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# Rous Regional Water Supply – revised draft Integrated Water Cycle Management Strategy adoption (Future Water Project 2060)

(D20/751)

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**Business activity priority** Strategy and planning

**Goal 2** Align strategic direction to core functions and sustainability

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## **RECOMMENDATION** that Council:

1. Receive and note the public exhibition review document attached to this report entitled '*Future Water Plan 2060 Public Exhibition of revised Integrated Water Cycle Management Strategy outcomes June 2021*' prepared by Vaxa Group, in relation to the revised draft Integrated Water Cycle Management (IWCM) Strategy placed on public exhibition for 8 weeks from 1 April 2021 to 28 May 2021.
2. Note that copies of submissions received during the public exhibition period are available on the Rous County Council website.
3. Thank all persons and organisations that provided a submission to, or engaged in, the public exhibition and consultation process.
4. Adopt the revised draft Integrated IWCM Strategy attached to this report which, having regard to the results of the public exhibition process, has been amended to include the Dunoon dam proposal as a contingency option beyond Stage 2 of the IWCM.
5. (a) Receive and note the letter dated 30 June 2021 from NTSCorp regarding various matters associated with the Reconciliation Action Plan Advisory Group and the Dunoon dam project Aboriginal cultural heritage report.  
  
(b) Receive a further update from management on the matters outlined in the NTSCorp letter mentioned above at 5(a).
6. Approve the completion of detailed cultural heritage and biodiversity assessments associated with the proposed Dunoon dam in consultation with relevant Traditional Custodians including the Widjabul Wia-bal Native Title Claim Group.
7. Defer implementing the resolution associated with the proposed Dunoon dam, resolved by Council at its meeting of 16 December 2020 (resolution [61/20] Item 2), until after Stage 3 options have been determined.
8. Approve the transfer of \$159,000 from the 'bulk water' reserve for the 2021/22 financial year for progress of the actions detailed in the 'Proposed changes to the revised draft Future Water Project (FWP) 2060' section of this report.

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## Purpose

To provide information and advice to Council to inform its decision on addressing water security risk as the bulk water supplier to the local government areas of Ballina, Byron, Lismore City and Richmond Valley.

## Outcome

An IWCM Strategy adopted by Rous County Council's governing body that incorporates changes based on the results of the public exhibition of the revised draft FWP 2060 (Attachment A).

## Background

The following snapshot is provided as context for this report.

### What is an Integrated Water Cycle Management (IWCM) Strategy?

An IWCM Strategy is a local water utility's (LWU's) resourcing strategy for the provision of appropriate, affordable, cost-effective and sustainable urban water services that meet community needs and protect public health and the environment.

Rous County Council is a LWU.

This means Council is required to demonstrate best practice water supply management by implementing the NSW Government's *Best Practice Management of Water Supply and Sewerage Guidelines*.

One of the six 'best practice criteria' requires Council to have a current, complying IWCM Strategy. An IWCM Strategy is a framework designed to identify water supply management problems and then address those problems by determining appropriate responses that best meet social, environmental and economic objectives.

An IWCM Strategy also provides Council the means to obtain Ministerial approval under section 60 of the *Local Government Act 1993* to undertake certain water supply works.

### What does an IWCM Strategy do?

An IWCM Strategy:

1. Sets the objectives, performance standards and associated performance indicators for the water and sewer business (Note: Rous does not provide sewer services. This means the 'sewer' requirements under the IWCM Strategy are not relevant).
2. Identifies the needs and issues based on evidence and sound analysis.
3. 'Right sizes' infrastructure.
4. Determines the investment priority in consultation with the community and stakeholders.
5. Identifies the 'best value 30-year' IWCM scenario on a triple bottom line (TBL) basis.

The key outcomes of an IWCM Strategy are:

1. 30-year total asset management plan.
2. 30-year financial plan.
3. Drought and emergency response contingency plan.

### What is the problem the IWCM Strategy is trying to solve?

Regional water security – ensuring that there is enough water to meet the needs of the region.

The challenges:

- By 2024 demand for water is forecast to start exceeding what can be reliably supplied.
- By 2060 a 37% increase in water demand is forecast due to population growth.
- By 2060 the amount of water that the existing system can reliably supply is forecast to decline by almost 22% due to climate change.

The mission of the FWP 2060 is to address these challenges through a combination of ongoing water saving measures and new water sources.

