



public interest
ADVOCACY CENTRE

Draft Lower Hunter Water Security Plan

26 September 2021

About the Public Interest Advocacy Centre

The Public Interest Advocacy Centre (PIAC) is leading social justice law and policy centre. Established in 1982, we are an independent, non-profit organisation that works with people and communities who are marginalised and facing disadvantage.

PIAC builds a fairer, stronger society by helping to change laws, policies and practices that cause injustice and inequality. Our work combines:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change and public interest outcomes.

Energy and Water Consumers' Advocacy Program

The Energy and Water Consumers' Advocacy Program (EWCAP) represents the interests of low-income and other residential consumers of electricity, gas and water in New South Wales. The program develops policy and advocates in the interests of low-income and other residential consumers in the NSW energy and water markets. PIAC receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

Contact

Douglas McCloskey
Public Interest Advocacy Centre
Level 5, 175 Liverpool St
Sydney NSW 2000

T: (02) 8898 6534

E: dmccloskey@piac.asn.au

Website: www.piac.asn.au



Public Interest Advocacy Centre



@PIACnews

The Public Interest Advocacy Centre office is located on the land of the Gadigal of the Eora Nation.

Contents

- Introduction..... 1**
- Developing the plan..... 1**
- Priority 1: Safe drinking water..... 3**
- Priority 2: Making the most of what we've got..... 3**
- Priority 3: Improving the resilience of the system 4**
- Priority 4: Water for life..... 5**
- Continued engagement 5**

Introduction

The Public Interest Advocacy Centre (PIAC) welcomes the opportunity to respond to the Draft Lower Hunter Water Security Plan (the Draft Plan).

PIAC broadly supports the Lower Hunter Water Security Plan, and welcomes the further progress towards fit-for-purpose strategic water planning that reflects community needs and responds to a changing climate.

Overall, the Draft Plan demonstrates clear links between the identified issues the plan must respond to and how the proposed solutions and responses are intended to address them. Importantly, the Draft Plan transparently outlines how the proposed solutions were decided, what evidence and perspectives were considered, how they were considered, and what priorities and principles were involved in the assessment process.

The Draft Plan provides clear links to the objectives, priorities and principles outlined in the NSW Draft Water Strategy and outlines practical implementation actions under the identified priorities. These are positive steps towards more effective and transparent planning. PIAC commends the approach taken to develop the plan and broadly supports the responses it outlines.

Having been deeply involved in engagement processes underpinning the development of the Plan, PIAC has queries regarding some of the detailed elements proposed. In the remainder of this submission PIAC provides more detailed comment directly in response to relevant sections of the Draft.

Developing the plan

PIAC commends Hunter Water and the Department of Planning Industry and Environment (DPIE) on the process of development outlined in the Draft Plan. PIAC has been deeply involved in the development of the Draft Plan and have engaged directly with community stakeholders in the Lower Hunter, as well as Hunter Water, and with the team from DPIE. PIAC also sits on the Community Liaison Group (CLG) convened by Hunter Water and DPIE to help guide the community engagement process and the development of the Draft Plan. The process commenced early and has been methodical, evidence-based and transparent, representing a positive example of how long-term strategic planning, shaped by community-engagement, should be undertaken.

Specifically, PIAC notes the following positive aspects of robust process demonstrated by the Draft Plan:

- The development process is aligned with the overarching strategic framework underpinning Water Planning and policy.
- The development process commenced with the definition of an agreed problem, based on a comprehensive assessment of historic evidence, contemporary experience, and the identification of historic gaps and weaknesses in strategic water planning.

- The development process identified agreed objectives and priorities that would shape the rest of the process, engagement with the community, and how options would be considered and assessed.
- The development process integrated community engagement perspectives at various stages throughout, via a wide range of methods, including input from the CLG to assess how engagement was undertaken and how its results were interpreted and integrated.
- The Community engagement was undertaken with a clear and transparent purpose, ensuring participants understood why their perspectives were being sought, how they would be used, and what decisions would be made as result. These decisions were then revalidated.
- The development process transparently assessed technical, economic, environmental, social and cultural considerations in the assessment of options, and progressed options presenting an optimal combination of benefits.

