

**Submission
No 15**

INQUIRY INTO ADEQUACY OF WATER STORAGES IN NSW

Organisation: Dungog Shire Council

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DUNGOG SHIRE COUNCIL

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CFD
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The Director
Standing Committee on State Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir,

ADEQUACY OF WATER STORAGES IN NSW

Thank you for the opportunity to comment on this inquiry, the community of Dungog Shire does have the capacity to speak first hand in relation to our experiences in regards to future water storages and the impacts such can have on communities.

One Councillor actually described the title to the response should be marked "Lessons Learned" following the impacts of the proposed Tillegra Dam on our community. Those impacts commenced on 13 November 2006 and many of those scars run deep within the community still following the refusal of the project in November 2010.

Background

The Dungog Local Government area comprises an area of 2248Km² running from alluvial flat country to high rugged ranges of the Barrington Tops, with three main valleys (Paterson, Allyn & Williams) giving rise to the names of the three main rivers within our Shire, two of which are tributaries to the Hunter river namely the Williams and Paterson.

Within the Paterson Valley Lostock Dam holds water for irrigation purposes, the Allyn river joins the Paterson river at Vacy above the tidal pool on the Paterson river. Within the Williams valley the Chichester river connects to the Williams river, on the Chichester river is situated the Chichester Dam which is a water storage dam that provides approximately 38% of water supply to the lower Hunter region by way of pipeline that traverses the Shire.

The Williams river also supplies approximately 50% of the water to Grahamstown Dam which is undertaken by way of pump transfer from the river along the Balickera canal at Seaham. Approximately 1100 Km² of the Dungog LGA is within the Williams river catchment and accordingly land management practices within the catchment are important in protecting the water quality of the river.

The proposed Tillegra dam would have stored 450,000 megalitres of water, with the water to be transferred by way of river flow down the Williams river and pumped from Balickera pump station across to Grahamstown Dam by the Balickera canal.

DungogShire
Life as it should be...

COUNCIL'S VISION:

A vibrant, united community, with a sustainable economy. An area where rural character, community safety and lifestyle are preserved.

Commentary

Many of the Councils responses to the questions raised relate more to the local/regional context than the broader State scope.

Council is concerned that the inquiry focuses on the adequacy of water storage and whilst drought impacts over the past decade were experienced by the majority of the State the Dungog LGA was only drought declared for short periods of time as was much of the lower Hunter.

One of the elements that really should be considered within the scope of the inquiry is the adequacy of management of water use or reuse once delivered from a water storage.

It is one of the major factors that was continually highlighted throughout the Environmental Assessment Review for the Tillegra project. To not look at existing practices and look at what could be done to change the way people and industry consumed water, before announcing a major Dam project like Tillegra was flawed.

Hunter Waters H₂50 plan was released after the Tillegra Dam announcement this document is still on their website and really reflects a sole reliance on building Tillegra Dam to meet the future needs of the lower Hunter. In the scheme of an integrated water resource plan it was proposed to channel funds into loss reduction programs and the establishment of a water recycling plant for Kooragang Island. Yet the predominant focus was building a Dam without appropriate consideration of future populations sustaining themselves without reliance upon treated water solutions. It is still one of the major flaws within their integrated water resource plan.

In relation to the Inquiry's specific questions the following responses are provided:

a) the capacity of existing water storages to meet agricultural, urban, industrial and environmental needs;

Current water storage for the provision of water for domestic, agriculture and industry in the lower Hunter appears to be adequate given:

- there have been no restrictions placed on water use for domestic or industrial uses for a couple of decades
- Lostock Dam, built for irrigation is greatly underutilised for this purpose, with a very small number of serious irrigators remaining above the tidal pool on the Paterson / Hunter system
- less than 1% of the water used in industrial processes is recycled, that is, about 99% of water used for industry is treated to drinking water standards which indicates to many observers that there is an overabundance of water already available.
- the nature of industry and agriculture in this region is changing quickly, with bulk water demands likely to continue to reduce.

b) models for determining water requirements for the agricultural, urban, industrial and environmental sectors:

Models for determining need should be based on the projected yield of the water catchment, taking into account the best available climate change data. The amount of water able to be provided by the environment is finite and communities and industry should be supported and trained into learning to live within these finite limits.

The provision of water is an example of an ecosystem service as described in "resilience" or systems thinking. Resilience thinking is one of the cornerstones of the current upgrade of Catchment Action Plans, is described in the NSW Natural Resources Commissions' Framework for Upgrade of CAPs (2012) and effectively represents NSW Government policy. This type of thinking directs planners towards considering a whole of system approach taking into account all of the social, environmental and economic factors, but realising that the limits to the system are provided by the ecosystem services able to be derived from the environment.

