

Department of Planning and Environment

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Nap Nap Station Water Efficiency Project

What we heard report

August 2022



Acknowledgement of Country

The Department of Planning and Environment acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

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Executive summary

A diverse range of views were provided through the public comment process. Some views related to wider Basin Plan approaches, which are outside the scope of the socio-economic assessment for this project proposal.

A total of 10 submissions were received as part of the public exhibition process, of which 60 per cent of respondents strongly agreed the project would result in positive socio-economic outcomes, with 10 per cent strongly disagreeing.

Key concerns on the project proposal centred around eligibility, potential environmental and cultural impacts, and value for money based on the proportion of water savings returned to the environment.

Key benefits included the support for increasing local employment opportunities during construction, contributing to water savings through more efficient use of water, creating greater security for downstream water users and improving environmental factors by providing livestock and native animals with better quality of water.

Background

The Australian Government's Off-farm Efficiency Program is a \$1.54 billion program designed to recover water for the environment from reducing water losses in the Murray-Darling Basin.

The Off-farm Efficiency Program invests in water delivery infrastructure to reduce water losses in the Murray–Darling Basin, providing benefits to water users and the community by sharing the water saved between water users and the environment.

Projects funded under the program will provide long-term benefits to irrigators by improving infrastructure and benefit communities by increasing water availability and creating jobs.

The NSW Government is working in partnership with applicants across the Murray-Darling Basin to develop projects for funding through the Australian Government.

The full-project assessment process for the Off-farm Water Efficiency Program requires the NSW Government to apply the Murray-Darling Basin socio-economic test for each project, seek community comment and provide this information to the Australian Government as part of the grant funding submission.

Public comment process

The Nap Nap Station Water Efficiency Project proposes to install pumps, pipes, tanks and troughs enabling the efficient delivery of stock and domestic (S&D) water across approximately 20,000 hectares of grazing area. This will increase the security and efficiency of the S&D water delivery to the watering points.

The project's response to the socio-economic criteria was published on the Water Infrastructure NSW website and was open for public comment between 9 and 24 May 2022.

The purpose of the consultation was to gather public feedback on the expected socio-economic outcomes of the project. NSW Government expects the project proponent to have previously completed community or stakeholder engagement as part of project development.

This document is a summary of the feedback received during the public comment process undertaken as part of the socio-economic assessment of the project.

Previous community or stakeholder engagement undertaken by the proponent

The preliminary project design was scoped following consultation with Nari Nari Tribal Council. The proponent worked with Nari Nari Tribal Council to carry out a cultural heritage survey of the proposed pipeline routes, pump stations and watering point locations, and modified its design to avoid areas of cultural significance.

The proponent intends to source local labour and materials to complete the project and has initiated discussions with local businesses and contractors.

The local Rural Fire Service has been consulted on the project and the design has incorporated elements to increase firefighting capability for the region.

Advertising activities

The following activities were undertaken by the NSW Government to raise the awareness of interested parties about the public comment process and the opportunity to provide feedback:

- Local radio advertisements including:
 - live morning reads on 2QN Hay, (covering Maude, Carathool, Murrumbidgee and Deniliquin) from 12 May to 20 May 2022
 - live morning reads on Flow FM (covering Maude and Balranald) from 12 May to 20 May 2022.
- Local newspaper advertisements including:
 - Hay Riverine Grazier week commencing 9 May and 16 May 2022
 - Griffith Area News week commencing 9 May and 16 May 2022
 - Leeton Murrumbidgee Irrigator week commencing 9 May and 16 May 2022
 - The Land week commencing 16 May 2022.
- Electronic Direct Mail (eDM):
 - An email was sent to WaterNews and peak body subscriber lists – 10 May 2022
 - 4,867 successful deliveries
 - Open rate 43.6 per cent (unique opens 2,108).
- Website:
 - The proposal document and information on how to make a submission was highlighted on the Water website at dpie.nsw.gov.au/off-farm-efficiency-program from 9 May to 24 May 2022.
 - The proposal document was viewed 119 times from 9 May to 24 May 2022.

Who we heard from

The NSW Government received 10 responses via the online feedback form providing comment on the project proposal's response to socio-economic criteria. One respondent also provided a formal submission in addition to their online feedback. The NSW Government has considered this as one unique response.