### What is the recent history of Rous' IWCM strategies?

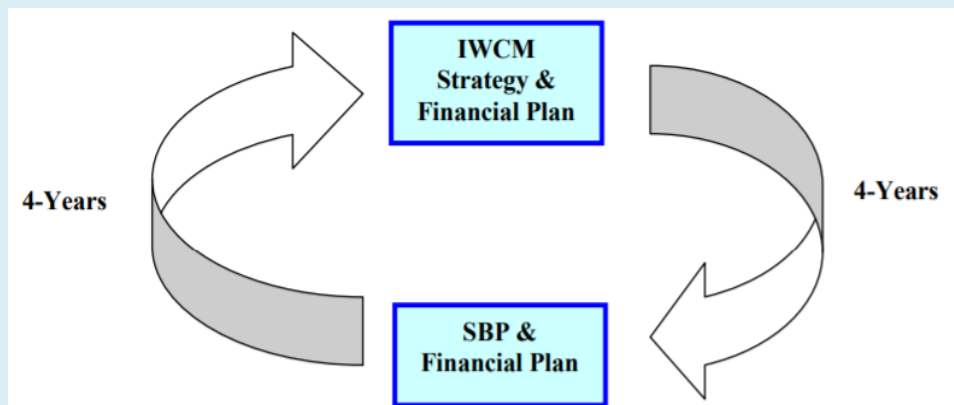
Best practice requires that an IWCM Strategy be regularly reviewed to ensure currency with new information and changing conditions.

Council adopted an IWCM Strategy in 2014 ('2014 IWCM Strategy'). It was also known as the '*Future Water Strategy*'.

The 2014 IWCM Strategy provided for:

- (a) The development of enhanced demand management options; and
- (b) Investigations into new water source options.

The IWCM Strategy and Strategic Business Plan need to be prepared every 8 years on a rotation of every 4 years:



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A review of the 2014 IWCM Strategy was completed and in 2020 the initial draft *Future Water Project 2060* ('initial draft FWP 2060') was developed.

### What were the key points of the initial draft FWP 2060 in terms of new water sources?

There were two key points:

1. Groundwater: to secure the short-to-medium-term water supply
2. Surface water: to secure the long-term water supply (Dunoon dam proposal).

### What was the approach to community engagement on the initial draft FWP 2060?

The initial draft FWP 2060 was subject to an extended public exhibition period in the latter half of 2020. The original public exhibition period was 6 weeks, and that period was extended by a further 4 weeks.

In total the public exhibition period was 10 weeks (1 July 2020 to 9 September 2020).

The onset of COVID-19 during 2020 meant that some preferred methods of consultation were unable to be used. This was because of NSW Public Health order requirements including social distancing rules.

The results were reported to Council at its meeting on 16 December 2020 and it was decided not to proceed with further investigations into the Dunoon Dam [61/20]. This resulted in a revised IWCM Strategy being prepared ('revised draft FWP 2060') which excluded the Dunoon dam proposal.

Council, at its extraordinary meeting on 17 March 2021, approved the revised draft FWP 2060 for the purpose of an 8-week public exhibition period (1 April 2021 to 28 May 2021). Council also agreed to receive a report at an extraordinary meeting in July 2021 (including an overview of the feedback received during the public exhibition period and how that feedback has been considered) when it would consider the IWCM Strategy for adoption.

Adopting the revised draft FWP 2060 will allow Council to commence implementing the key works and other actions needed to secure the regional water supply.

It sets out a three-stage approach over the next 40 years:

#### **Stage One 2021–2025 | Stage Two 2026–2029**

**Aim:** Ensure the forecast increase in water demand can be met for at least the next 20 years.

**What it looks like:** Bringing new groundwater sources online as additional primary supplies.

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Including:

- Revamping the Alstonville area’s existing groundwater supply scheme; and
- Developing a new groundwater scheme in the Tyagarah area.

In addition, new bores will be constructed and connected as part of the Woodburn area’s existing groundwater supply. This will provide a greater level of resilience in the event of a drought emergency.

**Stage One** and **Stage Two** also prioritises the continued implementation of more innovative water conservation measures to better manage demand and, thereby, give Council the time and opportunity to further investigate new, long-term water source options.

**Stage One** will particularly see investigations commence into how to overcome the barriers to using purified recycled water for drinking purposes – whether via indirect potable reuse or direct potable reuse.

