

**Submission
No 4**

INQUIRY INTO ADEQUACY OF WATER STORAGES IN NSW

Organisation: Dubbo City Council

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

www.parliament.nsw.gov.au/statedevelopment



Dear Sir/Madam

SUBMISSION TO INQUIRY INTO ADEQUACY OF WATER STORAGES IN NSW

Dubbo is a progressive growing City on the western plains of NSW. Dubbo City Council operates the Dubbo Water Supply Scheme which supplies water of drinking quality to the community. The Scheme sources water from groundwater and surface water.

The publicly owned and taxpayer funded Burrendong Dam is about 70 kilometres upstream of Dubbo. The Dam has a storage capacity of 1,188,000 megalitres at 100%. Dubbo's annual water consumption is of the order of 10,000 megalitres in hot years, by comparison. The Macquarie River downstream of the Dam is a regulated stream.

Council should be able to rely on water released from the Dam for its water resources going forward.

However, the system of licences and dam operating rules means that the stated highest priority given to town water usage is not realised in practice.

Council relies on existing town water use river licences which were confirmed with the passage of the Water Management Act in 2000. These volumetric licences are fixed with no automatic increase on account of growth. Under the Water Management Act, Council was offered water licences based on the Reasonable Entitlement method. The quantum of these licences were significantly less than the volumetric licences held at the time, so Council did not accept them, preferring to retain the volumetric licences.

However, the Act permitted the Reasonable Entitlement method to increase over time to reflect growth, something the volumetric licences do not do.

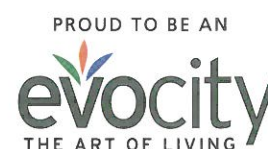
Council could buy general or high security water licences on the water market, but these may be reduced to zero or a fraction of their face value in dry years, when they are needed. It is not possible to buy, or to sell, water licences of town water security.

All communications to:

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The system of water licences should be amended so that towns can purchase town water licences from the Crown, and sell to other towns or back to the Crown.

The volume of such licences for each river valley should reflect catchment and the safe yield of the dam.

In summary, publicly owned water storages are failing to support the growth of towns as they were originally intended to on account of restrictive water licensing arrangements. The benefits of an effective water market are not available to the town water sector.

If you require any further information please let me know.

Yours faithfully

Stewart McLeod
Director Technical Services