Feedback was received from the following stakeholder categories:

- one local rural supply business
- one farm soil testing organisation
- one irrigator outside the region, affiliated with Victorian Farmers Federation
- one State Government representative
- one landcare organisation outside the region
- one NSW Council of Freshwater Anglers representative
- four undisclosed respondents.

Summary of feedback

What we heard

Of the 10 responses, 60 per cent strongly agreed the project will result in positive socio-economic outcomes, with 10 per cent strongly disagreeing (Figure 1).

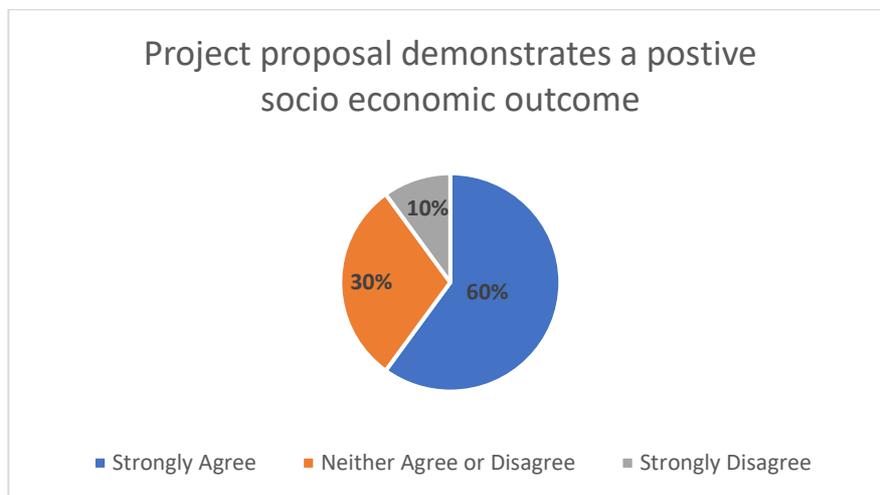


Figure 1- Agreement the project demonstrates a positive socio-economic outcome.

There were five key themes emerging from the survey responses:

- eligibility
- outcomes for Nap Nap and the community
- project design
- value for money and water savings
- environmental and cultural considerations.

Eligibility

A concern was raised the project is ineligible as it is on a single property, suggesting:

“This project cannot be funded as it is ineligible. The eligibility criteria is very clear, you cannot apply if you are ‘an organisation operating an irrigation enterprise as a single unit’. Although this station may also have stock and domestic licences this does not exclude the fact they are also irrigators and this project will have an impact on their irrigation licence.”

NSW Government response

The Australian Government guidelines state projects ‘improving stock and domestic water supply on one or more properties’ are eligible for funding (Grant opportunity guidelines, Appendix A). The installation or replacement of pipes, tanks and troughs for S&D water systems are eligible activities and are considered ‘off-farm’ activities, even though they are undertaken ‘on-the-property’. This ties back to the Murray-Darling Basin socio-economic test, which is designed to ensure projects do not negatively affect communities or water markets. As S&D water entitlements are not tradeable and do not impact the water market, any S&D projects, whether on one property or multiple properties, are eligible under the guidelines.

The surrender of water from a S&D entitlement will not impact an irrigation licence.

Outcomes for Nap Nap Station and the community

The benefits to the proponent was discussed by several respondents, who suggested improving infrastructure will limit livestock loss in dams and channels. They also noted areas of Nap Nap Station can be better used for stock by ensuring water security in these areas, and improving pasture will help prevent erosion and degradation of exposed fragile soils.

Respondents suggested the benefits to Nap Nap Station will have flow on effects to the local area:

“It will make a private enterprise more effective and profitable which will have ongoing flow-on and multiplier effects for the regional and national economies.”

Several respondents supported the project’s effect on the community. These responses suggest the community would benefit during the construction work and beyond through an increase in local and regional employment opportunities. They note the importance of local business to the area and suggest the project will bring money into the community during construction and ongoing maintenance and will create employment opportunities within the property and community. Some commented:

“Supplying and installing the infrastructure supports many locally based businesses who create employment and career opportunities for the towns around the development such as Hay, Griffith, Wagga and so on.”

