

Supplementary
Submission
No 151a

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

Name: Ms Cathy Merchant

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Mr Stewart Smith
Director Committees
portfoliocommittee7@parliament.nsw.gov.a
6 October 2020

Re: Portfolio Committee No.7 - Rationale for, and impacts of, new dams and other water infrastructure in NSW - supplementary submission.

Dear Mr Smith,

I am hoping that you can accept a supplementary submission to your Inquiry to that of my original submission dated 22 September 2020.

As you will be aware the Auditor General has published her performance report titled "Support for regional town water infrastructure" since I forwarded my submission. I feel that some of the concerns raised in my original submission have been confirmed in the findings of the performance report and I draw the report to a matter of consideration in your Inquiry.

In her introduction the Auditor General states:

"Safe and reliable water and sewer services are essential for community health and wellbeing, environmental protection, and economic productivity. In 2019, during intense drought, around ten regional New South Wales (NSW) cities or towns were close to 'zero' water and others had six to 12 months of supply. In some towns, water quality was declared unsafe.

Ensuring the right water and sewer infrastructure in regional NSW to deliver these services (known as 'town water infrastructure') involves a strategic, integrated approach to water management. The NSW Government committed to 'secure long-term potable water supplies for towns and cities' in 2011. In 2019, it reiterated a commitment to invest in water security by funding town water infrastructure projects.

New South Wales' Water Management Act 2000 (WM Act) aims to promote the sustainable, integrated and best practice management of the State's water resources, and establishes the priority of town water for meeting critical human needs."

Subsequent to the Auditor General's Report the Department of Water, Planning and Environment -Water has released three of the outstanding Regional Water Strategies for public comment.

According to the NSW government website: *"The regional water strategies will integrate and align with other NSW Government programs such as the State Water Strategy (in development) the whole of government drought response, long term land use plans for regional NSW, water resource plans, long term watering plans and the Safe and Secure Water Program which provides options to address local-level issues."*

Having read the draft Lachlan Regional Water Plan and the Guide to Regional Water Plan I express serious concerns at the adequacy and genuineness of government in its water planning and policies to meet the needs of regional communities and inland ecosystems.

It is difficult for me to see how government will take proper account of the public interest and the predicted impacts of a changing climate to deliver the town water infrastructure required to meet the critical needs of future communities.

With the draft Regional Water Strategies now released I wish to make short further comment that I presume would fit under your Terms of Reference 1 **(f) any other related matter.**

In summary:

- Figure 6 of the draft RWS suggests RWSs have an incoherent fit within NSW water policy and planning: they are outside the national context, under a yet to be written State Water Strategy and somewhat separated from regional strategic planning;
- There is no clear statement of how they fit under the *Water Management Act 2000* and its requirements for a State Water Management Outcomes Plan;
- It is difficult to see whether the “Improved climate modeling and data” is genuinely robust: the expert panel review report is not accessible and it is unclear what other independent review has occurred;
- Given the changing and emerging new understanding of a changing climate it is arguable the precautionary principle should be an important consideration in water planning but there is no reference to any ESD principles in the draft documents;
- It is confusing for the general public how “*existing climate variability*” is properly balanced against “*future climate change*” in determining how water planning will meet future critical needs. The practical meaning of statements such as how “*a better understanding of the natural climate variability in the Lachlan region beyond the observed historical records*” needs to be better explained to communities already feeling the impacts of a changing climate;
- The graphs representing predicted impacts of a changing climate use inconsistent terminology and are not reader friendly;
- The guide clearly states that the dam infrastructure under this Inquiry is outside the RWSs’ options decision-making process: Both **Priority Infrastructure Projects** (Wyangala and Dungowan Dams; final business cases for Mole River Dam, a pipeline from Lake Rowlands to Carcoar Dam and Macquarie regulating storage; drought projects) and **Projects**

subject of Commonwealth-State agreements (SDL Adjustment Mechanism Projects and the Northern Basin Toolkit Measures) are not subject to the prioritisation process even though the RWS “*will assist with implementing these commitments*”;

- It is unclear how two of the RWS objectives (*Recognise and protect Aboriginal rights, interests and access to water; protect and enhance the environment*) can be achieved effectively when options have mostly been pre-determined as outlined in the point above;
- It is unreasonable that consultation with First Nations people seems to be retrospective of the development of the RWS. The summary of limited consultation that has occurred seemed somewhat culturally insensitive and needs rewording. For example, “*Culturally, Aboriginal people can apply for an Aboriginal cultural water access licences. If granted, this licence can provide up to 10 ML/year for drinking, food preparation, washing and watering domestic gardens, as well as for Aboriginal cultural uses. **Despite this**, during our consultation we heard that current cultural water access licences are inadequate to meet the social, spiritual, cultural and economic needs of Aboriginal people*” (my bolding). The tone to me reflects a significant lack of understanding of First Nations’ relationship with country.
- The benefits of flood events to lower and mid-Lachlan floodplains and wetlands are clearly stated in the RWS but not prioritised in the options list even though “*protect and enhance the environment*” is one of the objectives of the RWS (presumably of equal weighting with the other four) and a priority of the *Water Management Act 2000*;
- The linkage with long term watering plans remains vague in the RWS;
- The economic objectives are poorly evaluated: according to the draft Lachlan RWS, tourism is not defined as an industry category and indirect employment and contribution to GDP is unable to be calculated, even though in a “covid world” it will presumably be an even more important regional activity. Further, combined with transport, postal and warehousing etc it employs more than “thirsty” mining which seems to drive decision-making more strongly in the RWS options;
- It is not clearly stated how reduced predicted inflows will affect dam storage levels and undermine the business case for larger storage areas: this section of the draft Lachlan RWS is limited in its analysis of this critical issue within a generally drying-out landscape. There is no analysis on whether money spent on a new dam could be better spent for example on “fast tracking” the Parkes Activation Precinct. There is limited consideration of how predicted seasonal changes in rainfall events will affect agriculture and how improved metering and compliance could reduce water use. Figure 12 clearly shows a significant reduction of future inflows into Wyangala;

- Predetermination of options limits opportunity for sustainable economic growth and improved social well being;
- The status of State Infrastructure Strategy, referenced in the RWS, is not clearly defined given SIS 2018 presumably is the current strategy;
- What constitutes “water security” and “water reliability” for the purposes of meeting critical town needs and ensuring ecosystem function is poorly defined.

Whilst it is acknowledged that some of these matters raised may be outside the scope of your Inquiry, the exhibition of the draft Regional Water Strategies remain relevant to the rationale for the new dams. It would seem arguable whether the draft Lachlan RWS genuinely supports the proposed Wyangala Dam project or is just to state it is happening and outside the comprehensive decision-making prioritising process proposed in the RWS.

This approach is disappointingly consistent with the government’s approach to projects such as Wyangala being “fast tracked” in the absence of business cases and cost benefit analyses. The substantial expenditure proposed could be better targeted towards sustainable projects that provide the same economic stimulus but ensure improved environmental and social outcomes as NSW strategizes its approach to life with less water and hotter days.

Thank you in anticipation for an opportunity to make further comment.

Yours sincerely,

Cathy Merchant