



# Draft Regional Water Strategies – Lachlan and Macquarie-Castlereagh

## NSW Minerals Council Submission – November 2020

### Introduction

The NSW Minerals Council (NSWMC) is the peak industry association representing the NSW minerals industry. NSWMC has more than 90 members including mineral explorers, mining companies and associated service providers.

Our members include mining operations located in both the Lachlan and Macquarie-Castlereagh regions who have interests in the development of the Draft Regional Water Strategies for these regions (Draft Strategies).

NSWMC welcomes the preparation of the Draft Strategies. Long term planning to secure water in the Lachlan and Macquarie-Castlereagh regions is crucial to ensure economic, environmental, social and cultural objectives can be met in the context of increasing climatic variability and potentially increasing demand for water.

### Mining is a relatively small user of water

As the Draft Strategies highlight, mining operations use a relatively low volume of water. However, secure access to water is crucial for the continuity of mining operations, for purposes including ore processing, dust suppression, mine rehabilitation and staff amenities.

Mines have a range of potential water supply options. Mines can often use lower quality water for a proportion of their water supply, including saline groundwater, water stored in onsite sediment control systems and treated effluent.

As the Draft Strategies highlight, mines also recycle a large proportion of water onsite and the industry continues to seek out innovative ways to further reduce water demand, such as the use of dust suppression agents and process engineering to reduce water demand and increase reuse, such as dry stacking of tailings.

These industry practices help reduce mines' demand for fresh water, preserving these resources for other uses.

### Mining is a key economic contributor in the Lachlan and Macquarie-Castlereagh regions

The Draft Strategies outline the economic significance of mining in both the Lachlan and Macquarie-Castlereagh regions.

Further evidence of this economic contribution can be found in the NSW Minerals Council’s annual economic survey<sup>1</sup>:

- Central West – Mining workforce of 3,600, with \$781 million spent on salaries, suppliers, and local government payments, helping to support 632 local businesses.
- North Western – Mining workforce of 2,200, with \$508 million spent on salaries, suppliers, and local government payments, helping to support 468 local businesses.

Furthermore, there are several new mining projects at various stages of planning in these regions and there is a currently a boom in mineral exploration that could lead to more new mining proposals in the coming decades.

This outlook is extremely promising for the economic future of the Central West and ensuring ongoing water availability and security is crucial to realising this economic potential.

## Comments on the options in the Draft Strategies

The Draft Strategies contain many potential options that could be progressed. Generally speaking, the industry supports the most cost-effective options to increase water security through additional supply, improved connectivity, or reduced demand through water efficiency, reuse and recycling measures.

NSWMC supports the proposal to refine options based on factors such as their likely impact and cost effectiveness.

Providing stakeholders with an initial assessment of each option would help inform feedback. NSWMC believes that further consultation should be undertaken as the options are scoped up and more information is available to make an informed choice between competing options.

At this stage, NSWMC has the following comments:

- **Existing water entitlements must be protected** - The Draft Strategies envisage potential reviews of water sharing plan rules based on improvements in understanding of surface water and groundwater resources. There should be an overarching aim to maintain current water licence holders’ entitlements throughout these processes to protect existing investments. Any identification of reduced long term average annual extraction limits should be offset through investments in new supply, connectivity or efficiency measures.
- **Streamlining the administration of the regulatory framework should be a priority** – A source of ongoing frustration for the mining industry has been the delays, uncertainty and complexity in the water licensing and approvals framework. This inhibits the ability of mining operations to implement water security strategies and has inhibited access to saline groundwater to help reduce demand on freshwater resources. NSWMC would support the inclusion of an action to deliver a simpler, more efficient regulatory and administrative framework that allows water users to be more responsive to changing circumstances.
- **Public access to new datasets and modelling should be provided** – As the Draft Strategy for the Lachlan states, *“The new climate datasets and modelling developed for the regional water strategies will provide valuable information to mining companies to assess the potential risks to accessing their water entitlements in the future.”* (p83). Option 37 in the Lachlan Draft Strategy and 39 in the Macquarie-Castlereagh Draft Strategy consider how to publicly share information and data on the new datasets and modelling. NSWMC fully supports public access to the data and modelling.

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<sup>1</sup> <https://www.nswmining.com.au/expenditure-and-jobs-surveys>

- **The development of a return flows policy should be considered** – One policy that could help to deliver more efficient use of available water resources is a return flows policy, which would allow net accounting for water discharged back into the environment subject to a range of conditions such as water quality criteria. A well-designed policy could create incentives for better use of excess water stored on mine sites. A return flows policy has been proposed several times in the past but has never been implemented.
- **Collaboration on regional water security initiatives would be beneficial** – There is a need for ongoing collaboration on regional water planning between industry and DPIE Water. For example:
  - Regional Strategies will need to be responsive to evolving demand patterns that may result from new mineral discoveries and mine proposals. New mineral discoveries could create new sources of demand that should be considered in strategic water planning, e.g. the design of regional pipelines.
  - The mining industry may be planning water infrastructure such as pipelines that should be considered in strategic water planning or could create opportunities for sharing infrastructure with landholders or other industries.

There may be benefit in combined workshops to develop long term water strategies and projects.

- **Improved communication during periods of low water availability** – During the recent drought, the prospect of increasing water restrictions was an ongoing threat for mining operations' water security. Furthermore, there was uncertainty regarding the implications of moving to higher stages of drought criticality, which affected water planning. There would be benefit in having clearer communications that outline key decision points on drought stages and what the implications will be for different licence categories.

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