

**INQUIRY INTO CONSTITUTION AMENDMENT (WATER  
ACCOUNTABILITY AND TRANSPARENCY) BILL 2020  
AND THE PROVISIONS OF THE WATER MANAGEMENT  
AMENDMENT (TRANSPARENCY OF WATER RIGHTS)  
BILL 2020 AND THE WATER MANAGEMENT  
AMENDMENT (WATER ALLOCATIONS - DROUGHT  
INFORMATION) BILL 2020**

**Organisation:** Lachlan Shire Council

**Date Received:** 2 July 2020

---



02 July 2020

NSW Legislative Council  
Portfolio Committee No. 4-Industry  
Parliament of New South Wales  
SYDNEY NSW 2000

Email: [portfoliocommittee4@parliament.nsw.gov.au](mailto:portfoliocommittee4@parliament.nsw.gov.au).

Dear Chair

**Re: Inquiry into the provisions of the Constitution Amendment (Water Accountability and Transparency) Bill 2020, the provisions of the Water Management Amendment (Transparency of Water Rights) Bill 2020 and the Water Management Amendment (Water Allocations - Drought Information) Bill 2020**

Thank you for the opportunity to submit to this inquiry by the NSW Legislative Council's Portfolio Committee No. 4 – Industry into the above three water bills.

As you may be aware the Lachlan Shire Council is located in the centre of NSW with the local economy primarily centred on agriculture. Over the last 4 years the community has struggled under the impact of the worst drought on record with the subsequent loss of rural jobs and farm income also impacting our local businesses. Our town and village water supplies have been impacted to varying degrees depending on their proximity to the Lachlan River.

In line with the terms of reference for this inquiry, Lachlan Shire Council makes the following comments. These are made both from an urban water perspective where the communities of Condobolin and Lake Cargelligo rely on the Lachlan; in the context of the broader needs of irrigators, the aboriginal community and the environment.

Water Management Amendment (Water Allocations – Drought Information) Bill

It is understood that the intent of this Bill is that the inflows from the worst-ever drought should be used in the resource assessment and allocation process, rather than the worst drought of record up to 2004, which is when the Water Sharing Plans first started and what is currently legislated.

A change like this would have varied impacts across the state, depending on the inflow patterns for different rivers and how severe the Millennium drought and the most recent 2017-2020 drought have been. The following comments are largely from a Lachlan perspective:

- Impacts on the Lachlan would be significant because the Millennium drought was worse than pre-2004. Arguably the management of the Lachlan during the Millennium drought failed the communities of Lake Cargelligo and Condobolin.
- The WSP requires that there is sufficient storage reserve, when combined with drought-of-record inflows, to meet essential supplies through a repeat of the drought-of-record. In the Lachlan this means 2 year's supply for towns, S&D, HS and for river operation are required before there can be any water allocated to general security licences.
- If the worst-ever drought up to 2020 was used in the resource assessment it would mean managing for a longer drought (around 3 years) and that more storage reserve was required and therefore GS licences would have less access to water and lower reliability. This would have a flow-on effect for the valley in terms of less production, less economic benefit to the wider community.
- The issue for the Lachlan is ensuring rapid and appropriate response to a worsening situation. Stochastic modelling using NARCLIM climate change data will provide advice on worse case scenarios. A rapid response including the following is the bigger issue:
  - a. The resource assessment is done each month, so you can see well in advance if inflows are lower than budgeted
  - b. Because the water management planning is for a 2-year period looking forward, a shortfall doesn't impact availability immediately
  - c. If inflows remain low (based on modelling as described above) 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 – LWU, S&D, HS.
  - d. The last 4 years are a good example of this in the Lachlan – major flood in 2016/17, with 1,495,000 ML dam inflows and 900,000 ML released from Wyangala from August-November 2016. However, dam inflows then dropped significantly to way below the LT average (720,000 ML/yr). Dam inflows in 2017/18 were 165,000 ML, and in 2018/19 they were 88,000 ML, so by 1 July 2019 measures were put in place to ensure high priority needs were looked after:
    - 100% allocation for LWU and S&D for 2019/20, and DPIE-Water is indicating the same for 2020/21
    - 87% new allocation for HS for 2019/20, and DPIE-Water indicating 70% for 2020/21
    - Delivery of only 57% of the water remaining in GS accounts at 1 July 2019 was permitted, and 43% was put into a 'drought suspended' sub-account. Delivery of this 43% will remain suspended until further inflows received.
    - Some river operational savings made after discussion with local groups – no stock and domestic replenishment flows in effluent creeks, more efficient operation at end of system to reduce operational losses.
    - This has all been communicated well in advance, and DPIE-Water are also indicating 273,000 ML additional inflows required before there can be any new allocation to GS.

Further, the Central NSW Joint Organisation of Councils of which Lachlan is the Chair Council, is a staunch advocate for secure and reliable regional water for towns, agriculture and industry in the highly vulnerable Lachlan River Catchment.

Off the back of the Millennium Drought, the region completed its national award winning Centroc Water Security Study which used stochastic modelling to forecast urban demand for the region's towns for a 50-year horizon through to 2059. The region continues to advocate for stochastic modelling.

In addition, anecdotal evidence suggests that businesses are not coming to the Lachlan region and that towns are not expanding as a consequence of water security concerns. As a result, investment in this region and development is being stifled.

The recently announced upgrading of Wyangala Dam has the potential to significantly improve catchment reliability and 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. Additional advice on this can be provided on request.

#### Constitution Amendment (Water Accountability and Transparency) Bill

This bill requires Members of Parliament to declare water access licences they own or have an interest in, and also to declare any water trading activity within 14 days.

This amendment seems reasonable and consistent with other transparency requirements.

#### Water Management Amendment (Transparency of Water Rights) Bill

This bill requires not only Members of Parliament and spouses to declare interests in water licences, but also to require much greater visibility of information on the NSW Water Register, namely the names and addresses of all people who own water licences (described as the transitional provision in Schedule 1(9) requiring people to provide information that is included on the water access licence application).

Information about water access licences is already publicly available via the <https://waterregister.watarnsw.com.au/water-register-frame>. You can just put in the licence number and get the location, volume, conditions etc. You can also get water trading data, but you cannot get the name and address of the licence holder from this register. However, you can pay a broker about \$16/search and they will get you the licence holder name and address from the LPI.

There is some concern in the industry that if the name and address was so easily available you'd find people being targeted by anti-irrigation interests, social media etc, or even by brokers, particularly where brokers could look up and see how much water people had left on their licence for this year and could then use that to try and engineer higher prices if they can see some people need water.

In summary we are of the view that:

- Regarding worst drought of record in the resource assessments in the Lachlan river catchment; our preference is the use of stochastic modelling using NARCLIM climate change data to provide advice on worse case scenarios as well as a rapid response;
- Amendments to the Water Accountability and Transparency Act that require MPs to declare water access licences they own or have interest in and to declare any water trading activity within 14 days seems fair and reasonable; and
- Amendments that require greater visibility of information on the NSW Water register is not necessary and could be used to the detriment of licence holders.

Thank you again for the opportunity to make comment. For further advice on this submission please contact me

Yours sincerely