“It’s great to see that the government is trying to help our farmers and local businesses/ employment, the outcome of these programs would be very positive in so many ways.”

Some respondents suggested this project may encourage others to undertake similar projects:

“This project will encourage others to look at water saving efficiencies in the Hay region. Whilst we have been involved in over 800 kms of pipeline in this district, this area still has a fair way to go as far

as increasing water efficiency and reducing the amount of water delivery via leaking channels. These conveyance losses need to be eliminated. This program will encourage others to apply for assistance to greatly increase the efficiency of water delivery to livestock.”

“Love the concept to everything from water savings to reduced impacts on stock in drying channels and creeks - Hurray Up NSW, we are dragging the line. Once we get the water saved then we still need to manage it and save other landscapes missing out. In other words, from an environmental point of view the job is just starting.”

One respondent provided their experience of S&D infrastructure upgrades in the regional area, commenting:

“(It is) obvious that properties that had converted from channels and dams to tanks, piping, and troughs, have more even spread of pasture and the ability to manage livestock and ferals in a more holistic way to retain the ground cover in what is a very unique and fragile environment and ecosystem. These properties were thriving, with better utilisation of water, pastures, and healthy livestock, increasing the ability to manage livestock numbers and enabling native plant & animal species to return. Then there are the overall water savings that can be utilised by the environment which is critical for regeneration and the future of the communities in rural regions.”

NSW Government response

The project provides economic benefits to the local regional economy as the proponent indicates they will utilise local suppliers and contractors to deliver the project. This will stimulate employment opportunities and financially benefit those businesses and their communities. This project is estimated to create an additional five FTE and create over a \$1M in added value to the Hay region.

The NSW Government notes the local community will also benefit through increased firefighting capability with the use of specific tank fittings enabling the Rural Fire Service to access water from the tanks.

The responses suggest positive socio-economic benefit for Nap Nap Station and the wider community. These benefits will be considered by the NSW Expert Panel in their review of the project against the socio-economic criteria.

Project design

Several respondents commented on the project design. These responses suggest a new S&D system will create water efficiency, reduce stock losses and support farming conditions. The respondents believe the project design will deliver a functional and efficient outcome.

They suggest:

“Converting open channel and dam fill systems to pipelines, tanks and troughs creates systems that are both ten times more efficient in water use but also create positive lifestyle changes to farmers.”

“I can’t see any issue of concern. I have installed a lot of on farm poly pipeline systems in the area over the last 12 years, jobs ranging from 2 km to 180 km of tank and trough systems. The end result of the stock water jobs have been amazing in regards to reducing pressure in over grazing and stock losses. I would like to think that other properties in the area get the same opportunity.”

A respondent questioned the consideration of renewable energy in the design:

“We need to make sure there is a focus on renewables as a form of energy provision to pumps. Going from a gravity-based system to a system that requires pressure means an increase in power consumption unless there is a design focus around renewables such as solar powered pumps.”

Another respondent also questioned whether future water quality had been considered beyond the current funding:

“I am concerned that an additional opportunity for water quality maybe missed with stock still allowed into the Murrumbidgee. Can additional funds be provided for those paddocks with waterways to have stock exclusion fencing included... It’s hard to get these funds out and about into Regions and if water quality could be included by excluding stock then that will benefit community and landholders.”

The respondent further suggested that water quality enhancement is included as an additional consideration in the application.

NSW Government response

The NSW Government notes renewable energy is a consideration in the new system design, with a solar pump to be installed as part of the proposed project.

Opportunities for inclusion of fencing of waterways will be explored with the proponent and the Australian Government to understand if this is a concern relating to Nap Nap Station specifically, and if it could be addressed in this project. This would include the consideration of additional benefits, impacts and costs if these are activities were to be included.

Value for money and water savings

The Nap Nap Station Water Efficiency Project will provide 300 ML of water and will deliver 130 ML of water entitlement for the environment.

Several respondents were concerned with the amount of water to be returned to the environment, the overall value for money and how the portion to be returned as water for the environment was calculated. One respondent suggested:

“The greatest proportion of the water savings should be allocated and returned to the environment rather than providing opportunity to grow water use and exploitation of this limited, over allocated and declining natural resource. The aim of these water efficiency measures should be to recover water for the environment, not to further increase water use.”

