

Water Sharing Plan for the Lachlan Unregulated River Water Sources 2012

May 2022



**CENTRAL NSW
JOINT ORGANISATION**

- Bathurst
- Blayney
- Cabonne
- Cowra
- Forbes
- Lachlan
- Oberon
- Orange
- Parkes
- Weddin



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Joint Organisation

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Chair Cr Kevin Beatty, Mayor, Cabonne Council

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Professor Hugh Durrant-Whyte
Natural Resources Commission
Water Review Team
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Dear Professor Durrant-Whyte

Re: Water Sharing Plan for the Lachlan Unregulated River Water Sources 2012

Local Government Regional Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 200,000 people covering an area of more than 50,000sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, Weddin, and Central Tablelands Water.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here: https://docs.wixstatic.com/ugd/51b46b_31886650ecf546bc916f15e99a733b3e.pdf

The Central NSW Joint Organisation has worked closely with the Department of Planning and the Environment (DPE) Water through the development of the Macquarie-Castlereagh and Lachlan Regional Water Strategies and welcome this opportunity to provide feedback on the need to review, as opposed to extend, the Water Sharing Plan for the Lachlan Unregulated River Water Sources 2012 to improve environmental, social and economic outcomes for Central NSW communities.

This is further to the advice already provided in the following submissions:

- Lachlan Regional Water Strategy Consultation (Response updated from 6 April)
- Marsden Jacob report on Regional water value functions Valuing different hydrological outcomes under Regional Water Strategies – Revised Draft dated 12 August 2020 (14 September 2020)
- Macquarie-Castlereagh Regional Water Strategy Consultation- September 2020- Supplementary Submission (10 December 2020)

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- NSW Legislative Assembly Committee on Investment, Industry and Regional Development inquiry into support for drought affected communities in NSW (November 2019)
- Continuing the Productivity Conversation - GREEN PAPER (September 2020)
- Legislative Assembly Portfolio Committee No. 7 -Inquiry into the rational for and impacts of, new dams and other water infrastructure in NSW (October 2020)

A great deal of change has occurred over the past decade which directly relates to NSW Water Sharing Plans. CNSWJO believes that a thorough review is needed. This region seeks to codesign the approach to the review ensuring that the needs and aspirations of urban communities are well considered and the opportunities to do business differently, particularly in the Lachlan, is enabled. It is the view of this region that this has not been the case in the current Plans.

Arguably, the inception of Water Sharing Plans was at a time where rural and regional NSW was perceived as experiencing both population and production decline. Indeed, the current NSW Treasury Common Planning Assumptions are a testament to this wildly outdated and frankly wrong thinking and data.

In fact, Central NSW is struggling with housing and skills shortages for its growing contribution to the state and national economies.

Further, through the development of the Regional Water Strategies in this region for both the Lachlan and the Macquarie it has become abundantly clear that the assumptions being made by agencies about both the social and productive value of urban water are not in line with lived experience in region. More detail can be provided on request where just the challenges through the past drought are a testimony to the failure of existing systems including the Water Sharing Plans.

It is the view of the Central NSWJO Board that there is plenty of water in this region and the opportunity is for more efficient and effective use of available water to modernise and sustain the region's economy and livability.

The Water Sharing Plan for the Lachlan Unregulated River Water Sources 2012 requires review for the following reasons:

- Learnings from the drought of record including:
 - the need for better linkages between town water restrictions and access to water for human consumption within the Plans.
 - recognition of the existing extent and potential for urban communities to share water including existing and planned infrastructure.
 - the need for a Critical Water Needs Act as existing systems were not able to cope; and
 - the enablement of storm water harvesting and other contemporary approaches to water security for urban communities.
- Incorporation of the learnings from the Regional Water Strategies including the value of productive water and the potential for regional solutions for urban water security.
- Alignment with other key State and Federal aspirations particularly the water needs of:
 - The Parkes Special Activation Precinct
 - Critical minerals
 - Contemporary developments in alternative energy relating to water e.g. hydrogen and pumped hydro
 - Modern, including protected, agriculture
 - Regional Water Strategies
 - Manufacturing and food independence as a result of Covid and international instability.
- Alignment with the priority in the Water Management Act 2000 where water for human consumption is not sufficiently enabled in the Plans.

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- Greater knowledge of the impacts of climate change where we now know that there will be increasingly serious droughts **and** floods and water sharing needs to optimise outcomes from both.
- Good practice where the data sources and other information relied on in the current plan are a decade out of date; and
- The opportunities afforded for using water differently.

With work underway on the proposed augmentation of the Wyangala Dam wall, it is suggested that the Water Sharing Plans for the Lachlan may need to be re-visited as a result with the current review potentially an interim review. See advice below regarding change to enable innovation in the Lachlan such as the Parkes Special Activation Precinct and the Dutch Model.

The following advice is provided at a regional level where Councils and other stakeholders will be providing greater detail at the local level. However, there are a few key issues that need change.

Change to enable town water security in the Lachlan

Recent modelling underway by the Department of Planning and Environment as part of the Lachlan Regional Water Strategy and lived experience through a multi-year drought has highlighted areas where town water supply systems are at some risk under future climate conditions.

As it currently stands, irrigation is a greater water user in droughts than towns where much of the heavy lifting in terms of water efficiency has had to be undertaken.

Councils in the catchment continue to plan and implement innovative solutions to improve water security. There are cases where these efforts are being prevented or inhibited by the current Water Sharing Plan as follows:

- Access to additional entitlement and conversion of this entitlement to town water supply use;
- Water trading restrictions; and
- The need to seek additional approvals during times of critical drought.

