

Draft NSW Water Strategy

Summary

Richmond Valley Council welcomes the Draft NSW Water Strategy and its commitment to ensure that communities in regional NSW have the water they need to thrive and grow in the future.

This is particularly relevant to our Council as we explore the opportunities of our recent designation as a Regional Jobs Precinct. Our community needs a safe, reliable supply of water if it is to achieve its vision of long-term sustainability and prosperity.

In this regard, the Draft Water Strategy's findings that water supplies within NSW could be less secure than originally believed and that the State may experience longer droughts, higher temperatures, less rainfall and reduced river flows in the future is a sobering message for all regional communities. Council supports the Strategy's focus to 'do more with less' to make our water resources go further in the future. This includes reducing water usage and exploring options to diversify water sources and invest in appropriate infrastructure. All levels of government will need to work together to achieve this outcome.

For many years, local government has had to undertake water planning in isolation, without the benefit of state and regional strategic planning to guide its decisions. The development of an over-arching strategy for the State, supported by the 12 Regional Water Strategies finally brings the pieces together so that all levels of government may plan holistically. Our Council welcomes this initiative.

However, to deliver the water quality and security benefits envisaged, all three levels of planning must be linked in a meaningful and cohesive manner. This has not yet been achieved and the draft NSW Strategy is not sufficiently clear on how these links will be supported and embedded. Local water utilities look to the NSW Government for leadership in providing a more collaborative and robust approach to water planning at local, regional and state level.

This submission addresses the priority areas and actions that are directly relevant to our Council.

Strengthening links between local, regional and state planning

Data sharing

The Draft NSW Water Strategy outlines the linkages between the State strategy and the 12 regional water strategies, which are being developed concurrently. However it does not provide a clear framework for linking these plans with local water management planning and for sharing water modelling data between water management authorities. At present, local water utilities rely on stand-alone models that have been developed on varying platforms,

depending on need. The modelling required under the IWCM framework is complex, expensive and, to some extent, irrelevant to Local Water Utilities, although councils must invest up to \$500,000 to satisfy the IWCM checklist requirements. The modelling developed for the regional strategies is far more robust than previous methodologies and would be of great benefit to local government in undertaking yield analysis and demand projections.

However, there is currently a disconnection between the planning that is undertaken by local councils and the planning that is undertaken at regional and State level. Local councils do not have access to water modelling undertaken by State agencies. Figure 22 of the draft Regional Water Strategy demonstrates how the State's climate change modelling has predicted increased cease-to-flow events in the Richmond River. While our council can read about these findings in a public consultation document, it cannot access the data that led to this conclusion, nor utilise the modelling to support water security planning for our community.

If we are to improve water management outcomes state-wide, then water management planning should be wholly integrated between state, regional and local levels to provide the most cost-effective and reliable results across catchments and council boundaries. This cannot be achieved without a willingness from State agencies to share valuable research, modelling and data with local water utilities and other stakeholders. This body of work has been funded through public resources and it should be openly available for public benefit. In this respect, Council welcomes Action 1.3 of the Draft Strategy to enhance modelling capabilities and make more data and models openly available. However, the draft strategy is unclear as to how this will actually be achieved.

Infrastructure solutions

Despite the comprehensive work being undertaken to develop state and regional water strategies (RWS), there is still no formal process to link the infrastructure solutions proposed in the RWS to the infrastructure planning undertaken by local councils. Without these links much of the change envisaged in the State and regional strategies may never eventuate. Although councils are being consulted in the development of the RWS - and the options in each strategy are largely sourced from assessments undertaken by councils - this does not necessarily ensure that these solutions will ever be delivered, or that they will be delivered in a holistic and complementary manner.

Our region's recent experience with shared water planning is an example of the inherent challenges of the system. Richmond Valley Council is currently a member of Rous County Council, which is responsible for bulk water supplies in the Northern Rivers. Over the past six years, Rous has undertaken extensive studies to inform its Future Water Strategy which, amongst other options, included exploring proposals to construct a new dam at Dunoon. The Dunoon proposal was included as an option in the Regional Water Strategy for the Far North Coast and presented as part of the consultation process for the draft RWS.

However, despite this body of work, Rous County Council recently resolved to discontinue investigations into the dam and to sell the land reserved for the project. This decision has seen the regional planning process over-turned before the final Regional Water Strategy has even been published. It has also disrupted constituent councils' IWCM planning by reframing future water security options. While Richmond Valley Council is yet to form its position on the merits of the Dunoon proposal, it is concerned that all options have not remained on the table until such time as the required investigations were completed and implementation of the Regional Water Strategy had commenced.

