

Submission  
No 232

**INQUIRY INTO LONG TERM SUSTAINABILITY AND  
FUTURE OF THE TIMBER AND FOREST PRODUCTS  
INDUSTRY**

**Organisation:** Koondrook Perricoota Alliance - Red Gum Timber Industry -  
Wakool River Association - Joint Indigenous Group

**Date Received:** 10 March 2022

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## NSW Timber Industry Inquiry Submission regarding Koondrook Perricoota Forest Watering Issues and Proposed Solutions

As a result of questions raised during the NSW Parliamentary Inquiry Committee Tour of the Koondrook Perricoota Forest on the 7<sup>th</sup> February, 2022, the Koondrook Perricoota Alliance (KPA) are providing additional information for the Inquiry Committee for consideration. This document provides additional context to the Committee lines of enquiry specifically relating to the repeated failure of environmental water delivery to the Koondrook Perricoota Forest post construction of the koondrook Perricoota Forest Flood Enhancement Project. Background information regarding the KPA is outlined in Appendix 2.

This submission is specifically aligned with the Terms of Reference of the NSW Parliamentary Inquiry into the long-term sustainability and future of the timber and forest products industry relating to the following (in bold text insert):

(b) **the impact of external influences** on the timber and forest products industry, including but not limited to drought, **water**, fire, **regulatory structures**, habitat protection and local, State and Federal policies regarding climate change and plantation establishment,

(f) **the role of the government in addressing key economic, environmental and social challenges** to the industry, including funding and support to encourage improvements in forestry practices, training, innovation and automation, workplace health and safety, industry and employee support, land use management and forestry projects,

(i) best practices in other Australian and international jurisdictions in relation to the sustainability of the timber and forest products industry, including **social sustainability, community and Indigenous engagement and multiple uses of the forest estate.**

### Forward

To enable effective environmental water delivery to occur that would lead to improved environmental outcomes for the KP Forest, there are several high priority issues that the KPA deem need addressing. These are as follows:

#### 1. **Liability exposure is shared among too many 'partners'.**

There is a need to clarify operational liability and decision making accountability. Liability for operation of the scheme needs to be resolved. Acceptance of liability continues to be an issue between the States and the Federal Government.

**1.1 Solution:** Reduce liability exposure to a single NSW entity by:

- icare NSW monetising exposure
- NSW reducing basin contribution
- Providing direction to liability owner

A Koondrook Perricoota Forest Operating Committee (KPOC) exists however there are blurred lines relating to decision making and accountabilities which need addressing.

**1.2 Solution:** Provide unambiguous accountability clarity in the KPOC Terms of Reference

#### 2. **Third party impacts have never been mitigated.**

Mitigation of third party impacts are still to be addressed to enable environmental water delivery into the forest using existing structures constructed as part of the \$100M + Koondrook Perricoota Flood Enhancement Project, commissioned in 2013.

**2.1 Solution:** Mitigate third party impacts ASAP:

- KP accelerated works
- Reconnecting River Country
- Temporary 'Shear Paddock' levee works to mitigate third party impacts. *This was an important consideration in the 2021 failed watering event. The proposal is now part of the KP Forest Third Party Impact Mitigation Accelerated Works Package.*

**3. Mismatch between co-design policy and practice.**

There is a need to embed Co-design into KP Environmental watering events. In 2021, Water Infrastructure NSW resisted community representation on KPOC until Government Agency and Ministerial pressure was applied by community groups that had an aim of improving accountability, transparency and inclusiveness. Community lobbying to achieve local representation started in Dec 2020. Permission was granted eight months later on the 23<sup>rd</sup> July 2021. The 2020-2021 environmental water planning and watering event timeline of activities is outlined in Table 1 below.

It must be recognised that the 2012 Guide to the Basin Plan stated that "localism' was hard wired into the Basin Plan', however the biggest failure of the water reform process has been a failure for this process to occur.

Ministers have stated that they want co-design hard wired into the water reform process. See Appendix 1. There appears to be a broken link between Ministerial expectations and agency actions. It is clear that agency staff need to understand what co-sign means and to build this into their operating systems.