In plain words, we should learn to live within the means able to be provided by the environment on an ongoing basis. Planners need to plan for uncertainties, not just model on the averages derived from past experiences and project linear thinking models into the future. A shire like Dungog has a great future potential to trade on its ability to manage land well in an effort to provide continued supplies of drinking water for downstream users, having this service valued by the end users and having it costed and recompensed by governments. There is no need for any new dams in a scenario like this as the end users will be better able to cope with supply variation (unable to wash the boat or car on the road or hose down the concrete driveway for example) as they have done in other places as they will be part of a system of supply and use rather than just end users (provided of course that effective and ongoing community engagement and education is delivered by water authorities and government).

c) storage management practices to optimise water supply to the agricultural, urban, industrial and environmental sectors,

No comments to add

d) proposals for the construction and/or augmentation of water storages in NSW with regard to storage efficiency, engineering feasibility, safety, community support and cost benefit

The Tillegra Dam proposal should be reviewed in some detail by the inquiry, the methods utilised throughout the process reflect that the community of Dungog Shire was taken on a journey that at the end of the day has left behind a number of legacies.

There were deficiencies identified by many leading commentators in relation to the systems utilised by Hunter Water to measure yields, the cost benefit analysis utilised was not best practice, there was strong community opposition, there was ongoing concerns as regards site suitability from a geological perspective to name but a few of the concerns.

The Dam proposal (third time around) started its journey this time as a development application that would be considered under part 3A of the Environmental Planning & Assessment Act, during the process the proposal was subsequently announced as "Critical Infrastructure" by the former State Government.

The process was flawed from the initial announcement. To not bring the community into the equation until after the announcement is where the project initially failed. Council could not really take a side on this matter all that we could do was to ensure that our community was not disadvantaged whether the Dam proceeds or not and advocate to protect our infrastructure and highlight deficiencies within the documents submitted by Hunter Water Corporation.

Land acquisition processes, impacts upon farming communities and families that had existed within the upper Williams Valley for generations have been significant. Families have been

torn apart, families have moved away farm succession planning failed all because of one announcement by the State Government which was at that time not supported by the science or the need.

The Tillegra precinct has been in existence since the early 1950's and people in the area knew that one day it may happen as Hunter Water had been acquiring properties as they came on the market over the years. However in 2004 Hunter Water had advised Council that it (Tillegra Dam) was not on their 30 year horizon.

Tillegra Dam would have been a deep water storage, water losses/evaporation from the Dam would not have been severe as what is experienced at Grahamstown Dam. Hunter Water had committed to enabling the Dam to be a recreational dam which may have stimulated elements of the local economy. However it needs to be recognised that the Dungog Chamber of Commerce identified that subsequent to the Tillegra announcement the local business economy was losing \$20Mil annually as landholders in the Tillegra precinct were not investing in or maintaining their properties.

With the lands acquired by Hunter Water post November 2006, it is reasonable to say that the level of dis-investment in the local economy has actually increased as the lands have been leased and no capital expenditure is occurring on those properties. That is still the current status and one of the ongoing legacies which our community still has to live with.

A copy of the Councils response to the Director General of NSW Planning is enclosed which outlines a number of the concerns that Council expressed in relation to the Environmental Assessment report that was submitted by Hunter Water.

Ideally proper and appropriate presentation of information to the community and a collaborative approach to these types of projects over an extended timeframe is required to effectively engage support from communities. This approach should extend well beyond those deemed to be immediately affected and include those communities who will benefit from the water storage.

e) water storages and management practices in other Australian and international jurisdictions,

No comments to add.

f) any other matter relating to the adequacy of water storages in NSW.

The security of water is tantamount to the economic well being of NSW. However we must be prepared to accept that climate change has to influence the behaviour and attitude towards water.

Whilst the recent drought has impacted upon rural communities across NSW, there is still evidence that certain behaviours have not changed, not just in rural communities but also in metropolitan areas. Water efficiency, water awareness programs need more investment to ensure that behaviours do change.

Conclusion

Whilst Tillegra Dam is supposedly "off the books" forever, our community has to wait until late 2013 as regards the release of the Lower Hunter Water Plan. Council is aware that several other Dam proposals within the Dungog LGA will be considered as part of that process. I do trust that the Tillegra lessons will ensure that such proposals are properly

reviewed and proactive steps are put in place should any future decisions on Dam construction within the Shire be contemplated.

Water, it is our most valuable resource yet it is taken for granted by many within our communities and so much is wasted. The reality is that water is too cheap.

Whilst this response from Council does not tick all the boxes in terms of the Inquiry's terms of reference there is a need to send a message to Government that whilst you are charged with having to make the tough decisions in regards to the future of our communities do not forget to take the community along with you.

With in excess of \$100Mil spent on a failed project, with a local economy still struggling financially there are some lessons that need to be learnt from this exercise and someone has to be held to account.

I thank you for your time.

Yours faithfully

Craig Deasey PSM
GENERAL MANAGER

Attachment (1 Copy of letter dated 6 April 2010 to NSW Planning 15 pages)