This includes plans to build a pilot treatment plant and direct potable reuse scheme that can supply purified recycled water to the Perradenya Estate near Lismore.

### *Stage Three 2030–2060*

**Aim:** Implement further new water sources to secure Council’s regional water supply until 2060 and beyond.

**What it looks like:** ‘Yet to be determined’ - depends on the outcomes of **Stages One** and **Two**.

The IWCM review process ensures Council is continually assessing the potential use of modern, developing water supply options such as purified recycled water, desalination and advanced demand management initiatives for meeting long-term demand.

### **Key points to inform decision on adoption of the revised draft FWP 2060**

Outside of its two formal public exhibition periods in the past year, the FWP 2060 has continued to generate plenty of strong community and other interest.

In particular, a number of submissions were received both just prior to and following Council’s meeting of 16 December 2020.

These submissions have been collated as part of the analysis of community feedback in relation to the revised draft FWP 2060.

### **A. Public exhibition – the results – recommended changes to the revised draft FWP 2060**

The revised draft FWP 2060 was publicly exhibited for 8 weeks (1 April 2021 to 28 May 2021).

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## Aim

To inform the community of the revised draft FWP 2060 and seek initial feedback on Stage 3 options contained within the strategy. The overall engagement was based on an 'inform' and 'consult' approach (based on the IAP2 public participation spectrum) with a greater effort being placed into community events and information sessions (due to the relaxation of COVID19 restrictions, when compared to the previous exhibition period of the initial draft FWP 2060).

## Method

- A dedicated project page on Council's website that hosted all project documentation.
- Community summary brochure
- Key documents and summaries (PDF for review and/or download)
- Responses to frequently asked questions categorised as: General, Groundwater, Other questions and the former Dunoon dam proposal.

Council promoted the opportunity to make comment through the public exhibition in various ways:

- **Advertisements within media** - information advertisement campaigns aired on two television stations with a total of 307 x 30 second advertisements being run. Estimated viewer reach was over 150,000.
- **Flyers** - approximately 33,000 information flyers were distributed in RCC constituent council rate notices and via direct mailout.
- **Print media** - three media releases, with associated media coverage.
- **Social media** - four social media posts on RCC's Facebook page, with 'shares' and content re-purposing by third parties.
- **Information events** - 16 community and industry information events were held (direct reach over 400).
- **Radio interviews** - separate interviews on two (2) local radio stations with the Chairperson or Council's General Manager.

## Results

A summary of the public exhibition period's outcomes is provided below and were presented to Council at a workshop on 23 June 2021.

A total of 13,781 submissions were received through a variety of means, representing a 10-fold increase from the initial draft FWP 2060 public exhibition period.

The data that has been received during the public exhibition has been collated into three (3) distinct datasets:

- Online survey – with responses to set questions.
- Written submissions.
- Petition signatures.

Format of response	Submissions
RCC online survey	558
Written submissions (largely proforma driven)	1,856 <sup>#</sup>
Petitions	11,317
Late (written submissions)	50

<sup>#</sup> Denotes: Inclusion of 7 online general customer survey forms and the removal of 5 duplicate records.

### Online survey submissions

The online survey results indicated that there was not clear support for the groundwater options associated with the revised draft FWP 2060. However, there was unusually high support for desalination and potable re-use, at least compared to groundwater. This may be due in part to the community alarm surrounding groundwater extraction by the bottled water industry within the broader region.

The dataset indicated two distinct themes, being those that were supportive of potable re-use, were not supportive of the Dunoon dam proposal and to a much lesser extent groundwater. Conversely, those that were less supportive of groundwater and the Stage 3 options, showed a clear preference for the Dunoon dam proposal.

It is unclear whether this result is likely to be caused by 'push' factors (e.g. away from the Dunoon dam proposal), rather than 'pull' factors. The true level of overall community support for the Stage 3 options will not be known until further comprehensive investigations are completed.

### Written submissions

Most written submissions were based on two distinctive pro-formas (accounting for approximately 90% of all written submissions), heavily focused on either support for or rejection of the Dunoon dam proposal. Again, there was no clear support for the groundwater options. Of the personalised written submissions received, the following table details the responses of organisations in the region.