Another questioned:

“It is not clear at all as to where, after the return of 130 ML to the CEWO, the balance of the total water savings anticipated from the efficiency works will go,” further adding *“the contribution being sought from the public purse is significantly incommensurate with the cost to the public.”*

NSW Government response

The NSW Government notes the total amounts or percentages to be returned to the environment are not set or defined by the Australian Government in this program. The socio-economic criteria states “a proponent may keep any water savings beyond the amount transferred” (criteria 7A). Therefore, any water savings not returned to the environment would be retained by the proponent under their current S&D entitlement.

The proponent provided the reasoning of the total volume of water to be returned to the Australian Government in their response to the socio-economic criteria. They considered the future water requirements for the business and recognised the importance of S&D water entitlement to ensure it can meet its S&D watering requirements, particularly in years of low allocation.

The NSW Government notes the proponents are currently using irrigation entitlements to assist with S&D water delivery through the system. This suggests any water savings are not 'unused' water that can be returned without impacts to the business. Any projects under this program must ensure they deliver value for money for the taxpayer, as well as ensuring proponents are not 'left short' by surrendering more water than they can afford to do so.

The NSW Government notes the concerns of respondents and will consider this in the application of the socio-economic test.

The Australian Government will also consider value for money, water savings and water return in their assessment of the project.

Environmental and cultural considerations

One respondent who is familiar to the region, and Nap Nap Station in particular, advocated the project would benefit the environment:

"It is indeed a special place at the end of the Murrumbidgee and proximity to recognised wetlands. The water efficiency plan as a whole would contribute significant benefits to the environment, water savings due to reducing evaporation and loss in wetting up channels, provide livestock and native animals with better quality water..."

Another respondent questioned the benefits to fish:

"There is no mention of the fishery in paragraph 3.2; environmental and cultural benefits, which is strange as the use of the water returned to CWO would likely benefit the fishery."

The ongoing engagement with the Nari Nari Tribal Council was also questioned by one respondent:

"The proposal states "During construction, the Nari Nari Tribal Council may be engaged". This is not a commitment to engage Traditional Owners, its simply saying they could."

NSW Government response

The NSW Government notes Nap Nap Station has a significant swamp on the property near the confluence of the Murrumbidgee and Lachlan Rivers and the proponent has worked closely with environmental water holders and First Nations peoples to enhance and protect areas of environmental and cultural significance.

This project will increase on-river efficiency and lead to greater availability of environmental water to sustain wetlands in the area. This includes the Gayini Nimmie-Caira ecosystem, which is an important fish breeding area.

The project has included environmental and cultural considerations in the design of the new system, with water points locations strategically considered to support wildlife, including the endangered southern bell frog and rare bird species.

The proponents worked with the Nari Nari Tribal Council to carry out a cultural heritage survey of the proposed pipeline, and subsequently revised the pipeline routes to avoid areas of cultural significance. The NSW Government understands Nari Nari Tribal Council will be engaged in further construction works if the pipeline route is modified in the final design and requires further cultural heritage surveys. The use of the word 'may' relates to the requirements of the construction works

specifically. This is in addition to the ongoing relationship between the proponents and the Nari Nari Tribal Council.

Next steps

The NSW Government has established an expert panel to review proposals against the socio-economic criteria. The panel includes water experts from the Department of Planning and Environment, experts in socio-economic analysis both from within the NSW Government and externally, as well as an independent probity advisor. This report was submitted with the Nap Nap Water Efficiency Project application to the panel for their consideration in early June 2022.

The NSW Government will prepare a Statement of Reasons identifying why NSW Government support is or is not provided for the project, and this will be published on the DPE website.

NSW Government supported applications will be submitted to the Australian Government. The outcomes of the NSW Government's review will form part of the application. The Australian Government will then assess the application and make a recommendation to the Minister for Resources and Water on whether to provide funding for the project.

Further information

For further information regarding the Off-farm Efficiency Program visit dpie.nsw.gov.au/off-farm-efficiency-program or contact Water Infrastructure NSW by:

- emailing winsw.programs@dpie.nsw.gov.au
- phoning 1300 081 047.