 41**) and site identification (**Option 42**) projects are anticipated to be projects that could work together and should be supported. Shared benefit projects (**Option 43**) are expected to be worthwhile and should also be supported. Cultural purpose options can be multi-purpose and be linked to social and/or economic outcomes.

LVW acknowledges that Aboriginal people's views must be sought and respected in determining which projects or packages of projects are to form part of the final Strategy.

7. Protect and enhance the environment

LVW's position is that the Strategy must factor in that the environment and all sectors of the regional economy will be affected by climate variability, and that policy and management must adapt to the variance of the system.

Management options provide benefit at relatively low cost, ie, **Option 13**, improved management of wetland on private land, and where measures are already underway, ie, **Option 12**, environmental restoration works, these should be supported.

Some of the environmental measures, eg, cold water pollution mitigation and the NSW Fish Passage Strategy are expected to be very high cost, and LVW considers the cost benefit analysis and how the costs will be met is a critical policy question requiring further detailed stakeholder engagement.

We also note that the draft Strategy has not addressed some existing environmental problems, eg, carp numbers, and suggest that consideration be given to these issues in finalising the Strategy. Additionally, other projects such as expanded fish monitoring studies, can provide updated information on fish populations.

8. Affordability of policy and infrastructure options

As stated earlier, LVW believes there is a strong economic rationale to provide a significant improvement in water security and reliability in this catchment, and that it would have community-wide benefit for towns, environment, licence holders, Aboriginal communities and industry. While an objective of the Strategy is to identify least cost policy and infrastructure options, our view is that the RWS should also factor in the expected cost-benefit ratio.

We also recognise that combinations of options can deliver multiple outcomes that are cost-effective, and that these will benefit the RWS.

One of the key questions for the Regional Water Strategy overall is to accurately identify who benefits from an option and who pays, and this question requires far more consultation and engagement with all stakeholders to develop a workable Strategy.

Please feel free to contact me for further information on any of the issues in this submission.

Yours faithfully

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