**3.1 Solution:** Best-practice co-design:

- invest in relationships
- best for the project
- stakeholder-centric

Where people are affected by decisions, they need to be part of the decision-making process. This will build social licence.

**3.2 Solution:** Involve local stakeholders in all phases of a project:

- concept development
- design
- operations
- monitoring and reporting

**4 Provide long term, multi-year (5-10 year), no regrets funding.**

This will ensure there is time to effectively plan projects such as Traditional Flows with stakeholders. This bottom-up, inclusive approach will achieve the social licence to operate the scheme and would achieve timely environmental outcomes that suits the environment and First Nations people. Currently water event planning and budget commitments occur on an annual basis (for submission to MINCO by mid-June seeking budgetary approval). This is a protracted process that doesn't suit the community or provide commitment to achieve long term environmental outcomes. Generally, the provision of additional information and budget negotiations occur between State and Federal Government entities which takes considerable time. Ideally, funding and then contracts would be completed in late winter / early spring to enable environmental water delivery and mitigate risk of black water hypoxia associated with warm weather water delivery.

**4.1 Solution:** Multi-year, long term contracts

## 5 Community empowerment:

Notwithstanding legal liability acceptance associated with a managed watering event that requires resolution, the Federal and State government could address all of the issues outlined above by **focusing on outcomes and not processes**. The risk averse and non-inclusive nature government agencies have shown has resulted in repeated failure. A solution would be to devolve the actual delivery arrangements associated with a watering event to the local community. The government could provide the broad parameters to be adhered to, and the desired outcome and then transfer power to the local community for decision making purposes.

**5.1 Solution:** Devolution of decision making powers of environmental water delivery to the local community / First Nations people

### Turning around a decade of engagement failure: what will it take?

Imagine the public outcry if a new 100-bed hospital opened in Western Sydney but administrative failures meant care could be provided to only five patients at a time?

This is what engagement failure looks like near Barham in southern New South Wales (NSW).

The Koondrook-Perricoota State forests (the Forest) form the NSW component of the second largest River Red Gum forest in Australia. Situated on the Murray River floodplain between Moama and Barham, the Forest is also part of a Ramsar Wetland and an Icon Site under The Living Murray (TLM), one of only six in the Murray-Darling Basin.

Because of its environmental and cultural significance, and after more than thirty years of deliberation, infrastructure to deliver environmental water into the Forest was completed in 2013, comprising nine large-capacity regulators, a 3.8 kilometre (km) inlet channel and a 45km levee.

With a reported cost exceeding \$100 million, the scheme was heralded as the largest investment under TLM and a testament to cooperative federalism. No longer a forgotten backwater or poor cousin, more than 17,000ha of the Forest could be inundated with the flick of a switch.

The scheme was designed to deliver large volumes of environmental water into the Forest every three years on average—645 gigalitres (GL) over 115 days with inflows reaching up to 6,000 megalitres per day (ML/day). Unfortunately, reality has fallen much shorter than design:

- the commissioning event in 2014 comprised a delivered volume of around 30GL and a peak inflow of 1,000 ML/day;
- the first managed event in 2019 comprised a delivered volume of around 30GL and a peak inflow of 500 ML/day; and
- the cancelled 2021 Traditional Flow was to comprise a delivered volume of 30GL and a peak inflow of 250 ML/day.

Despite the distinguished labels and multi-million dollar-investment, the Forest currently languishes on the bottom of environmental scorecards: the imposed water balance has stripped the Forest of its leaves as much as its celebrity. In fact, the scheme is widely considered a White Elephant.

The schemes' significant construction footprint has also not been offset as the expected environmental benefits have not been realised. 148 Aboriginal sites were discovered and recorded, of which 96 were impacted during construction: traditional owners have sacrificed much and benefited nothing.

The scheme is unable to operate above 5% of design capacity owing to three interrelated factors:

- the scheme does not have a social licence to operate;
- third-party impacts have not been mitigated (*as outlined above third party impacts are now part of the KP Forest Third Party Impact Mitigation Accelerated Works Package*); and
- legal liability is distributed among many jurisdictions and government agencies, and none accept significant (any) exposure.