This process has been robust and transparent. The transparency of each stage of this process facilitates examination and interrogation of decision making, and further assessment of the specific options proposed. PIAC strongly supports this approach and it should be regarded as an example of how similar planning and policy processes should be undertaken.

PIAC has some queries regarding how preferences of the community and the priorities established to shape the plan have been reflected in some aspects of the proposed responses, specifically:

- How do the community's preferences and the established priorities underpin the proposal to implement a larger, permanent desalination plant at Belmont Point as an early-stage priority in the plan? and,
- How is the community's strong support for purified recycled water for drinking (PRW), and its alignment with the priority to make the most of water resources, reflected in PRW having no concrete role in the plan, despite two separate desalination responses being proposed? and,
- How are both the early implementation of desalination investment and the proposal to progress further 'drought response' desalination at Walsh Point, supported by community preferences that indicate a consistent preference for recycling over desalination?

The Draft Plan does not appear to address these questions in detail. PIAC is concerned the proposed prioritisation for both permanent desalination and drought response desalination over PRW are not clearly supported by the process. PIAC recommends DPIE and Hunter Water provide more detailed explanation as to why PRW was not prioritised over either desalination option. PIAC further recommends that DPIE and Hunter Water develop more concrete steps to implement PRW, building on established community preferences.

Anecdotally, there is a perception of community resistance to recycling, and that implementation of PRW may be politically problematic. There are a number of instances where attempts to implement PRW in Australian communities has failed after eliciting significant community

opposition. PIAC considers experience of failed attempts to introduce PRW reflect rushed and poorly handled processes, and a resultant politicisation and media hype, rather than entrenched issues with PRW. The engagement process for the Plan consistently showed overwhelming support for PRW and a consistent preference for it over desalination. PIAC considers this demonstrates there is no entrenched resistance to PRW, and existing community support in the Lower Hunter provides a foundation for earlier implementation if handled appropriately.

It is also relevant to note that current desalination practices have near identical perceived risks to PRW. Desalination plants, such as the Belmont point plant proposed in the Draft, draw sea-water from areas which treated wastewater is discharged into, and reinject treated water directly into the system. Despite these similarities there has been little assumed community resistance to desalination on the basis of water quality, and very little engagement or consultation was undertaken to build community support prior to implementation of desalination.

PIAC contends the process of engagement and assessment for the Draft Plan conceptually demonstrated community support for PRW, and indicated that PRW is a specific priority for the Lower Hunter. Technical and economic assessments of options, as well as the priority to extend the resilience of existing water resources to prolonged drought also appear to recommend PRW be prioritised over desalination.

Priority 1: Safe drinking water

PIAC supports the prioritisation of water quality and health for the Lower Hunter Water Security Plan. These priorities fulfil the role of the Plan's objectives, representing what it seeks to achieve. It is arguable that 'safe' drinking water does not adequately reflect the intent of this priority, on the basis that drinking water may be safe to drink while being substantially lower quality than expected or desired by the community. PIAC recommends that 'priority 1' is amended to refer to 'healthy, high-quality drinking water'.

PIAC supports the actions identified to deliver this priority, and also supports the assigned agencies responsible for these actions.

Priority 2: Making the most of what we've got

PIAC supports this priority as both a reflection of strongly expressed community preferences and a crucial response to a changing climate.

The setting of specific goals and targets for water use, conservation and leakage is a welcome step that should be adopted consistently across all strategic water plans and supported through water regulation. PIAC agrees that per-person and per-household targets for water use must be set transparently and be based upon the minimum sustainable system yield. This step is a vital tool for the identification of risks, as well as an important step for addressing them. Relating system leakage to a per-connection equivalent also creates a transparent link that enables more efficient and co-ordinated responses to water conservation and sustainable use. PIAC commends this approach and notes that it presents a range of opportunities to align with pricing and regulatory reform.

PIAC recommends a reassessment of the priority given to PRW, with more concrete measures taken to progress its implementation, in line with community preferences. The Draft outlines the strong and consistent support for PRW and highlights the strongest community preferences for future options including PRW. The proposals detailed in the Draft Plan do not appear to adequately reflect this preference.