While water for human consumption is recognised as of the highest priority for the WaterNSW dam network, there continues to be challenges in delivering water to towns and communities in times of drought. While progress is being made in identifying options to secure town water supplies in the drafting of the Lachlan Regional Water Strategy, the big issues around water sharing and dam management need to be addressed including in the Water Sharing Plans.

Change to enable stormwater harvesting and other innovations

Given the 10 year duration of the plan and once in 10 year opportunity to make submissions on changes, the Water Sharing Plan needs to allow for innovations such as stormwater harvesting and other water security improvements to be specifically recognised and enabled.

Under the existing Water Sharing Plans not enough use is made of water credits. Stormwater harvesting and other recycling and reuse innovations provide an opportunity for the additional flow volume created by urban development, in a local sense, to be treated like a water credit with the excess water above natural flow available for capture and reuse. This is a concept that should be reflected in the review of the Water Sharing Plan, like treated effluent discharge.

A return flows policy has been investigated by the NSW Department of Planning and Environment–Water for some time and needs to be progressed. The Water Sharing Plan should cater for water credits when water is returned to the river.

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Changes that enable a swifter response during drought in recognition of water for critical human needs under the Water Management Act including linking urban water restrictions to the environment and other users

There is a need for better policy and protocols to underpin the Water Management Act 2000 in a new climate future to ensure water for critical human needs are met as the highest priority.

Key questions that need to be addressed through a review of the Water Sharing Plan are:

- What's the definition of critical human needs?
- When there isn't any water, how is a high security allocation for a town supply implemented on the ground?
 - o What are the triggers and policy settings to ensure the basic human right for drinking water are met?
 - o What are the implications of secure yield modelling for Water Sharing Plans and environmental flows on town water supplies?

Water for critical human needs should have the highest priority in the Water Sharing Plan. Currently Councils are required to seek additional or special approvals (such as through the Critical Needs Act) to access additional water, if approved. This was experienced during the recent severe drought and critical time frames could be reduced if suitable mechanisms existed in the Water Sharing Plan to prioritise town water supply.

There needs to be significant changes to the way water is managed for inland regional towns not only in times of emergency.

Change to enable innovation in the Lachlan such as the Parkes Special Activation Precinct and the Dutch Model

The Wyangala Dam augmentation project and a potential review of the Water Sharing Plan presents the opportunity to ensure policy and water management settings are right to not only solve long-term water security for urban communities, but to drive growth and prosperity by delivering better flood immunity and water security to enable the agricultural sector.

For regional communities to grow and prosper they need to:

- have ambitious plans to generate economic growth,
- prioritise local needs with a context of nationally significant reform, including actions that drive productivity and competition,
- take a long-term approach to achieve transformative change,
- identify the 'game-changers' and catalyst actions that will deliver a step-change in growth outcomes
- prioritise delivery
- deliver action and reform that are additional to governments' usual operations and finally
- always be mindful to our changing environment.

The Wyangala Dam augmentation provides an opportunity to leverage water security as a catalyst to spur economic growth and stability in the region.

Together with the Lachlan Regional Water Strategies and review of the Lachlan Water Sharing Plans there is potential to consider, not just urban water, but water for productive uses including manufacturing and business, agriculture and mining in a whole of catchment approach.

It presents an opportunity for the Lachlan Valley region to take advantage of the additional stored water through relatively minor re-allocation of the water entitlements that will result from the upgrade, with no detriment to current water holders.

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There is an opportunity through the proposed Wyangala Dam wall augmentation and the review of the Water Sharing Plans in the Lachlan for the creation of more high security entitlements to enable higher value uses of water.

This would enable towns to buy water to convert to high security and agricultural producers to buy general security entitlement and convert them to high security.

The prospect of redistributing water security to additional High Security Entitlements and Local Water Utilities is supported by current data and sound analysis. More detail on this can be provided. This is not about increasing water usage above the Water Sharing Plan Limit but improving security and reliability and allowing usage to reach the Plan Limit.

By reviewing and changing how water security is managed in the Lachlan Valley and increasing the proportion of water allocated as high security water, this will in turn push the value of water up, having guaranteed allocation leading to an increased investment in capital infrastructure and more water efficient crops. By managing the river water effectively, it will also lead to less pressure on the ground water aquifer and potentially lead to more water for the environment.

Where out of bank flooding may potentially reduce by the raising of the wall, the long-term replenishment of the aquifers may need to be considered to ensure the long-term sustainability/yield of those sources.

The raising of Wyangala Dam gives us time to hypothesise - to challenge the way we have always done things and to think about how we may be able to learn from countries such as the Netherlands and create additional value from the water in the Lachlan Valley whilst implementing sustainable water management policies.

So, the question is: ***What if all or part of the extra water security created by the dam wall upgrade, could be hypothecated for "higher value" purposes?***

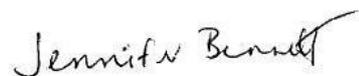
This could be the catalyst for a range of high-value industries, environmental sustainability, creating jobs and wealth in the Lachlan region. Alternatively, if the improved security created by the raising of the wall is a portion to existing users, there would only be a modicum of change and we would lose the opportunity for change.

In summary, this region does not seek to provide answers to the challenges. Instead, it is seeking for there to be a complete review of the Plan where the CNSWJO offers to provide support in coordination in a codesigned process.

We welcome the opportunity to continue the conversation about how water is valued for our urban communities and to add rigor and confidence to the great work that has been done in this space so far.

For further advice or to discuss any matters raised in this response please do not hesitate to contact me on 0428 690 935 or email me on jenny.bennett@centraljo.nsw.gov.au

Yours sincerely,



Jennifer Bennett
Executive Officer
Central NSW Joint Organisation (CNSWJO)