Community engagement failure is the common thread, despite local people being oriented toward the public good, the health of the forest and having the willingness and capabilities to engage with government.

The question “Where does responsibility rest for engagement failure?” requires consideration of government policy and government agency practice.

When it comes to constraints relaxation in the Murray-Darling Basin, the policy intent is clear: there will be no flooding without landowners’ consent; there will be no compulsory land acquisitions, flood easements or works, and there will be co-design of third-party impact mitigation.

In simple terms, government policy gives affected people the power to say “no” and for their consent to be conditional. Policy fails in practice because government structures and public servants are incapable of facilitating this new relationship.

At best, agencies are proficient in using compulsory powers. At worst, they are dependent on those powers as they lack enabling, negotiating and collaborating skills that are vital when relationships must be built from mutual trust and respect, and decision-making power is shared.

Co-design is widely accepted as the golden key for the scheme to operate closer to capacity. Research and lived experience reach the same unequivocal conclusion: co-design requires devolution of decision-making power and resources to frontline public servants and to the local people with whom they engage. This represents a major shift in the culture and operations of government agencies.

Ministers must make agency heads accountable if they fail to deliver the changes required to effectively implement government co-design policy.

This document has been created in partnership with:



Table 1 – 2020-2021 environmental water planning and watering event timeline of activities

Date	Description	Notes
31-Jul-2020	DPIE Water KP Governance and Liability Working Groups	
4-Sep-2020	DPIE Water KP Liability Working Group	
10-Sep-2020	DPIE Water KP Governance Working Group	24 community participants
23-Oct-2020	KP Forest Community Field Trip	
29-Oct-2020	DPIE Water KP Liability Working Group	
9-Nov-2020	KPA submits KP TPIM business case to DPIE Water	
19-Nov-2020	DPIE Water KP Liability Working Group	
18-Dec-2020	DPIE Water acknowledges receipt of KPA business case	
6-Dec-2020	KPA submits early works package to NSW Government	
10-Dec-2020	FCNSW proposes community representation on KPOC	
11-Dec-2020	WMLIG hosts 'Toward a new water balance' community seminar	42 community participants
14-Dec-2020	FCNSW hosts teleconference with EES and KPA on Traditional Flow proposal	
17-Dec-2020	DPIE Water hosts KP Governance Working Group	16 community participants
18-Dec-2020	WMLIG hosts first community tour	45 community participants
31-Dec-2020	FCNSW requests modelling of Traditional Flow from MDBA	1 August start, 120 days @ 250 ML/day
7-Jan-2021	MDBA provides a high resolution model run to FCNSW	Inundated area of 1414 ha (4.4%), with minor incursions onto private property at two locations

<b>18-Jan-2021</b>	FCNSW requests additional run of 150-day duration	End date extended to 31 December
<b>20-Jan-2021</b>	MDBA provides a second model run to FCNSW	Inundated area retracts due to December evapotranspiration exceeding inflows
<b>31-Jan-2021</b>	WMLIG hosts second community tour	49 community participants
<b>1-Feb-2021</b>	FCNSW holds planning day with community stakeholders	Strong community support shown for a managed event in 2021
<b>8-Feb-2021</b>	Internal (FCNSW) Approval Request submitted	
<b>9-Feb-2021</b>	FCNSW circulates draft KPAC Terms of Reference to Governance Working Group	ToR includes community representation and planning role
<b>9-Feb-2021</b>	Malcolm Starritt provides conditional support for Traditional Flow	Conditions include engagement of local contractors where possible
<b>18-Feb-2021</b>	Familiarisation tour with DPIE Water staff	
<b>26-Feb-2021</b>	Community visioning workshop hosted by WMLIG	26 community participants
<b>3-Mar-2021</b>	National Party, MDBA and DAWE tour with KPA, JIG and WRA	16 attendees
<b>10-Mar-2021</b>	Joint Indigenous Group (JIG) release definition of Traditional Flows	
<b>10-Mar-2021</b>	FCNSW circulates revised draft KPAC Terms of Reference to Governance Working Group	
<b>15-Mar-2021</b>	FCNSW advises Governance Working that a Community Advisory Group will be formed	Significant agency opposition to a joint agency-community committee
<b>23-Mar-2021</b>	FCNSW hosts second familiarisation tour with DPIE Water staff	
<b>29-Mar-2021</b>	FCNSW hosts inspection of early works sites with DPIE Water	
<b>29-Mar-2021</b>	DPIE Water hosts KP Governance Working Group	Paper to be considered by the River Murray Operations Committee (RMOC) on 13 May
<b>1-Apr-2021</b>	FCNSW circulates draft Strategic Risk Register to stakeholders for review	