**Table 1 - Submissions from organisations 'for' and 'against' the revised draft FWP 2060**

Responses 'for'	Responses 'against' <sup>1</sup>
1. Ballina Environment Society <sup>2</sup>	1. Casino Food Co-Op
2. Byron Environment Centre <sup>2</sup>	2. Richmond Valley Council <sup>2</sup>
3. Friends of the Koala Inc. <sup>2</sup>	3. Save Alstonville Aquifer
4. Institute for Sustainable Futures <sup>2</sup>	
5. Lismore City Council <sup>2</sup>	
6. Lismore Greens <sup>2</sup>	
7. Member for Ballina <sup>2</sup>	
8. Tuntable Creek Landcare	
9. Water Services Association of Australia	

<sup>1</sup> denotes: A range of small businesses also submitted against the revised draft FWP 2060.

<sup>2</sup> denotes: submissions received from these organisations in the previous public exhibition initial draft FWP 2060

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Of these new submissions there was more support for the revised draft FWP 2060.

### **Petition signatures**

Of the 11,317 signatures received in the petition datasets, 10,208 respondents expressed clear support for the Dunoon dam proposal over all other options. This large petition was primarily focused on Council's decision at its meeting on 16 December 2020, after the first public exhibition of the initial draft FWP 2060. The remaining submitters expressed support for groundwater, provided it in no way impacted agricultural users.

### **General observations**

Based on Council's website, analytical data showed relatively high traffic during the public exhibition phase with access peaks likely coinciding with RCC promotion, media uptake and community activism. There was lower than expected downloads of technical documentation. However, this is not uncommon and there can be two likely scenarios:

- Respondents felt they were informed sufficiently based on the information they had available. (e.g. revised draft FWP 2060 - webpage, flyer, and/or brochure) or;
- Respondents provided their views based on information gathered from other sources that supported their own views on the revised draft FWP 2060. (Regional media outlets, community groups and social media)

Analysis of the submitter's origin indicated that the clear majority (approx. 83%) could be confirmed as being received from the LGA's of Rous' constituent councils. In several instances submitters either chose not to provide those details (e.g. approx. 10% of written submissions) or origin data was not able to be determined (e.g. approx. 4.4% of petition signatures), which accounts for approximately 6% of all submissions.

There was differing levels of contribution from the four (4) constituent council areas across the various formats/channels. Overall, submission rates from the Byron Shire LGA were low for all three datasets, despite over 11,000 flyers being delivered to its residents and community drop-in sessions being held locally. The low participation is at odds with what is considered to be a well-informed and locally active community, especially given the revised draft FWP 2060 is proposing both short and long-term actions within this shire. A stronger community response is expected, once Council commences the implementation of those actions.

Attachment B provides the full report on the public exhibition periods outcomes prepared by an external consultant.

### **Proposed changes to the revised draft FWP 2060 based on feedback from public exhibition**

Council received petitions with 10,208 signatures calling for the Dunoon dam proposal to be reconsidered. This along with written and online surveys, represents the highest response to any one project or issue that Council has received. After the public exhibition period, Council received a letter from the NTSCorp limited, who is acting on behalf of the Widjabul Wia-bal Native Title claim group (Attachment C).

The letter requests that no decision in relation to the Dunoon dam proposal, including disposal of the land by Council, should proceed without proper consultation with the group. The group has also requested that RCC commission a qualified archaeologist to prepare an Aboriginal Cultural Heritage assessment for the proposal area and commit to meaningful consultation with the group.



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The letter also raised several objections with Council's previous decisions, processes and actions, or lack thereof since the commissioning of the preliminary cultural heritage assessment in 2010. The group reaffirms that the site remains of cultural and spiritual importance, as it contains numerous Aboriginal sites, including burial sites, with the ongoing protection of these sites being of the utmost importance.

It is recommended that Council commit to these works in full consultation with the group and other stakeholders.

Along with cultural heritage, biodiversity impacts of the Dunoon dam proposal are a key consideration for that project. It is recommended that biodiversity investigations should also be undertaken. These investigations would consider the project impacts along with defining vegetation classifications and conditions, for both impacted and non-impacted areas.

These works would be based on the current assessment approaches and methodologies. The assessment will have a dual purpose of assessing future stewardship improvement options for areas that have been identified as high conservation value.

## **B. Risks**

### **Delaying the adoption of an IWCM Strategy and regional water security risk**

Without a current adopted IWCM Strategy, Council lacks a confirmed strategic direction for managing regional water security risk.

