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NSW Statement of Reasons: Gunbar, Hay, Booligal, Carrathool & Goolgowi (GHBCG) Water Group Feasibility Project

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

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| Name | Gunbar, Hay, Booligal, Carrathool & Goolgowi (GHBCG) Water Group Feasibility Project |
| Location | Hay Private Irrigation District, Gunbar Private Water Supply Board & Murrumbidgee Irrigation |
| Proponent | Gunbar Private Water Supply Board |
| Australian Government funding sought | \$1,240,000 (feasibility – this application) |
| Water recovery for the environment | Nil – feasibility application |

2 Project summary

This project will investigate the feasibility of providing increased water security and quality to the Hay region through modernising existing water delivery systems and constructing new infrastructure.

The project will benefit the Hay region, and directly benefit the communities of Booligal, Carrathool and Goolgowi, which includes three local schools and over 100 local farmers. These works would involve new pipelines, pump stations, a storage facility and telemetry.

If approved to progress to construction, the works will improve water delivery efficiencies and increase delivery performance ensuring the system meets industry demands and enabling regional agribusinesses to maximise their potential for sustainable production. The project will also benefit regional communities by creating local job opportunities and increasing water security for towns in times of drought, as well as delivering water for the environment. This will lead to a more resilient, adaptable community able to thrive in a water-constrained future.

3 NSW Government decision

The NSW Government has determined this project meets the feasibility criteria and the intended full project is expected to deliver water for the environment 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 GHBCG Water Group to develop a project proposal for the feasibility project.

At a meeting held on 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 GHBCG Water Group 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

This feasibility proposal is an opportunity to realise large community and regional benefits. However, further investigations are required to explore options to increase water savings, decrease project costs and/or identify alternative sources of funding for co-contribution.

The feasibility project will enable the proponent to finalise community consultations and confirm the participation of landholders and local government agencies across the region. Local consultants and businesses will be engaged to undertake the feasibility activities wherever practical. A cost-benefit analysis will quantify the benefits of the project. Final planning and design activities will ensure water losses are validated and potential savings are verified.

The NSW Government notes the proponent's risk register identifies the availability of local consultants to undertake feasibility works as a risk. They propose to mitigate this risk by implementing a procurement plan for technical services and upskilling local contractors.

The full project is a unique opportunity to take a regional approach to preparing the district for climate variability. Agriculture is critical to the vitality, culture and wellbeing of rural communities and contributes more to the economic vitality of Australia as an industry than any sector besides mining. As the project area is an agricultural hub, the project will support operations in the district by extending the water supply area and installing efficient water delivery infrastructure.

The full project will increase resilience for the associated farm businesses, through sustainable irrigation and stock and domestic water delivery. This is expected to allow more consistent production year to year, leading to opportunities for local businesses to expand. The proposed upgrades will help ensure the region's future water security for the next 30 to 50 years.

Improving consistency in production will help local businesses, contractors and employees move away from the boom-bust cycle currently experienced in the region. Providing more consistency in demand will bolster the social fabric of townships and create vibrancy to local businesses, schools and sporting clubs. The project will also provide better quality water delivery for stock and domestic use, resulting in higher animal welfare standards and better household living standards along the network.

Improving the efficiency of water delivery is not only about securing an industry future, it is also about improving the wellbeing of our communities and ensuring the region builds resilience and is ready to respond to climate variability.

The full project will support communities by providing access to secure filtered water and improving the physical, emotional and financial wellbeing of landholders and communities across the region. Benefits to the wider community will build on the success of the previous Gunbar project, highlighted in this video <https://youtu.be/NLIII61v1zY>. The project will also lead to employment opportunities during the construction and operational phases.

The project aims to:

- deliver water savings by reducing water losses and returning losses back to the environment
- embed climate resilience for both the industry and community
- deliver increased regional growth
- increase long term water security for rural and remote NSW communities
- provide efficiencies for industry and resulting productivity gains
- increase social and economic wellbeing for townships and villages
- secure long-term viability for industry within the region.

