

Your reference: Our reference: Contact: 10_0235 DOC 12/43629 Erica Baigent (02) 68835311

Lisa Mitchell Manager, Water Infrastructure Projects Major Projects Assessment Department of Planning and Infrastructure GPO Box 39 Sydney, NSW 2011

19 October 2012

Dear Ms Mitchell,

RE: Exhibition of Environmental Assessment for Macquarie River to Orange Pipeline (10_0235)

I refer to your letter dated 17 August 2012 seeking comment from the Office of Environment and Heritage on the exhibited Environmental Assessment (EA) for the Macquarie River to Orange Pipeline Project. Thank you for the extension of time to provide a submission.

OEH has reviewed the information provided and considers that the biodiversity assessment component of the EA has not been prepared in accordance with the Director General's requirements. The OEH has significant concerns regarding the impacts, sustainability and efficiency of the project. Details are provided in Attachments A (Water Resources and Water Dependent Assets of the Macquarie River) and B (Biodiversity). OEH has no further comments to make in relation to Aboriginal Cultural Heritage.

In relation to impacts on water resources and water dependent assets, we raise the following issues:

- The assessment of impacts on the aquatic environment in the immediate vicinity of the proposed extraction point on the upper Macquarie River is inadequate, and as currently described, the potential for impact on vulnerable and endangered aquatic species is likely.
- The assessment of the impacts on downstream areas and into the Macquarie Marshes is inadequate. The model used is not suitably configured to assess the impacts on environmental flows, and reporting of long-term annual average impacts does not provide sufficient detail for an ecologically relevant assessment.
- The sustainability and efficiency of the project is of serious concern. Pumping water over 37 kilometres and storing it in a manner that allows spillage and evaporation is not acceptable. The proponent has not demonstrated adequate investigation into local groundwater alternatives that would satisfy the National Water Initiative requirements for sustainability and efficiency.

PO Box 2111 Dubbo NSW 2830 Level 1 48-52 Wingewarra Street Dubbo NSW Tel: (02) 6883 5312 Fax: (02) 6884 8675 ABN 30 841 387 271 www.environment.nsw.gov.au • In general, the impact assessment has not demonstrated that impacts on the river system will be at an acceptable level. In addition, the clear intent of council to allow growth in use beyond that required for population growth appears to be contrary to State and Commonwealth water policy.

We also raise the following issues with regard to terrestrial biodiversity:

- The EA contains inadequate information regarding the degree to which impacts on native vegetation have been avoided so far. OEH does not support the removal of up to 250 hollow bearing trees.
- OEH remains concerned regarding the potential level of reliance on nest boxes to mitigate the loss of hollow bearing trees.
- Issues remain in relation to the offsetting of biodiversity impacts.

If you have any questions regarding this matter further please contact Erica Baigent on 02 6883 5311.

Yours sincerely,

R. Jaylor

ROBERT TAYLOR Manager, Environment and Conservation Programs Conservation and Regulation Division