<b>1-Apr-2021</b>	FCNSW submits draft SCBEWC proposal to EES	
<b>21-Apr-2021</b>	DPIE Water announces Early Works Package	To secure landholder consent and enable the Traditional Flow
<b>6-Apr-2021</b>	EES submits draft SCBEWC proposal to MDBA	
<b>28-Apr-2021</b>	FCNSW hosts familiarisation tour with DPIE Water - Water Infrastructure NSW (WIN)	
<b>4-May-2021</b>	FCNSW submits draft Event Design Report to KPF Governance Working Group members	
<b>11-May-2021</b>	EES submits final SCBEWC proposal to MDBA	
<b>24/06/2021</b>	KPOC Meeting 1	
<b>8-Jul-2021</b>	KPOC Meeting 2	
<b>15-Jul-2021</b>	KPOC Meeting 3	
<b>22-Jul-2021</b>	KPOC Meeting 4	
<b>29-Jul-2021</b>	KPOC Meeting 5	
<b>23-Jul-2021</b>	Consent given to enable community participation in KPOC	
<b>5-Aug-2021</b>	KPOC Meeting 6	
<b>12-Aug-2021</b>	KPOC Meeting 7	
<b>19-Aug-2021</b>	KPOC Meeting 8	
<b>25-Aug-2021</b>	Letter from WIN to KPA on approach to local contractor involvement	Proposal not acceptable to KPA
<b>26-Aug-2021</b>	KPOC Meeting 9	
<b>27-Aug-2021</b>	JIG suggest extending planning period for Traditional Flow by two weeks to allow	



	more time for agencies to consider proposal	
<b>9-Sep-2021</b>	KPOC Meeting 10	
<b>15-Sep-2021</b>	JIG cancel their support for a Traditional Flow	Government agency approval to use local contractors on private property not forthcoming and JIG remove their support for a traditional flow
<b>16-Sep-2021</b>	Draft letter from WIN to KPA on revised approach to local contractor involvement	

## Appendix 1

An extract from Minister Pitt's media release early in 2021:

*"We have heard loud and clear from locals that they have felt they have been sidelined in previous attempts to get these projects off the ground.*

*"I have made it clear to both our NSW agencies and the Commonwealth that if these projects are to become a reality, communities will need to drive these projects with local knowledge the key to success.*

*"Community is at the heart of the success of these projects and locals have repeatedly said they have projects which can deliver good environmental, social and economic outcomes. Now is the time to make those ideas a reality."*

## Appendix 2

The Koondrook Perricoota Alliance (KPA) was established on 16 July 2013 in partnership between the Joint Indigenous Group (JIG) and the Community Operational and Planning Assessment Committee which was established after construction of the Koondrook Perricoota Forest Flood Enhancement Project.

The KPA was formed as a sub-committee of Western Murray Land Improvement Group (WMLIG) which is an Incorporated Association and provides the governance systems for the KPA in 2021. WMLIG acts an intermediary between the community, partners and other entities to engage and deliver programs to achieve mutually respectful and beneficial outcomes based on community aspirations and deliverables for partner entities.

WMLIG supports community empowerment for a co-design methodology that promotes inclusive and local decision-making, so that community members are not negatively impacted by external decision-makers now and in the future. The level of participation is dependent on the consensus of the community and is generally aligned to decisions that affect the wider social-ecological system.

For more information about WMLIG please go to our [website](#).



**Western Murray  
Land Improvement Group**