



SUBMISSION BY THE COMMONWEALTH ENVIRONMENTAL WATER HOLDER ON THE DRAFT LACHLAN REGIONAL WATER STRATEGY – SHORTLISTED ACTIONS

About the Commonwealth Environmental Water Holder

The Commonwealth Environmental Water Holder (CEWH) is a statutory position established under the *Water Act 2007* (Cth). The CEWH is responsible for managing the Commonwealth holdings of environmental water. These water holdings are managed to protect and restore the environmental assets of Murray-Darling Basin (the Basin), including rivers, lakes, wetlands and floodplains, in the national interest. The CEWH manages the Commonwealth water holdings in accordance with the Basin Plan.

The *Water Act* also gives effect to relevant international agreements, including the Convention on Wetlands, and conventions that protect endangered and migratory species. The CEWH's function is a part of the sustainable management of the Basin's water resources over the long-term for environmental, social and economic outcomes.

1. General comments

The CEWH appreciates the opportunity to provide feedback on the draft regional water strategies as part of the engagement being undertaken by NSW. The CEWH recognises the significance of these strategies in planning for, and balancing, the demands on river systems across NSW for future decades. The CEWH recognises how severe the recent floods have been for communities across the Basin, and the uncertainty in the future climatic conditions.

The CEWH acknowledges that the regional water strategies are in the context of the NSW *Water Management Act 2000*, which places a strong emphasis on protecting critical human and critical environmental needs, including during dry times. The CEWH also acknowledges the potential connections between the regional water strategies and the Basin Plan, particularly regarding the protection of planned environmental water.

1.1. Consistency with the Basin Plan

The implementation of options in the Regional Water Strategy must be consistent with the Basin Plan. The options cannot result in a net reduction in planned environmental water, nor result in substitution of held environmental water. Critical environmental demands that are reliant on water sharing plan rules, and river operations need to continue to be met.

The environmental outcomes sought by the Basin Plan and the water recovery targets were based on existing planned environmental water volumes. Any options that reduce planned environmental water could create an additional demand on water held by environmental water managers, with the consequence that additional water recovery would be required to meet the environmental outcomes expected from the Basin Plan.

New infrastructure within the Basin will be required to operate consistently with the Basin Plan provisions including the Sustainable Diversion Limits (SDL)¹. Improvements in reliability of supply may

need to be offset to be compliant with the SDLs. Certain infrastructure options may require changes to Water Resource Plans, which may require accreditation.

1.2. Impact on the environment

Options that lead to changes or reductions in river flows may compromise the achievement of Environmental Water Requirements (EWRs) in the Lachlan Long-Term Water Plan (LTWP), and outcomes in the Basin-wide Environmental Watering Strategy. These changes may impact the Lachlan River, the Booligal Wetlands, Great Cumbung Swamp, and other environmental assets and species in the valley.

Options that result in reduced flooding may impact on groundwater levels, recharge rates and ongoing sustainability of groundwater access. These impacts may be further exacerbated under climate change with predictions of less rainfall, runoff, and an increase in drier times. Increased use of groundwater may result in drawdown areas, impact on groundwater dependent ecosystems, river flows and wetlands. This may increase environmental demands in river and wetland systems and the volume of water required to meet those demands.

Potential impacts of the proposed options on matters of National Environmental Significance such as threatened and migratory species would need to be assessed in accordance with the *Environment Protection and Biodiversity Conservation Act 1999* in addition to any requirements under relevant NSW environmental legislation such as the *Biodiversity Conservation Act 2016*.

The draft regional water strategy includes many options to support critical human needs and improved water security but has limited options to address critical environmental needs during extended dry times. Additionally, many options are likely to lead to reductions in water in rivers, creeks and possibly groundwater systems during dry times and exacerbate critical environmental needs. The significance of these impacts needs to be determined before such options should be considered for implementation. The Strategy should include measures to mitigate some of the risks to and protect the health and resilience of the environment.

1.3 Other investments

The CEWH also notes there would be benefit in transparently and publicly assessing the economic and environmental benefits of alternative irrigation efficiency infrastructure investments.

As noted in the CEWH's previous submission this could include investigation of the potential for the Government's share of the water savings dividends from these alternatives to be directed to innovative water policy approaches aligned with underwriting town water supply security (specifically drought conveyance for town water supplies) under extreme drought.

2. Comments on shortlisted actions

The CEWH strongly supports actions that will empower First Nations peoples' access to and management of water including Actions: 1.4 Develop ongoing arrangements for participation of local Aboriginal people in water management; 2.6 Support place-based initiatives to deliver cultural outcomes for Aboriginal people; and 3.4 Support employment and business opportunities for Aboriginal people in the Lachlan region.

The CEWH strongly supports actions that will improve catchment health and complement the use of environmental water, including Actions: 2.1 Reduce salinity and soil erosion in the Upper Lachlan and Belubula catchment; 2.2 Protect and rehabilitate regionally significant riparian and instream habitats in the regulated Lachlan River; 2.3 Upgrade and automate existing public re-regulating structures in the mid- and lower Lachlan to build the functional resilience of critical ecosystems; and 2.4 Mitigate the impact of water infrastructure and disruption of natural flows on native fish.

Finally, the CEWH is supportive of efforts to improve information sharing and planning activities, including Actions: 1.9 Better integrate strategic land and water planning; 2.7 Support the development and implementation of the Lachlan Floodplain Management Plan and address floodplain structures; and 3.3 Undertake a climate impact study.

3. Concluding Remarks

The CEWH greatly appreciates the opportunity to provide further comment on the draft Lachlan Regional Water Strategy.