The report (D20/7051) to Council's meeting of 16 December 2020 advised that the timely adoption of an updated IWCM Strategy was imperative.

That position has not changed.

This is especially due to the time that has elapsed since the *Future Water Strategy* (2014 IWCM Strategy) was adopted and the forecast increased demand on the regional water supply from changing climate conditions and population growth.

Other risks from delaying the adoption of an updated IWCM Strategy:

- Develop new water sources with inadequate time and increased costs, resulting in unfavourable operational conditions and return on investments.
- Carry out costly emergency drought works with potentially detrimental environmental impacts.
- Implement longer and more severe water restrictions that significantly impact the community, business, tourism and industry as well as overall regional investment.

### **Revised draft FWP 2060 and Greenhouse Gas Abatement Strategy**

At its meeting of 20 June 2018, Council adopted its first Greenhouse Gas Abatement Strategy as part of a commitment to minimise carbon emissions and electricity costs [48/18].

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Given the already substantial energy demands of operating the region's existing water supply system, the strategy especially set an ambitious goal for the take-up of renewable energy based on Council's emissions sources at the time.

It is important Council is aware that the adoption of the revised draft FWP 2060 is expected to have significant implications for the Greenhouse Gas Abatement Strategy.

In particular, there are considerable energy demands involved with accessing, transporting and treating groundwater, wastewater and seawater for drinking purposes.

As a result, the addition of groundwater sources – and potentially purified recycled water or desalination – to the regional water supply will substantially increase Council's electrical energy needs.

Should Council adopt the revised draft FWP 2060, a review of the Greenhouse Gas Abatement Strategy's carbon emissions and renewable energy targets will need to be undertaken.

## **Governance**

### **• Finance**

Rous' Long Term Financial Plan (LTFP) aims to provide adequate financial resources to implement its strategic plans and subsequently operate its assets in the delivery of services to our regional customer base. For example - bulk water sources, treatment and distribution.

At the April and June 2021 meetings, Council considered and then adopted its Delivery program | Operational plan including the 2021/22 budget allocations.

The April report provided a 'caveat' that the LTFP includes significant assumptions in respect to future capital works which are currently 'proposals' that continue to be actively investigated.

The recommendation in this report seeks a total allocation of \$315,000 for the 2021/22 budget to progress items discussed in the *Proposed changes to the revised draft FWP 2060* section of this report. The adopted budget 2021/22 contains \$531,000 related to Dunoon Dam land matters over the next three financial years. It is proposed that the identified 2022/23 budget amount (\$159,000) be reallocated into the current financial year (\$156,000) should Recommendation 8 be adopted.

### **• Legal**

#### **NTSCorp letter dated 30 June 2021 – status of assessment of allegation of breach**

NTSCorp, acting for and on behalf of the Widjabul Wia-bul Native Title Claim Group, has alleged that Rous has breached requirements under the *National Parks and Wildlife Act 1974*. An internal review is underway and an update on the matter will be provided in due course.

## **Conclusion**

An updated IWCM Strategy is required to effectively confront several critical water security challenges facing Council's regional water supply.

Following Council's decision at its 16 December 2020 meeting [61/20] not to proceed with further investigations into the Dunoon dam as part of an updated IWCM Strategy, the revised draft FWP 2060 was prepared.

The revised draft FWP 2060 sets out a three-stage IWCM Strategy that focuses on additional groundwater sources being gradually brought online as primary supplies over the next decade.

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It also prioritises the implementation of more innovative water conservation measures and investigation of purified recycled water for drinking purposes.

The revised draft FWP 2060 was publicly exhibited for eight weeks from 1 April 2021 to 28 May 2021. Following that process and having regard to the feedback provided, it is recommended that Council adopt the revised draft FWP 2060 attached to this report incorporating changes informed by the public exhibition process, specifically, re-inclusion of the proposed Dunoon dam as a contingency option beyond Stage 2 of the IWCM.

Phillip Rudd  
General Manager

#### Attachments

- A. Rous Regional Supply: Future Water Project 2060 – revised draft FWP 2060 IWCM (*pp. 12-161*)
- B. Future Water Plan 2060 public exhibition of revised Integrated Water Cycle Management Strategy outcomes June 2021 (VAXA) (*pp. 162-211*)
- C. Letter dated 30 June 2021 from NTSCorp to the General Manager (*pp. 212-214*)