



Reference : D25/2908

1 July 2025

Andrew Nicholls
Chief Executive Officer
IPART
PO Box K35
Haymarket Post Shop, NSW 2001

Dear Mr Nicholls,

Natural Resources Commission Submission: Draft Determination of Prices for Water Administration Ministerial Corporation (WAMC) from 1 October 2025

The Natural Resources Commission (Commission) has reviewed the documentation from IPART regarding the draft determination of prices WAMC can charge licence holders. In the summary statement of IPART's draft determination report IPART states, "*WAMC can recover all efficient costs it incurs in meeting its environmental obligations through draft prices and NSW Government contributions.*" However, we note that IPART is proposing to reduce WAMC's expenditure allowance for several cost codes related to environmental water management and transparent reporting compared to the allowances requested by WAMC. We request that you reconsider the funding allowance for the following items:

W05-01: Systems Operations and Water Availability Management

We understand that this cost code covers making of available water determinations, annual water sharing plan reporting, Long-term average annual extraction limits (LTAAEL) compliance and metering reforms. IPART has proposed a significant reduction in spending for this cost code from the actual expenditure over the last determination and the WAMC proposed amount.

LTAAELs are the foundational basis of the water sharing plans, setting the long term limit on the amount that can be extracted from water sources. Without compliance assessments to ensure these limits are being met and to reduce extraction where necessary, the LTAAELs provide no protection for the environment. LTAAEL compliance and making available water determinations are critical statutory requirements for ensuring that adequate water is provided in the rivers for the health of the ecosystems. It is essential that these activities are adequately funded.

W05-03: Environmental Water Management

WAMC has indicated that funding for implementing recommendations from the Connectivity Expert Panel and the protection of environmental water through active management programs and other programs are to be funded through this code. The driver for this work is not solely "environmental entitlements" but the costs of these environmental projects that need to be delivered, which are independent of the entitlements held by both NSW and the Commonwealth environmental water managers. Using "environmental entitlements" as the cost driver for W05-03 doesn't recognise the fact that these projects are not directly linked to

“environmental entitlements” and need to be funded as they are critical to meet NSW’s broader environmental obligation and are the consequence of water extraction.

The Government has committed to reviewing the recommendations of the Connectivity Expert Panel and taking steps to improve connectivity across the Northern Basin. Evidence from several previous reviews, academic research and the Department’s own analysis demonstrate a clear decline in the health of downstream ecosystems and considerable impacts to communities due to the lack of consideration of connectivity in the NSW Northern Basin water sharing plans. A reduction of inflows from the Northern Basin has also been indicated as a main cause of massive fish deaths in the Darling River. WAMC has requested funding in W05-03 to implement rules to improve connectivity. The Commission supports this work being fully funded.

These activities are required to adequately protect the water sources and their ecosystems and many are statutory requirements established in current water sharing plans. It would appear that if they are not funded through this cost code then there is no funding proposed to be provided to WAMC for these actions. We request that IPART reconsider what is funded through this cost code or clarify how these actions would be funded as they are essential for providing environmental outcomes.

W06-01 and W06-02: Water Plan Development (inland and coastal)

The Commission recognises that IPART has accepted costs near the upper bound of Stantec’s recommendation for this code. However, we understand that funding for development of sustainable LTAAELs is intended by WAMC to be funded through this code. This is a statutory requirement of recently remade water sharing plans and is therefore a new cost. This work is essential for ensuring that water sharing plans are able to deliver their intended outcomes. While the documentation is not entirely clear, it would appear if the sustainable LTAAEL work is not funded through this code, then it will not be funded. We recommend that IPART reconsider the allowance for these codes to ensure that they fully covers development of sustainable LTAAELs.

We also note that while the reductions from the WAMC proposal were relatively fairly minor, funding proposed by IPART for **W05-04: Water Plan Performance Assessment and Evaluation** and **W04-03: Water Resource Accounting** was less than requested by WAMC. Given that IPART concluded that improved monitoring and reporting is necessary to improve the efficiency of water sharing plan development, we would encourage full funding of **W05-04** to the level proposed by WAMC. Similarly, **W04-03** covers funding for General Water Account reporting, which provides transparency for the community as to how the Department is managing water and we recommend should be funded to the level requested by WAMC.

Please contact [REDACTED] if you have any questions.

Yours sincerely

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