

**IMPACTS OF THE WATER AMENDMENT (RESTORING OUR RIVERS) ACT
2023 ON NSW REGIONAL COMMUNITIES**

Organisation: Lachlan Valley Water Inc

Date Received: 14 April 2025



ABN 38 597 032 631

Lachlan Valley Water Inc

Sustainable, productive and efficient water use in the Lachlan Valley

**Submission regarding the Legislative Assembly Committee
on Investment, Industry, and Regional Development Inquiry
into the impacts of the *Water Amendment (Restoring Our
Rivers) Act 2023* on NSW regional communities**

April 2025

Lachlan Valley Water (LVW) welcomes the opportunity to make a submission to the Legislative Assembly Committee on Investment, Industry, and Regional Development Inquiry into the impacts of the *Water Amendment (Restoring Our Rivers) Act 2023* on NSW regional communities. Membership of LVW is voluntary and our some 450 members represent all categories of licences except for those held by environmental water managers. While this submission is made on behalf of our members, individual members may also make their own submissions.

We support the points raised in the NSW Irrigators Council submission.

In addition, we raise the following points for consideration:

Re: Terms of Reference point D. the impact of rules-based changes on the reliability of water allocations in NSW, including their impact on different water licence categories

Minimum Flows Calculations

The NSW regulated water sharing plans require the operator (WaterNSW) to manage the system so water supply can be assured through a repeat of the worst period of low inflows into a water source prior to the commencement of the very first water sharing plan – 2004 for most regulated rivers.

Since the commencement of the first plans, NSW has experienced two severe droughts. In the regulated river valleys from the Lachlan south, the Millennium Drought is now the worst drought of record. In the northern valleys, the 2018/2020 drought that has recently broken in most of the state, is the worst drought of record. Both have resulted in inflows of less than the water sharing plan benchmark drought of record.

We understand that a departmental review in 2013/2014 using the Millennium Drought as the period of record low inflows in the Lachlan Valley determined that changing the drought of record from “pre-2004” in the water sharing plans would have the following impacts on general security water users:

- Lachlan – Five percent reduction in long term average allocations
- more than 50% in around 5% of years, and more than 20% in around 10% of years

In the Lachlan Valley, if the Millennium Drought minimum inflows **are not used** and storage reserves not increased then there will be years when higher priority extractions (i.e. Town Water Supply, Domestic and Stock, and High Security) will not receive their full allocations. Extractions will be impacted as follows:

- 0.2% on average;
- between 5%-8% in less than 5% of years; and
- 8% in less than 1% of years.

The review found that this demonstrated that automatically adopting new minimum inflows and increasing storage reserves would address what could be described as an infrequent risk to water security for higher priority licence holders, but it would potentially impose significant impacts on future general security extractions.

The 2013/14 review concluded that changing the drought of record was an inappropriate balance between productive use of water and drought security, and that alternative drought

contingency measures including improving infrastructure and alternative water sources were preferable to setting water aside in reserves.

Through the Regional Water Strategies, the Department is currently reviewing the climate record used in water sharing plans, including modelling based on paleoclimate information.

LVW Position

LVW has concerns that the impact of updating the 'drought of record' model is that it is likely entitlement holders rather than government will bear the risk of any changes. The Lachlan does not support using historically worst-ever inflows, and considers GS vulnerability is high for the following reasons:

- The issue is not so much the volume of water set aside for high priority requirements such as LWU etc, but the operational requirement to deliver that water, which can be very high depending on licence shares, and other WSP provisions
- The Lachlan is a river with high operational requirements defined in the WSP - it has an end of system flow requirement, plus a requirement to provide 40,000 ML replenishment flows to creeks in the mid and lower Lachlan. This requires 180,000 ML/yr just to run the river, plus 14% delivery losses on licenced water delivered, so depending on the time of year that requires 31-35% of the dam set aside. For example, in the May 2020 Water Allocation Statement the volume required for essential requirements and losses including storage evaporation was 483 GL, which is 34.5% of total storage capacity in the Lachlan. This is to run the river for 2 years and deliver 269 GL, of which only 92 GL is GS.
- The millennium drought had significantly lower inflows here over an extended period than the worst pre-2004 drought (Aug 2002 – Jul 2005 inflows 263 GL, cf Aug 1944 – Jul 1947 532 GL) so adopting it would require significant extra water set aside to meet the delivery requirements for 36 months, and all of that impact would be borne by GS. A question is whether it is necessary to manage for the worst-ever drought, and bear the costs of that every year, or whether it is acceptable to manage for a 1 in 100 year event, and if inflows do fall below that 1 in 100 year level, do a valley have enough warning and enough options available to manage for it?
- LVW would argue that, yes, if inflows are worse than the basis on which the planning has been done, there is plenty of warning and this region is able to manage it because:
 - The resource assessment is done each month, you can see well in advance if inflows are lower than budgeted
 - Because the water management planning is for a 2 – 2.5 year period looking forward, a shortfall doesn't impact availability immediately
 - If inflows remain below the 1 in 100 year inflows for a prolonged period, it becomes clear there's a looming problem and there is time to put in place measures to ensure supply for high priority needs of LWU, S&D, HS.
 - These measures may involve suspending delivery of some GS allocations and implementing river operational savings, eg, to reduce operational requirements and replenishment flows. Providing this is discussed with those affected and communicated well in advance, it is manageable.
- Managing water availability during severe water shortage requires input from people with good on-ground knowledge of the catchment

Other measures which LVW has previously proposed to support security for higher priority needs:

- Implement other ways to meet water requirements for very high priority requirements such as towns, eg, piping from secure supply.