The actions associated with this priority do not include any concrete measures to implement PRW or progress its implementation. While 'priority 3' includes actions to educate the community regarding PRW and construct a demonstration plant, this is not associated with any tangible targets or measures to progress implementation of PRW. This gap should be addressed.

Priority 3: Improving the resilience of the system

PIAC supports this priority as welcome recognition of the impact of a changing climate and the need to mitigate and manage risks to the resilience of the community's access to sustainable water services.

PIAC notes that potential PRW and its impact on improved system resilience in response to prolonged drought is not included in the performance modelled on page 83 of the Draft Plan. The proposed permanent desalination, connection upgrades and drought response desalination are all modelled in relation to the storage levels, critical operating range and drought duration. Where any potential PRW supply could materially extend system resilience and maintain higher water levels through prolonged drought, this is a significant gap in the information presented. This should be addressed so that PRW can more transparently be assessed according to its benefit to system resilience, alongside its potential costs, consistent with desalination and connection upgrade options.

The drought management plan provides a clear and transparent series of planned actions, including infrastructure and operational measures, linked to the level of available storage. This is an appropriate approach. PIAC notes some detailed aspects that should be reconsidered:

- It should be made clearer that restrictions and behaviour change measures listed against storage levels of greater than 70% are enduring 'business as usual' usage guidelines rather than restrictions triggered at a particular storage level.
- Readiness activities for further drought response desalination, in addition to permanent desalination, should not commence while storage levels are above 70%. It is not clear that drought response desalination is required, prudent or preferred over implementation of PRW. Commencing readiness for further desalination is premature.
- Requirements triggered at 60% for major and large customers to prepare and implement Water Efficiency Management Plans (WEMP) should occur earlier, ideally when levels are in excess of 70%.
- Requirements triggered at 50% for large customers to implement WEMP should occur earlier.

Related to PIAC's questions regarding the relative prioritisation of desalination responses and progressing PRW, we question the implementation actions related to the Belmont Desalination plant. Transitioning this proposal from a drought response to a permanent desalination plant is not clearly justified in the Draft Plan. The indicated 3-5 year timeframe for completed construction and operation of permanent desalination is similar to the timeframe for education regarding PRW, including the construction of a demonstration plant. It is also the same timeframe indicated for preparation measures for drought response desalination at Walsh point, including land purchase, concept design and planning and funding approvals. PIAC considers the relative priority of these actions to be inappropriate.

Considering the established objectives of the Lower Hunter Water Security Plan, as well as community preferences to pursue PRW, more tangible measures to accelerate implementation of PRW should be included in the finalised plan. PIAC contends that an ambitious plan to build upon community support for PRW is warranted, including tangible short-term steps to accelerate readiness in expectation of implementation within 5-10 years. Readiness actions for drought response desalination should be replaced by, or at least matched by, tangible steps to progress readiness for PRW. Improved community education and demonstration activities are welcome and necessary, but not a sufficient response to the consistently expressed community preference for recycling and exploration of PRW.

Priority 4: Water for life

PIAC supports this priority and welcomes the intent to meaningfully engage Aboriginal peoples in water planning and operation. It is crucial that tangible measures are implemented to ensure Aboriginal peoples and communities have opportunities to shape and determine plans and outcomes according to their needs and values. We welcome the intent to improve the participation of Aboriginal peoples in processes that impact their lands, waters and communities, but we highlight the need for this participation to be meaningful and shaped by Aboriginal communities themselves.

The implementation actions associated with the participation of Aboriginal peoples and their engagement with water planning, operations and use, must be expanded with more practical and tangible steps included. For instance, the plan could identify a timeline to create a mechanism for structured engagement with Aboriginal communities in the Lower Hunter, and target dates for engagement on a range of key issue areas. Without more tangible actions PIAC is concerned it will be difficult to progress this aspect of Priority 4 and monitor and evaluate any progress.

Continued engagement

PIAC welcomes the opportunity for further contribution to the development of strategic water plans in the Lower Hunter and across the State, and to meet with DPIE and other stakeholders to discuss these issues further.