The proponent anticipates project benefits will be achieved through delivering:

- new pump stations and power supply upgrades to pump stations on the Murrumbidgee River at Carrathool and Booligal
- in-pipe filtration systems, solar panels and battery systems
- 125 km of main pipeline and 70km of spur pipelines
- the installation of 147 compliance meters and telemetries to new outlets
- the construction of town storage facilities for Goolgowi, Carrathool and Booligal and multiple efficient outlet storage facilities offering greater water security
- the construction of 21 channel crossings and approx. four compliant road crossings.

5.2 Value for money

The project is likely to provide an opportunity to realise large community and regional benefits and further investigations are required to explore options to increase water savings, decrease project costs and/or identify alternative sources of funding for co-contribution.

The feasibility project will enable the proponent to finalise community consultations and confirm the participation of landholders and local government agencies across the region. Local consultants and businesses will be engaged to undertake the feasibility activities as wherever practical.

A cost-benefit analysis will quantify the net benefits of the project. Final planning and design activities will ensure water losses are validated and potential savings are verified.

The activities detailed in the feasibility project are valid, and likely to inform a full project proposal.

The panel also noted the economic impacts quoted for the full project need further refinement as part of the feasibility stage of the project. NSW notes that the economic impacts will be validated by Water Infrastructure NSW once feasibility activities are completed, and this analysis will inform a full project application.

5.3 Community and industry engagement

There is large public support for this project, evidenced by the interest following the success of the first Gunbar Water Pipeline project. Over the last six months, the proponent has undertaken extensive engagement activities with local landholders, customers, agencies and community groups to gauge the level of interest and support for the proposed works.

Letters of support have been provided as evidence the local community welcomes the proposal for works to improve water quality and reliability through an efficient water delivery system.

The feasibility project will include further community consultation with landholders and the regional community to inform them about the project and seek their feedback, and to gauge whether landholders are committed to returning water through formal agreements if the full project proceeds. This is vital to ensuring the project results in real water savings which are able to be returned to the environment.

In a survey of water users in the region, many respondents said they believed the proposed project will improve drought resilience and quality of life. Respondents understood participation in the project would involve returning water to the environment. In addition, respondents noted some of the benefits may include improved health, the ability to maintain healthy gardens for increased biodiversity and increased productivity and business longevity. Since the introduction of the Gunbar Private Water Supply pipeline under a previous program, the GHBCG Board has been contacted by over 30 individuals and a local council wishing to join the pipeline and be involved in future projects.

5.4 First Nations engagement and benefits

The proposed project works will be undertaken across the traditional lands of the Wiradjuri, Nari Nari and Madi Madi people. The feasibility study will identify any cultural heritage sites, relevant

stakeholders, and how any identified sites will be managed if the project proceeds to construction. The feasibility stage will explore opportunities for further engagement with First Nations communities.

Booligal Public School has worked closely with the Murrumbidgee Landcare to develop a native garden to help students learn about biodiversity, habitats, native species and their First Nations uses. The garden will also be available as a talking circle like those developed at other regional high schools. The garden is open to the public and highlights the use of native flora in gardens. The talking circle provides an opportunity for students and the community to engage and learn in an environment allowing a connection to place and culture. The pipeline will allow the project to expand with higher quality, lower salinity water and become an important feature and place of gathering for the village.

5.5 Environmental impacts

Feasibility activities will not have any environmental impact. The activities will verify and validate water losses and water savings and will inform the program works of the full project.

Water for Boxyards Road users is currently extracted from the Muggabah Creek, an effluent creek off the Lachlan River. Muggabah Creek is part of the Booligal Wetlands, which is a wetland of national significance. The water in the proposed new system will be taken from the Lachlan River rather than Muggabah Creek. Reducing the amount of stock and domestic water extracted from this system will increase the availability of water for this wetland.

If approved to proceed to construction, the full project will enable targeted water delivery to areas of ecological importance (i.e., tree/habitat plantations) ensuring survival during drought.

Reliable and consistent water delivery throughout the climate cycle means native animals will be able to access water (via troughs) during drought. It is also likely to increase water quality, which is likely to improve soil fertility.

The requirement for any licences or approvals related to environmental considerations, and engagement with relevant stakeholders, will be identified and managed within the scope and design of the project.

6 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
- calling 1300 081 047.