- Consideration of how to improve river operational efficiency. LVW acknowledges this is usually going to be contentious because it means less benefit for some. But should the Lachlan be running 30,000 ML/year down lower Lachlan creeks to provide BLR when the needs could be met securely by delivering 10% of this water every year by piping?
- The attitude of irrigators towards risk is partly related to the water accounting system, eg, with continuous accounting in the Lachlan, LVW's view is that irrigators are more willing to accept some risk in return for improved access. Also, resource managers have several months lead time if it appears there's going to be a shortfall in the inflows needed to deliver water already held in accounts, so they can provide clear information in advance of potential management actions, and irrigators can weigh that up in their own management.

LVW acknowledges that while the principles for risk management should be consistent, how they are applied will vary significantly depending on variability of flows, and the water accounting system used in each valley.

Re: Terms of Reference point G. any other related matter.

Water Allocations Process

The water allocation process needs reviewing and often times is seen as being too arbitrary. In June 2024 Wyangala Dam was over 100% full and there was enough water in the system to fill the remaining two storages. In these circumstances a "spill" should have been called by DCCEE NSW, which would have reset water users accounts and given them back their full allocation. Through documents received under a GIPA, it is evident that on the 24th of June 2024, river operators from WaterNSW recommended a "spill/reset" to the department with an allocation of 116% for water users to be provided in the Jul 24 Water Allocation Statement. Later that afternoon the department called a meeting, after which the department emails WaterNSW advising that there will be no spill/reset. There are no minutes or record of conversation of what was discussed in that meeting. This caused significant turmoil in the watermarket, and had a negative financial impact on many water users. Since then, Lachlan water users have only received a 7% allocation.

Lake Brewster. Under the current Water Sharing Plan (WSP0 Lake Brewster (as well as Wyangala) has an Environmental Water Allowance of 10,000ML (each). In their final audit report of Water Sharing Plans in May 2023, the Natural Resources Commission (NRC) found that no water was credited to Lake Brewster EWA under the Lachlan plan in 2018-2019 when the 50% general security trigger threshold was met as required under Clause 27(2). This was due to drought conditions and Lake Brewster had no water in it at the time the trigger threshold was met. They made a subsequent recommendation that DPE-Water to credit Lake Brewster EWA when triggers are met, even if water is not available in the Lake at the time. This means that water users will have water deducted from the consumptive pool for use from Lake Brewster, even if there is no water in Lake Brewster to use. LVW would like to see a more "common sense" approach where EWA is accredited to Lake Brewster, only when there is water in Lake Brewster, and when its needed for environmental outcomes.

Poor Consultation and Engagement Models

Stakeholder engagement and consultation conducted by DCCEE NSW is conducted very poorly and is often done towards the end the process. This includes webinars where participants only have the option of typing questions in the chat function with many questions either skipped over or missed out on altogether. Since the disappearance of regional valley-LVW submission to the Legislative Assembly Committee on Investment, Industry, and Regional Development Inquiry into the impacts of the *Water Amendment (Restoring Our Rivers) Act 2023* on NSW regional communities

specific staff, water users miss out on collaborative consultation and engagement. To give an example, LVW believes that “collaborative” stakeholder engagement should begin at least 2 years before the expiration of WSP’s so that future plans can be drafted with stakeholder mensured a collaborative approach to drafting realistic and valuable WSPs.

Water users are often told by the department that the department doesn’t have enough resources or has resources with limited planning/expertise as a reason why the department has changed from a collaborative approach.

The recent proposed prescribed wetlands debacle is an example where no consultation or engagement took place with directly affected landholders.

The department must take a collaborative approach in both drafting WSPs and Regional Water Strategies and rolling out proposals/projects rather their current top-down approach in which local experts with years of water management experience are left out of the planning process.

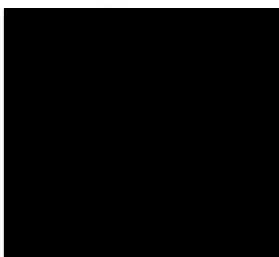
Lachlan Regional Water Strategy

The Lachlan Regional Water Strategy released in December 2024 was appalling and provided no actual strategies for better water security within the region. Instead, its suggested more modelling and the need to “better understand” rather than tangible outcomes that would either reduce the need for water or provide better water security and resilience.

The strategy proposes 3 priorities; 1 – Build resilience to climate extremes, 2- Improve Catchment Health, and 3 – Support the water needs of a strong and sustainable economy and was to be a water blueprint for the next 20 years. Unfortunately however there are no direct actions mentioned in the document to would go toward meeting these priorities, and over 75% of the “outcomes” are not currently funded and are set during the 5-20 year period.

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

Yours faithfully,



Glenn Daley
Executive Officer

