

Department of Planning and Environment

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NSW Statement of Reasons: Modernisation of the West Corugan Private Irrigation District

Off-farm Efficiency Program

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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1 Project details

Name	Modernisation of the West Corugan Private Irrigation District
Location	West Corugan Private Irrigation District
Proponent	West Corugan Private Irrigation District
Australian Government funding sought	\$ 1,476,000 (feasibility – this application)
Water recovery for the environment	Nil – feasibility application

2 Project summary

This project will investigate the feasibility of modernising the West Corugan Private Irrigation District (WCPID). There is a strong commitment from the organisation and its members to undertake a significant modernisation program, however there is still some uncertainty around certain aspects of the potential modernisation program.

A modernised WCPID scheme will allow the proponent's irrigators to adapt to the changes needed on-farm to maximise sustainable production and profitability now and into the future. Modernising the WCPID will improve water delivery efficiency, ensure the district remains competitive and viable, and increase the amount of water delivered in low water availability years (a critical component to maintaining members viability).

Feasibility funding will enable WCPID to:

- understand the complexities of modernising the district
- verify likely water savings, infrastructure and other modernisation costs
- ensure overall due diligence is completed by the WCPID Board
- undertake extensive community consultation.

3 NSW Government decision

The NSW Government has determined this project meets the feasibility criteria and the intended full project is likely to allow water for the environment to be returned to the Australian Government through efficiency gains from eligible activities.

The NSW Off-Farm Water Efficiency Expert Panel reviewed the project against the case for change and deliverability criteria and determined the project meets the criteria.

4 Summary of key steps

Between August 2021 and May 2022, the NSW Government worked with the proponent to develop a project proposal for the Modernisation of the West Corugan Private Irrigation District feasibility project.

At meetings held on 1 February 2022 and 1 June 2022 the Off-Farm Water Efficiency Program Expert Panel reviewed the project proposal. The panel includes water experts from the Department of Planning and Environment, experts in socio-economic analysis from within the NSW Government and an independent advisor, as well as an independent probity advisor. The panel considered the information prepared by the proponent and the NSW Government when making its recommendation.

The panel endorsed this Statement of Reasons on 7 June 2022, and the NSW Off-farm Efficiency Program Steering Committee approved the project to proceed to the Australian Government for endorsement on 15 June 2022.

5 Reasons for the decision

5.1 Impacts on the region

The panel considered the expected outcomes of the full project and determined this feasibility project is likely to lead to a full project application that will address the socio-economic criteria and is eligible for consideration under the Off-farm Efficiency Program.

It is anticipated the modernisation of the WCPID will result in multiple benefits to the long-term sustainability of the WCPID and its members.

Modernising the WCPID will enable:

- efficient and flexible water delivery
- delivery of water at a sustainable cost to members
- aged and ageing irrigation infrastructure to be upgraded

- additional external investment in the region (both capital and/or water)
- flows to be delivered during periods of low or zero general security allocations, which is vital to ensuring stock and domestic water supply and maintaining members viability.

Modernisation activities will positively impact the region and members through improving opportunities for crop production and revenue, and potentially reducing debt through the sale of rationalised water. It will generate water savings by reducing water losses from the irrigation network through seepage, evaporation and escape water losses. Water previously lost can be productively used by the irrigation network and its members, and increased flexibility of water delivery will positively impact crop production.

Improved water delivery efficiencies in the network mean systems can operate effectively with lower allocations. This can result in additional years of irrigated crop production over what can be achieved with the existing system. These efficiencies can also enable greater control over the timing and volume of water to the crop root zone. The improved ability to plan and manage production under variable water allocations through improved water efficiency can also reduce business risk levels for farmers ([NIBM Final Report, 2017](#)).

The proponent will engage and retain the services of locally and regionally based service providers wherever practical, and where these provide the best value and level of service during the feasibility and implementation phases.

5.2 Value for money

The activities detailed in the feasibility proposal are valid and are will inform a full project proposal.

An indicative budget for a full project proposal has been provided and will be revised once the feasibility studies have been completed. Based on the current estimated project value and water savings, this project is likely to have a market multiple which:

- represents a good value for money investment for the Australian Government
- ensures the WCPID and its members receive a fair and equitable value for its water entitlements
- creates a viable and sustainable irrigation system for the long term.

The panel noted the proponent committed to undertaking a cost-benefit analysis as part of the feasibility phase of the project.

The panel noted the proposed works are very large and questioned whether the proposed feasibility study would be sufficient.

Water Infrastructure NSW, on behalf of the NSW Government, will validate the economic impacts of the proposal once feasibility activities are completed, and this analysis will inform a full project application.

5.3 Community and industry engagement

The proposal is supported by WCPID's members and the community, evidenced through initial feedback and responses to newsletters and company meetings.

While no individual engagement has been undertaken to date, the proponent has provided an overview to its members about its intention to review and consider various options to modernise its system. As a wholly member owned private irrigation corporation, with a duly elected board representing the interests of both its members and the WCPID itself, the proponent is well placed to engage with its members to deliver this proposed project.

The proponent regularly communicates to its members via established avenues – in the main through member meetings, its annual general meeting and through its monthly member newsletter. Through these channels, and a dedicated webpage on their website, the WCPID Board will continue to inform its members and the community of its intentions to undertake investigations into modernising the WCPID.

As part of the feasibility project a series of community information sessions/workshops will be conducted with members and the community to ensure they are engaged on, and made aware of, the project proposal and its components. The proponent will engage the services of skilled consultants, with relevant experience in natural resource management, irrigation management and design and community consultation to support the transfer of knowledge between the proponent, its members and the community. It is anticipated two rounds of community and landholder meetings will be held, including six-ten events per round.

While broad scale community engagement is important, the proponent acknowledges direct consultation and negotiation with its members will be particularly important to ensuring successful project delivery – especially where potential rationalisation may be a component. As such, the proponent will dedicate significant resources to implementing this approach through targeted discussions with each affected landholder. Preliminary discussions have already been conducted with members with a potential interest in a modernised WCPID.

5.3.1 First Nations engagement and benefits

The feasibility study will identify any cultural heritage sites, relevant stakeholders and approaches to manage these sites as part of scoping and designing the project.

Where possible, practical and feasible, the proponent will procure products and services in line with the National Indigenous Australians Agency [Indigenous Procurement Policy](#), which aims to stimulate Indigenous entrepreneurship, business and economic development and provide Indigenous Australians with more opportunities to participate in the economy.

5.4 Environmental impacts

Feasibility activities will not have any environmental impacts. The activities will identify any licences or approvals required for implementation, and any likely environmental benefits not previously considered.

The feasibility project will verify and validate water losses, water savings and will inform the program works of the full project.

As part of the feasibility studies, the proponent will investigate using solar pumping infrastructure to improve stock and domestic supplies to landholders. There may be the opportunity to deliver other environmental benefits as part of the project, for example through providing solar input into the major pumping station or variable speed technology to better match power supply to demand.

6 Further information

For further information regarding the Off-farm Efficiency Program please 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.