If the NSW Government wants to deliver the draft Water Strategy's vision for the State, then greater collaboration and co-development/design of regional water management solutions between local and State authorities will be required.



Responding to regional growth

While traditionally, regional towns have experienced slower growth rates with longer lead times for asset augmentation or renewal, the COVID-19 pandemic and the NSW Government's focus on revitalising Regional NSW has changed the operating environment for Local Water Utilities. Regional areas have seen a rapid influx of new residents and new business investment in the past 12 months. While this is ultimately a positive outcome for regional communities, in the short term, it has created housing stress and increased pressure on local councils to release lands and provide supporting infrastructure for growing residential and industrial development.

As the draft Strategy notes, water is an essential input for many regional economies and access to long-term, affordable water supplies is required to give businesses the certainty they need to invest or expand. The need to increase town water security is a key concern for the Richmond Valley following our recent designation as a Regional Jobs Precinct.

In this regard Action 5.1 of the draft State Strategy to provide greater certainty to regional businesses that rely on secure access to water is strongly supported and Council believes the proposed timeframe to commence delivery within the next one-two years is essential. We note that the draft strategy identifies the Regional Water Strategies as the means to deliver an optimal mix of management and infrastructure investment to support jobs and economic growth, however, this will require stronger connections between regional and local water management planning.

Improving catchment outcomes

One of the key challenges local water utilities face is the need to adapt to changing water source quality within our catchments. Catchment integrity is largely beyond the control of local government and we look to the NSW Government for leadership, resourcing and support in this matter. As the draft strategy notes, more than half of the water supplies operated by local water utilities in regional NSW are in the highest bands of water quality risk. Richmond Valley Council's Casino water supply catchment is rated at risk level 5 and we face the challenge of addressing this risk on a daily basis. Deteriorating water source quality forces councils into a cycle of increased investment in increasingly complex water treatment processes to address catchment risks. This in turn increases inter-generational debt and reduces the capacity of councils to source suitably qualified and experienced personnel to manage the treatment plants. In this regard, our Council welcomes Action 3.2 of the Draft Strategy to undertake landscape scale action to improve river and catchment health. There is much to be gained by improving water quality at the source, rather than allowing catchments to deteriorate and imposing increasingly unachievable targets on local water utilities to improve their treatment processes. Council acknowledges that improving catchment health is a complex issue that will require a considered and collaborative approach between the various stakeholders and a commitment to long-term investment by the NSW Government.

Rebuilding regulatory models

Council notes the draft strategy's observations about existing ineffective regulatory mechanisms for local water utilities. However, it is concerned that the Action associated with this issue (6.2) seeks to *"Work collaboratively with local water utilities to reduce risks to town water supplies"* rather than working collaboratively to rebuild the regulatory model.



There is clear evidence that the current regulatory model is failing to deliver quality water management outcomes for the 1.85 million people in regional NSW who rely on these services. The Auditor-General's September 2020 report examining whether the Department of Planning, Industry and Environment has effectively supported the planning for and funding of town water infrastructure in regional NSW found a lack of meaningful engagement with LWUs and poorly defined regulatory and strategic models.

It is time to shift to a new paradigm, with an outcomes-based regulatory model that is fit for purpose and respectful of councils' operating environment.

Our council would strongly support a move away from the Best Practice Guidelines and a return to full integration of the strategic planning, financial and asset management aspects of council's water business with the IP&R framework prescribed under the *Local Government Act 1993*. RVC also shares the concerns expressed by most regional water utilities regarding the Section 60 approvals process and its lack of consistency and transparency. We would welcome discussion on an alternative model that ensures due diligence, while respecting councils' right to make decisions on behalf of the community regarding infrastructure investments.

The Town Water Risk Reduction Program

Richmond Valley Council also welcomes the Town Water Risk Reduction Program (Action 6.3) and supports the six key elements proposed for the program – particularly the need to address skills gaps and shortages.

This is a significant problem for our council, and an even greater challenge for smaller rural councils. Our council has ongoing difficulties with sourcing suitable training for employees who wish to develop their skills, and often finds itself competing with larger water utilities for an ever-diminishing cohort of qualified new recruits. Council acknowledges the work of the Water Directorate in this area and looks forward to working with the TWRRP team to develop a long-term solution to skills shortages within the water industry.

Conclusion

The Draft NSW Water Strategy sets a clear direction to improve water security and quality in NSW through Seven Key Priority areas and 41 proposed actions. However, this is only the starting point for delivering meaningful change to communities in Regional NSW. A renewed approach that supports ongoing collaboration and respect between local, regional and state authorities, and improved regulation and resourcing will be required to achieve the Draft Strategy's 20-year vision.

