

Reference : D24/5924

10 December 2024

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

Dear Mr Nicholls,

Re: NRC supports WAMC funding proposal to meet its legislative obligations

The Natural Resources Commission (Commission) supports the Water Administration Ministerial Corporation (WAMC) in its pricing proposal for the 2025-2030 determination period to ensure DCCEEW - Water Group (Water Group) is able to fulfill its legislative obligations under the *NSW Water Management Act 2000* (the Act). These legislative obligations include making, implementing, extending or remaking water management plans consistent with sections 5(3) and 9 of the Act which give primacy to the protection of NSW water sources and their dependent ecosystems.

The Commission has a statutory function under the Act to conduct independent reviews of water sharing plans¹ and audits water management plans². The Commission's statutory functions are distinct from those of the Water Group and are not funded under WAMC. The Commission provides independent oversight of the Water Group to support the making and implementation of plans consistent with legislative requirements.

The Commission has consistently identified a range of critical issues that need to be addressed as a priority by the Water Group, both in implementation of the water sharing plans, and the making of plans consistent with the requirements of the Act. In particular, the Commission supports WAMC's funding proposal for the following key areas:

- **Development and implementation of sustainable numeric Long-Term Extraction Limits**– The Commission has consistently highlighted the importance of having sustainable, numeric extraction limits³ to protect NSW's water sources and their dependent ecosystems in accordance with the objects of the Act. Most water sharing plans in NSW still lack sustainable, numeric extraction limits and funding is required to progress the development and implementation of these long-term extraction limits and to assess compliance against these limits.
 - The Commission notes these are covered in WAMC's funding proposal under W06-01, W06-02 and W05-01 as they relate to the development and implementation of numeric Long-Term Extraction Limits.
- **Establishment of access rules based on best available science** - The Commission has highlighted the need for a thorough review of access rules in all water sharing plans to ensure they are based on the best available scientific information. This includes

¹ Section 43A of the Act

² Section 44 of the Act

³ NRC, [Issues Brief #1](#) and [Issues Brief #2](#)

assessing the impact of climate change on water sources and their water dependent ecosystems and set appropriate access rules. Currently, most NSW water sharing plans contain rudimentary and outdated access rules that place water sources and ecosystems at risk.

- The Commission notes the WAMC’s funding proposal for W01-05, W02-01 and W02-02 and parts of W06-01 and W06-02 would facilitate the use of scientific evidence to inform the review and revision of access rules in water sharing plans.
- **Addressing connectivity issues in Northern NSW** – The Commission supports the advice prepared by the Connectivity Expert Panel on the adequacy and potential improvements to rules in the NSW Northern Basin water sharing plans which impact on hydrological connectivity.⁴ As highlighted in WAMC’s pricing proposal Page 17, WAMC will require future funding to address the recommendations of a range of reviews, including those of the Connectivity Expert Panel and the NRC reviews.
 - The Commission notes WAMC’s funding proposal for W05-03 relates to progressing the recommendations of the NRC reviews and the Connectivity Expert Panel
- **Improvements to monitoring, evaluation and reporting (MER)** – The Commission has consistently recommended that the Water Group improves MER to provide vital information regarding water sharing plan outcomes and support continuous improvements when water sharing plans are replaced and amended. Improved monitoring and evaluation will provide greater transparency and provide vital information to inform future water management plan amendments. The obligation to develop and implement MER plans is now a legislated requirement as this has been included in many of the statutory plans. While the Water group has made good progress in the MER space, there remain significant gaps including the lack of MER for Aboriginal cultural outcomes, which is critical for progressing this strategic initiative. Consistent, evidence-based MER will ultimately assist in more efficient reviews of the water sharing plans by the Commission and development of remade Plans by the Water Group.
 - The Commission notes the WAMC funding proposal for W05-04 to enhance MER activities across NSW’s water sharing plans.

The Commission acknowledges recent initiatives by the Water Group, including improvements in MER activities. This includes the establishment of dedicated Water Evaluation and Reporting team within Water Group’s Operations division and advancing the development of monitoring and evaluation methods for environmental and water quality, and social and economic outcomes. These are important steps, but further work and funding is required to address outstanding gaps and to ensure these methods are implemented. In addition, advancing the above-mentioned priorities is essential to continuously improve water management in NSW.

While we support funding for these initiatives, we encourage IPART to strengthen accountability and ensure that the performance measures are updated to reflect outcomes in these critical areas so that funds are focused on the most essential needs. For example,

The Water Plan performance assessment and evaluation task for the previous determinations has objectives including:

- Identification of key knowledge gaps related to assessment of plan management rules, followed by an integrated research program to resolve the knowledge gap.
- Publication of ecosystem response conceptual models and preliminary reports that describe ecology/flow management outcomes and provide adequate advice

The outputs reported were that the Commission completed our audit and reviews, which are not funded by WAMC, and the percentage of plan areas in which there was any MER activity undertaken. IPART should require more rigorous performance measures that demonstrate

⁴ DCCEEW (2024) [Connectivity Expert Panel Final Report](#)

that the funds were used successfully to achieve intended outcomes. In this case the performance measures should demonstrate that MER plans have been fully developed and implemented and provided adequate data to support review of the environmental, social and economic outcomes and aided in improved review efficiency.

Performance indicators for the assessment of access rules based on best available science should include that the Water Group has successfully completed the Corrective Action Plan from the Section 10 review, which outlines requirements to ensure they are adhering to the principles of the Act.

Please contact [REDACTED] if you have any questions.

Yours sincerely

[REDACTED]
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