

Submission  
No 48

**INQUIRY INTO RATIONALE FOR, AND IMPACTS OF,  
NEW DAMS AND OTHER WATER INFRASTRUCTURE IN  
NSW**

**Organisation:** Bathurst Regional Council

**Date Received:** 22 September 2020

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22 September 2020

Ms Cate Faehrmann MLC  
Committee Chair  
Portfolio Committee No.7 – Planning and Environment

Email: [PortfolioCommittee7@parliament.nsw.gov.au](mailto:PortfolioCommittee7@parliament.nsw.gov.au)

Dear Ms Faehrmann

**Response to the Inquiry into the rationale for, and impacts of, new dams and other Water Infrastructure in NSW**

Bathurst Regional Council operates the Bathurst town water supply system, which provides a potable water supply for industry and residential consumption to support a community of approximately 40,000 people. Urban water supply is sourced from the Macquarie River, which commences approximately 10km upstream of Bathurst, with the confluence of the Fish and Campbells River. Chifley Dam, of 30,100ML capacity, is located on the Campbells River and is Bathurst's primary water supply dam.

Bathurst has experienced an extremely difficult drought, where Chifley Dam reached a level of approximately 29% and in January 2020 had a Day Zero prediction on the basis of zero inflow of August 2020. Whilst Bathurst Regional Council imposed water restrictions far earlier than as required by its Drought Management Plan, sought and was successful in requesting water restrictions on irrigators between Chifley Dam and the Bathurst Water Filtration Plant, this is an extremely concerning timeframe. Bathurst's water supply was placed on Level 4 Extreme water restrictions, which predominantly restricted residential use. Further restrictions were planned, with the next step level 5, which would have impacted significantly upon business use of water and thus the local economy. Fortunately, in April 2020, significant rainfall fell, and currently Chifley Dam is at 100% capacity, following a period of 3 years without significant recharge.

Independent economic analysis of the impact of water restrictions on the Bathurst Economy was carried out, as provided at **attachment 1**. In summary, the economic input would have been catastrophic should Bathurst have been forced into Level 6 water restrictions as shown below:-

***Economic Impact analysis***

*The economic impact analysis considers the direct and flow on impacts arising from structural changes in the Bathurst economy.*

*Key findings of the economic impact analysis detailing the effects of level 5 and 6 water restrictions and a supply failure on the whole of the Bathurst economy are detailed in the table below.*

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 22 September 2020

<i>Water restriction level</i>	<i>Contribution to economy - Output</i>	<i>Household Income</i>	<i>Employment Full time equivalents (FTE)</i>
<i>Unrestricted</i>	<i>\$1,709,940,000</i>	<i>\$723,810,000</i>	<i>9769</i>
<i>Level 5 (25% reduction)</i>	<i>\$1,526,330,000</i>	<i>\$660,870,000</i>	<i>8957</i>
<i>Level 6 (50% reduction)</i>	<i>\$1,057,120,000</i>	<i>\$454,570,000</i>	<i>5882</i>
<i>100% reduction</i>	<i>\$130,630,000</i>	<i>\$66,780,000</i>	<i>901</i>

Due to the above concerns over water security for Regional NSW Centres, Council wishes to make the following comments: -

1. It is recognised that water shortages will occur, however, the goal of water authorities should be that the economies which they support do not have to suffer water restrictions that impose economic hardship on the business community, which leads to job losses. As identified in the table above, in the case of Bathurst, this is Level 5.
2. Council sees that water security of regional centres as vital for the growth of NSW.
3. Council supports the need for a regionally based assessment of town water supply systems, including the need for regional network of pipelines across the NSW Central West. This will provide a clear improvement into the performance of water supply systems and thus regional economic growth.

Attention is drawn to the work completed by Central Joint Organisation, Review of Regional Town Water Supply Systems, which will be provided by Central JO.

4. Council is supportive of infrastructure improvements that will provide regional centres water security in times of Drought. Of particular note is the performance of water supply systems servicing regional centres, including Bathurst on the basis of the operation of the 5/10/10 rule as required by water supply security requirements through NSW Office of Water.

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22 September 2020

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5. Council raises concerns over impact of decisions made by NSW Government Agencies regarding the operation of town water supply systems. As an example, during what has been identified as perhaps the worst drought on record, the NSW Government provided 100% general security licence allocations for irrigation from 1 July 2019, upstream of the Bathurst Water Filtration Plant and downstream of Chifley Dam, on the Macquarie River. This allocation is approximately 4,700ML/annum, with Bathurst's unrestricted demand approximately 6,700ML/annum.

Of particular note is that Chifley Dam is licenced as a town water supply dam only, with no irrigation entitlements. However, the Campbells River operates as a natural pipeline to service the Bathurst Water Supply System, thus irrigators between the dam and the water filtration plant are legally able to extract water based upon their entitlement as approved by the NSW State Government as required. Council does not have access to, nor legal entitlement to details of water extraction volumes, with substantial water metering required to be able to provide this function.

This decision was made by the NSW State Government whilst Bathurst was continuing to endure Level 3 Restrictions, with no consultation with Council. Restrictions on irrigation were not put into place until 1 November 2019, following months of consultation by the Council with local irrigators and the NSW Government. Note that Level 4 Restrictions were implemented by the Council on 14 November 2019 and remained in place until 28 August 2020, at which point Level 3 restrictions were enforced.

Thank you for the opportunity to make a submission to the enquiry and I would be pleased to provide further information if requested.

Yours faithfully /

 Darren Sturgiss  
**DIRECTOR**  
**ENGINEERING SERVICES**