

SUBMISSION – LACHLAN WATER STRATEGY – DROUGHTMASTER PROJECT



The critically important contribution of the private sector to infrastructure delivery through innovation, competition and co-funding appears to have been omitted from the current draft of the Draft Lachlan Strategy Plan. It is important that all mechanisms are included in the plan, in relation to infrastructure delivery.

The Government's objective in the delivery of infrastructure is Value-for-Money (VfM). In determining VfM, Government assessment takes into account risks, objectives and costs in the application of policy leading to specific projects.

Evidence shows that private sector delivery models are more likely to deliver projects on time and within budget. The private sector provides operational efficiencies, and while this is not always the case, it is the case more often than not.

The private sector can deliver infrastructure projects where there may otherwise be constraints on Government capital budgets, which in relation to water infrastructure can tend to be orientated towards crisis management. In addition, private sector delivery gives Government more flexibility in the event of non-performance.

Private sector delivery of major water infrastructure projects, such as the Droughtmaster project, is important, with the Droughtmaster project being at an advanced category of assessment of likely to be sufficiently developed to allow consideration of capital investment in the next 12 months.

It is important for the private sector to have the support of a strategic planning framework that recognises innovation, competition and co-funding in the provision of infrastructure and we have made the Submission below in relation to the development of the Lachlan Water Strategy Plan and for water infrastructure planning in regional NSW in general:

“That the words *private sector Innovation, competition and co-funding* be included in the Regional Plans in relation to infrastructure delivery, particularly utility delivery, to avoid the risk of early obsolescence of the plans, should the private sector not be specifically included, and to align the plans more closely with the announced policy settings of the NSW Premier, InfrastructureNSW and the Department of Premier & Cabinet.”

| Strategic Priority | Description | Alignment with Comparative Advantage / Situation Analysis | Project details | Priority actions | Indicative costing range of priority actions | Stakeholders responsible for delivery |
|---|--|--|--|--|---|---|
| Priority name | Brief outline of the priority area and related projects | Brief description of how the priority area relates to findings from the analytical report | Description of the key priority actions and breakdown of any specific projects | Description of the next steps to be undertaken for this priority | Indicative estimate of project costs | Priority/project lead |
| Plains Water Droughtmaster Project | The Plains Water Droughtmaster Project will provide high-value permanent and secure water to meet increasing demand for water security from rural properties, towns, agribusiness, industry, mining and other markets in the northern Riverina region of New South Wales extending the Lachlan Catchment that otherwise do not have a permanent secure supply of water | Addresses an impediment for important industries in the region including agriculture and mining. The project’s Goal Definition is fully aligned with Government Goals, Objectives and Strategies | Reconstruction and extension of an existing, but dilapidated water pipeline, to enable a significant level of new development across two functional economic regions, including a major new high-value irrigated horticultural development, two new tin mining operations, extensive connection to rural properties to allow sustainable livestock farming, enabling an expansion of the food related secondary industry within Bland Shire and other LGAs and prospective new and existing mining developments in Bland Shire, with new mining development not emerging without water security. The project also enables Aboriginal empowerment in one of the villages impacted by the project. | Coordination of government as a primary stakeholder commencing with an application for Public/Private Partnership under the NSW Unsolicited Proposals process. | Total updated infrastructure capital cost is approximately \$220 million. | Project led by a private sector consortium prospectively including local or state government as a delivery partner. |